

# **Financials 2013**

**Rai**

**Parent Company  
Financial Statements  
as at 31 December 2013**

**Consolidated  
Financial Statements  
as at 31 December 2013**



# Reports and Financial Statements as at 31 December 2013





---

# Contents

Introduction	5
Parent Company Financial Statements as at 31 December 2013	13
Consolidated Financial Statements of the Rai Group as at 31 December 2013	127
Financial Statements of subsidiaries	201
Financial Statements of associated companies	231
Corporate directory	236



# Introduction

Corporate Bodies	6
Organisational Structure	7
Letter to Shareholders from the Chairman of the Board of Directors	9

# Corporate Bodies

## ***Board of Directors***

Chairman	Anna Maria Tarantola
Directors	Gherardo Colombo Rodolfo de Laurentiis Antonio Pilati Marco Pinto Guglielmo Rositani Benedetta Tobagi Luisa Todini Antonio Verro
Secretary	Nicola Claudio

## ***Board of Statutory Auditors***

Chairman	Carlo Cesare Gatto
Statutory Auditors in office	Domenico Mastroianni <sup>(1)</sup> Maria Giovanna Basile
Alternate Statutory Auditors	Liana Meucci Pietro Floriddia

## ***General Manager***

	Luigi Gubitosi
--	----------------

## ***Independent Auditors***

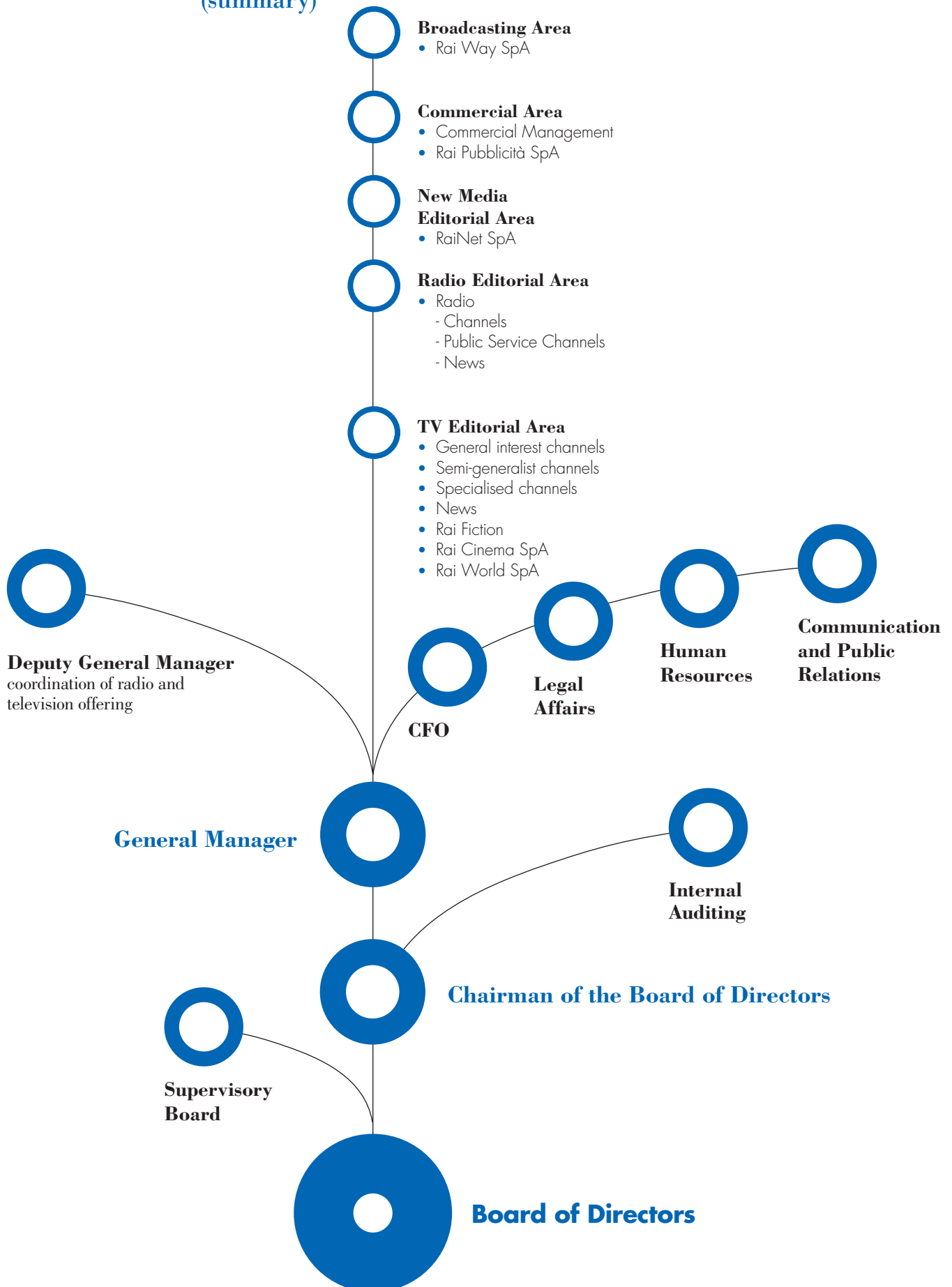
	PricewaterhouseCoopers
--	------------------------

<sup>(1)</sup> Replacing Antonio Iorio from 30 May 2013



# Organisational Structure

(summary)





# Letter to Shareholders from the Chairman of the Board of Directors

## *Shareholders,*

2013 was an important year for Rai, characterised by commitments aimed towards the construction of a new Rai.

In line with the mandate received, economic-financial, managerial-organisation, technological and editorial projects were launched to make Rai a healthier, more solid and independent company, with a greater capacity to produce first-rate programmes that are clearly identified and identifiable as Public Service products. The first significant result have been achieved on all fronts.

The income statement for the year showed again an, albeit modest, profit. Important managerial and organisational actions were carried out during the year. The necessary company digitalisation process was launched, sustaining considerable investments. The editorial line was also completely reviewed.

Progress is based upon a programmatic document, the Business Plan 2013 – 2015, which is directing all of Rai's strategic and operational activities.

A plan divided into twelve segments, the implementation of which is assigned to project managers for each of the specialised areas identified as priorities, thus ensuring effective and efficient execution.

It is a Plan which aims to make Rai not only a competitive company, thanks to a form of management which is attentive to limiting expenses whilst strongly supporting technological innovation, but also a Public Service company, which is focused on offering quality in the various genres, with the challenging aim of contributing to raising the country's cultural level.

It is an ambitious Plan, which intends to strengthen two types of leadership on all platforms and for all areas of the company: one of importance, as an authoritative, independent and credible source, and one of creativity, with the know-how to design new formats, new languages and new programmes.

These aims are pursued within a fairly articulated and complex regulatory framework, which reflects the hybrid nature of Rai, a public company,

holder of the licence for Public Service radio and television broadcasting, subject to a wide range of restrictions and controls whilst also being, a stock company operating within a competitive and highly dynamic market, with one of the highest rates of innovation.

Activity in 2013 was focused on four main areas of intervention: management, advertising, technological innovation, offering and projects.

The operational actions concerned the rationalisation of spending on a stabilised basis, favouring the internationalisation of production with the aim of optimising the use of resources and the effectiveness of controls; the recovery of advertising market shares, also through the strengthening of commercial levers; the acceleration of the digitalisation of television production and the consolidation of the Research Centre in Turin; and the start of the process to strengthen the editorial product and new projects, including those of an experimental nature.

As mentioned earlier, the Group and Parent Company income statements present a slight profit, of 5.3 million euros and 4.3 million euros respectively, compared to a loss of 244.6 million euros and 245.7 million euros in the previous year. This was a better result than that forecast in the budget.

2013 was positively influenced by the absence of costs for big sporting events which characterised 2012, but also by considerable savings in operating and personnel costs, amounting to a total of over 60 million euros for the Group and approximately 50 million euros for the Parent Company.

An all-round indicator: the ratio between the cost of personnel and the gross operating margin improved, from 2.1 to 1.5.

Due to the on-going severity of the economic context, net revenues continue to decline.

Due to the financial difficulties experienced by households, income from licence fees endured a reduction in new subscribers and a progressive increase in arrears.

The advertising market is still in recession: in just two years (2012-2013) the television segment incurred a loss of 1.1 billion euros: nevertheless,

in 2013 Rai registered a better performance than other companies in the market.

The consolidated net financial position, which best depicts the current situation, was impacted by disbursements regarding the renewal of the white and blue collar labour agreement, which expired several years ago, by staff resignation incentives and by advance payments for sporting events.

Rai's financial position and the solidity of its equity structure are heavily influenced by the government's decision not to apply the criteria envisaged by law for the determination of the single licence fee and by the absence of suitable measures to fight the evasion of this tax, which exceeds 27 percent in Italy, compared to a European average which is below 10 percent. The loss of income due to evasion is approximately 500-600 million euros a year, reducing the prospect of investing in products and technology.

The amount of Public Service costs not covered by the licence fee has been approximately 2.3 billion euros since 2005, as certified by the separate accounting approach.

Fighting licence fee evasion and acknowledging Rai the certified payment for the services rendered are primary aims but they are not within Rai's reach.

Rai can only cooperate with the specifically appointed institutions, reiterate its stance and continue to provide high quality products with stringent economic criteria.

On the managerial-organisational front, model 231, the code of ethics, buying procedures and the internal audit system were reviewed and the reorganisation of the whole system of company processes begun.

Staff evaluation systems are also being introduced and organisation processes are being gradually simplified in order to reduce reporting lines and better identify roles and responsibilities.

On the editorial front, we have re-modulated the programming of Rai 5 as a performing arts channel, strengthened Rai Storia and Rai News, and focused fiction series on contemporary themes that are varied and express a wealth of points of view, paying particular attention to the world of women and young people.

Programming for Italians abroad was strengthened and an active presence in the various associations in the Euro-Mediterranean area was ensured, obtaining extensive and tangible appreciation for our work.

The offering for children was distinguished by the high qualitative and quantitative level of original production and programming, particularly with the further consolidation of the channel Rai Yoyo, absolute leader among preschool children. We have contributed to the national production of cartoons with investments in products that are also appreciated abroad.

During 2013 we continued working towards the accomplishment of the ambitious plan of technological renewal, launched in autumn 2012. This plan is part of a broader strategy which aims at understanding the implications, opportunities and manner in which we can operate in order to work more competitively and effectively in a digital world. In December 2013, rainews.it was launched and is the new reference portal for Rai's news.

In an increasingly competitive setting, Rai – thanks to the fundamental contribution of the specialised channels – firmly maintained its leadership position in terms of audience, for the whole day and at prime time.

The indexes for corporate reputation and quality are very positive and reassuring, highlighting the fact that overall confidence in Rai is still solid.

The quality of programming is also shown in the numerous awards and acknowledgements received by Rai in 2013.

Among the many awards received, special mention goes to the Golden Lion awarded at the Venice Film Festival to the amazing *Sacro Gra* by Gianfranco Rosi, the Silver Ribbon award, the Cineciak d'oro award and the Bellisario prize awarded to *Una Mamma Imperfetta*.

A total of 136 awards and 197 selections and nominations were awarded to Rai productions at various national and international festivals during the year.

Many of these prizes and appreciations went to the Rai Storia and Rai Scuola programmes; less

known but equally important awards, especially in a context in which attention to quality, intended as the ability to respond in a culturally and technologically advanced way to a widespread demand for knowledge, skills, orientation and common civil references, shows all its importance in light of new opportunities and challenges of the digital revolution.

Rai Scuola, unfortunately, is negatively impacted by its placement in a very high channel number (146). We hope that the Ministry of Economic Development and the Authority for Guarantees in Communication will back a better placement.

The Business Plan 2013-2015 also has the crucial goal of accompanying Rai adequately and more legitimately towards the expiry date of the Public Service licence in 2016. The aim is to operate so that Italians consider Rai as a vital public asset, as an upright company at the service of the country, in order to support its growth, development, innovation and international reach.

The Public Service (every public service) has to focus its production in relation to the requirements of society and the expressed and unexpressed needs of the population.

Our ambition is to proceed with this mission, and with the support of Shareholders and institutions, we are confident that the role of the Public Service will be safeguarded and strengthened in the name of democracy.

It is important to remember that Rai, in its capacity as public broadcaster, creates value; it supports the activity of independent producers of film and fiction; it finances the cartoon industry; it offers news and entertainment services of extreme importance to the population; and in observance of the Service Agreement, it produces programmes that are tailored to the country in which it operates whilst investing in infrastructures at national level.

In short, Rai provides vital support for the country's economic, cultural and civil life.



# Parent Company Financial Statements as at 31 December 2013

Report on Operation of the Board of Directors	15
Financial Statements of Rai SpA	63
Notes to the Parent Company Financial Statements	71
Parent Company supplementary schedules	115
Report of the Board of Statutory Auditors	119
Independent Auditors' Report	123
Shareholders' Meeting Resolutions	126





# Report on Operations of the Board of Directors

<b>Rai</b>	<b>16</b>
Mission	16
The broadcasting market scenario	17
The system's economic resources	18
The legislative and regulatory framework	19
<b>Rai's product: offering and performance</b>	<b>20</b>
Map of Rai's offering	20
The editorial offering	22
The performance of Rai's offering	23
<b>Rai's activities</b>	<b>27</b>
Television	28
Radio	38
The Internet	39
Commercial activities	40
Other activities	41
<b>Review of Balance Sheet, Income Statement and Financial Situation</b>	<b>43</b>
<b>Other information</b>	<b>58</b>
Human Resources	58
Research and Development	59
Intercompany transactions	60
Outlook	61
Supplemental information	61
Recommendation to Shareholders	62

## Rai Group

### Mission

Rai's mission is represented by its role as **general public service broadcaster**.

The Concession holder, on the basis of legislative sources and national and European laws, is required to fulfil precise obligations in relation to the quality and quantity of programming, further detailed in the Service Contract entered into with the Ministry of Economic Development.

The **Service Contract** currently in force refers to the three-year period of 2010-2012. The Service Contract valid for 2013-2015 is currently being evaluated by the Parliamentary Commission for Regulation.

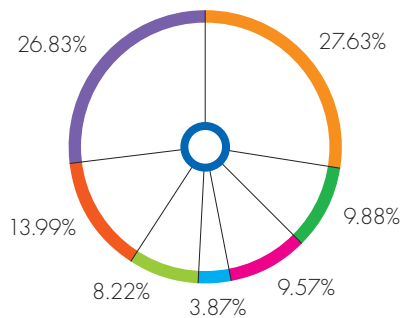
The Contract provides Rai with rules with respect to levels of service and restrictions in the pursuit of its editorial activity, in constant growth.

The Service Contract establishes an evident connection between Rai, individuals and society, meeting needs that are important for the growth of the individual and for the creation of a social conscience.

Among the editorial themes, attention to training and work, to information and analysis, to social and cultural themes, to children and teenagers, to sport and entertainment, to linguist minorities and to the promotion of Italy abroad for foreigners and for the numerous Italian communities that live in foreign countries, are all worthy of mention.

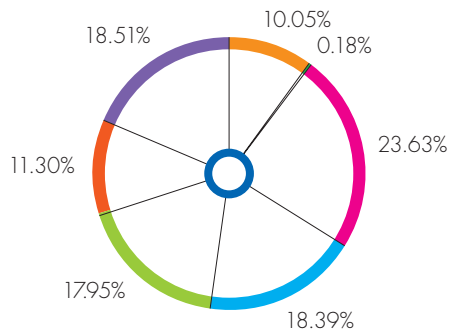
### Television programming by genre on general-interest channels

(Source: Rai)



- News & Information and analysis
- Service programmes and slots
- Cultural programmes and slots
- Sports news and programmes

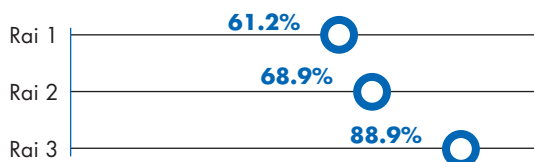
### Television programming by genre on specialised channel



- Children's programmes
- Italian and European audio-visual productions
- Other genres (Entertainment, non-European film and fiction series)

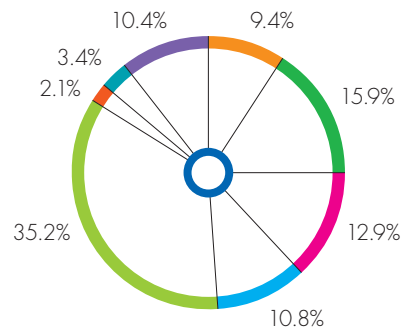
### % of Service programming on general-interest channels

(Source: Rai)



### Radio programming by genre

(Source: Rai)



- News
- Information
- Culture
- Society
- Music
- Service
- Public service
- Other genres (Entertainment and radio variety shows)

## The broadcasting market scenario

### The players

The broadcasting market in Italy has recorded an outstanding performance.

2013 was characterised by the industrial repositioning of Telecom Italia Media which, after selling the La7 channels to the Cairo group and the Mtv Italia networks to Viacom, launched an integration project with L'Espresso group relative to the activity of digital terrestrial network operator, in order to enhance the respective industrial assets, accomplish synergies and economies of scale and create the first independent player with broadcasting potential like those of Rai and Mediaset.

Lastly, 2013 also saw the acquisition of Switchovermedia by Discovery which, thanks to this move, can now expand its portfolio of channels, becoming third editor on the Italian market in terms of audience figures. The other piece in the strategic puzzle consists of the development of the editorial offering through the acquisition of the rights to the Six Nations tournament destined to the Dmax channel and through the debut on the Real Time channel of people and programmes that come from the general interest offering.

### The audience

2013 was the **first full digital year** in Italian television history. This meant that the entire television audience had full access to Rai's free multichannel digital bouquet broadcast using digital technology and via satellite.

As regards fruition through individual platforms, 2013 was a year of confirmation of the trends begun in previous years, consolidating the centrality of free Digital Terrestrial Television with respect to other pay view digital and satellite platforms which have remained more or less stable.

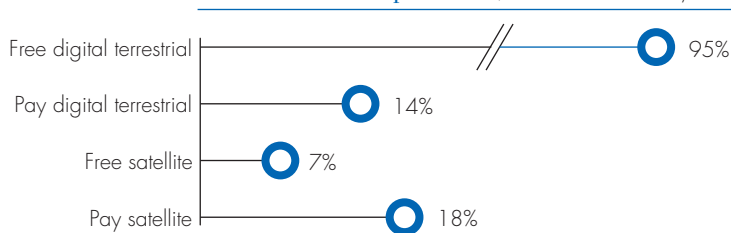
In this context, considerable dynamism has been recorded online.

The process for the development of services which offer live access and access on demand to video and TV content through mobile and fixed multimedia devices continued and there were signs of growing interest from the public in the wake of what is happening in other countries.

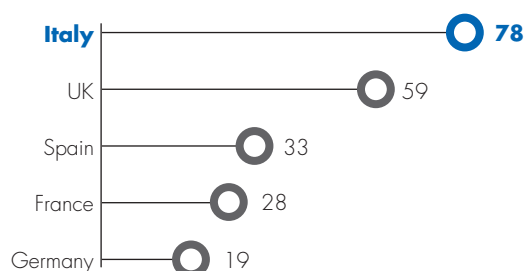
Returning to traditional television platforms, the free offering available places Italy in first place in Europe.

In terms of public attitudes, the year that has just ended confirms the trend begun in recent years with regard to the increase and fragmentation of television use.

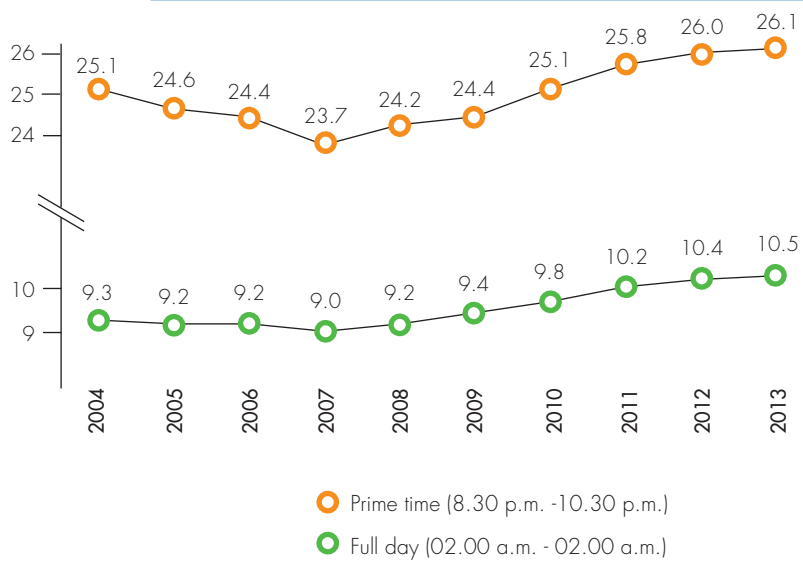
Broadcasting % among Italian households of the tv platforms (source Auditel and Sky Italia)



Number of major Italian broadcast-free channels in Europe (in units, source Rai)



Changes in average television audience (source Auditel, data in millions)



New records were reached in terms of size of the television audience, for the whole day and in prime time.

The figure relating to the average time dedicated to the vision of TV has slightly increased from 310 minutes a day in 2012 to 316 minutes a day in 2013.

The trend in the redistribution of audience figures continues to proceed, albeit at a slower rate: the seven general interest channels have lost a further three points, falling to 62.2% over the twenty four hours, mainly to the advantage of the free semi-general interest and specialised channels.

## The system's economic resources

### Advertising resources

**Advertising resources** in 2013 recorded a marked decline of 12.4% compared to 2012, although the rate of contraction has slowed down.

In this context, Rai performed much better than the market, with an 8.5% decline compared to 2012. This result was very positive if we consider the occurrence, during the previous year, of big sporting events such as the European Football Championships and the London Olympics. Net of big sports events, the decline would have been 5.2%.

### Licence fee resources

**Licence fee resources** were largely stable for Rai, at +0.4% compared to the previous year. Higher resources linked to the increase in the per-unit licence fee were partially offset by the drop in the number of paying licence holders caused by the on-going economic crisis, which has resulted in the reduction of new licence holders and an increase in arrears.

This invites inevitable reflection, which has been suggested to the Institutions for some time, on certain factors linked to the evolution of licence fee resources.

First of all, the Italian licence fee, which continues to be the lowest in Western Europe, is unable to recoup against inflation, as the increase in the per-unit licence fee is calculated on the basis of scheduled inflation.

The estimated rate of evasion is also particularly high at 27% compared to a European average of around 10%.

## The legislative and regulatory framework

### Digital terrestrial television

Through resolutions 451/13/CONS and 539/13/CONS et seq., the Authority for Guarantees in Communications outlined the new framework for the national planning of television frequencies (PNAF) and, within this context, defined the frequencies to be assigned via competitive auction in accordance with Law no. 44 of 2012.

The new PNAF envisages the evolution of the frequency arrangement of Rai's mux 1 and 5, to be implemented by 2016 and, for Veneto and Abruzzo, by 2018.

During the procedure envisaged for the planning activity, a procedural agreement was entered into between Rai, the Ministry of Economic Development and AGCOM for what concerns the completion of the regionalised network (mux 1) and of mux 5.

Through resolution 277/13/CONS, the Authority approved the procedure for the assignment of the frequencies by auction, taking steps to guarantee conditions of effective competition and defence of pluralism. Three lots of frequencies will be auctioned. These lots correspond to three national television networks with twenty-year usage rights. Only new arrivals or small operators can compete for all three lots; operators already in possession of two multiplexes can compete for two lots; integrated operators, active on other platforms with a market share of more than 50% of pay TV can compete for just one multiplex. The resolution excludes operators holding three or more multiplexes, such as Rai, from participating in the auction.

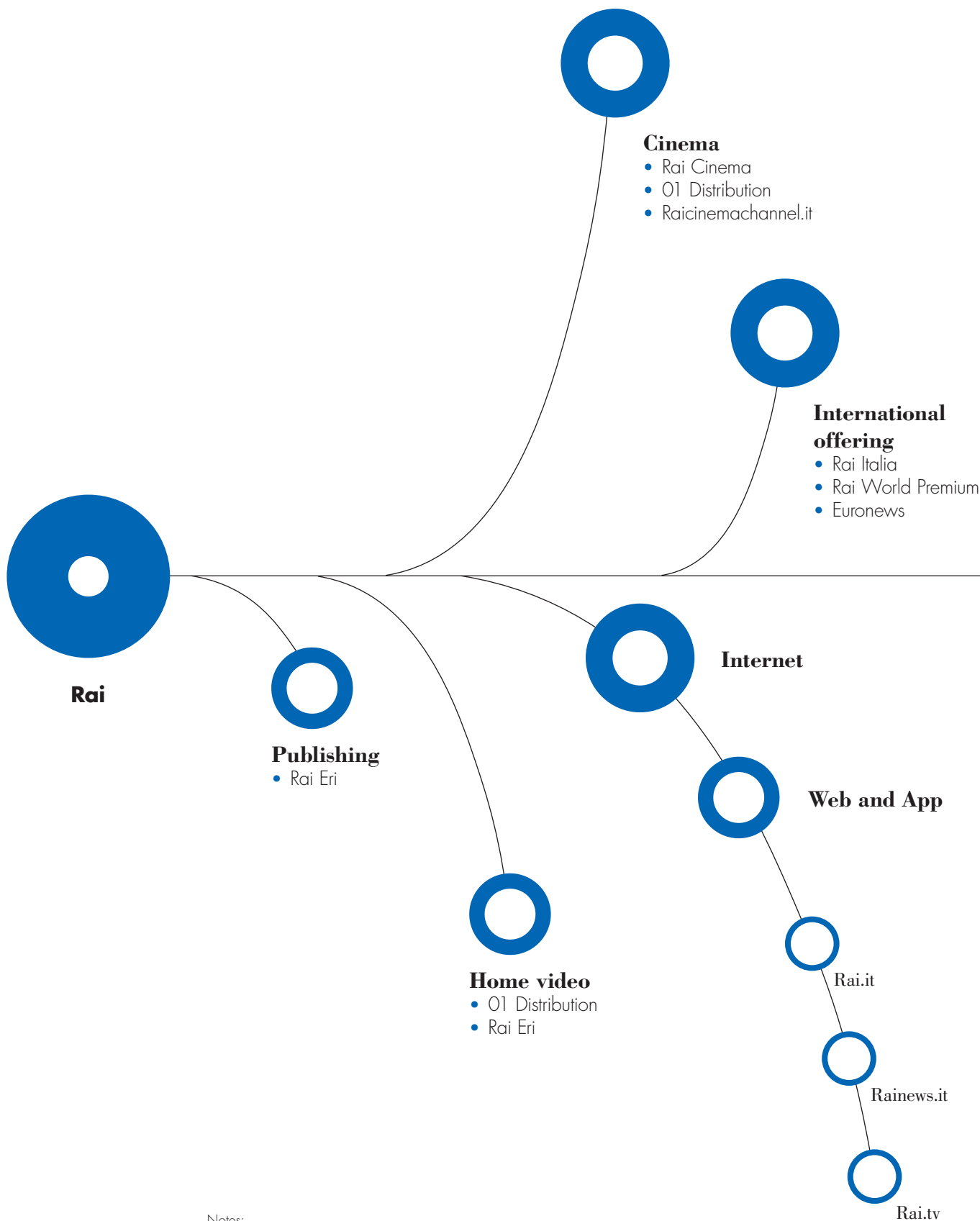
### Automatic numbering of channels

Through resolution 237/13/CONS dated 21 March 2013, AGCOM approved the new plan for the automatic numbering of both free view and pay TV digital terrestrial television channels, the methods of attribution of the numbers to the suppliers of audio-visual media services authorised for the diffusion of audio-visual contents using digital terrestrial technology and the relative conditions of use.

The State Council, with ruling 6021/2013, cancelled the above resolution and appointed a special commissioner ("Commissario ad acta") for the numbering review.

At the beginning of 2014, the Authority issued a resolution which temporarily confirmed the existing numbering.

## Map of Rai's offering



Notes:

<sup>(1)</sup> TV and radio information is available on all transmission platforms

<sup>(2)</sup> It can be viewed on the DTT in the areas reached by multiplex 4

<sup>(3)</sup> It can be viewed on Tivù Sat

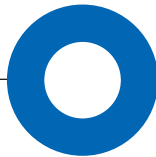
<sup>(4)</sup> It can be viewed on the DTT in the areas reached by multiplex 4 and Tivù Sat



### Radio

- Rai Radio 1
- Rai Radio 2
- Rai Radio 3
- Rai Gr Parlamento
- Rai Isoradio
- Rai Radio FD4 e FD5
- Rai Web Radio 6
- Rai Web Radio 7
- Rai Web Radio 8

### Television



#### General-interest channels

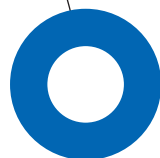
- Rai 1
- Rai 2
- Rai 3
- Rai HD <sup>(2)</sup>
- Rai 1 HD <sup>(3)</sup>
- Rai 2 HD <sup>(4)</sup>
- Rai 3 HD <sup>(4)</sup>

#### Semi-general interest channels

- Rai 4
- Rai 5
- Rai Movie
- Rai Premium

#### Theme-based channels

- Rai News 24
- Rai Storia
- Rai Scuola
- Rai Sport 1
- Rai Sport 2
- Rai Gulp
- Rai YoYo



### Information <sup>(1)</sup>

- TG1
- Tg2
- TG3
- TGR
- Rai Parlamento
- Rai Sport
- Rai News 24
- Rainews.it
- Televideo
- Giornale Radio Rai
- Gr Parlamento

## Rai's product

Rai is a complex and articulate editorial, technological and industrial organisation, focused on fulfilling its Public Service mission. The following paragraphs provide a detailed examination of its editorial and productive activities in terms of the quality and quantity of the offering, the performance reported and the activities of the single channels, newsrooms, structures and companies.

### The editorial offering

Rai Group covers all the platforms on the communication market, with a very broad and articulate offering fit to appeal to all types of audiences in terms of viewing figures, fruition and qualitative evaluations. It provides its national and international television and radio offering on the digital and satellite platforms and on the Internet.

### Digital terrestrial and satellite television

Digital terrestrial TV – which is the product of an impressive long-term investment programme sustained by the Concession Holder – is the television platform of reference for Rai on which the Group pursues a multichannel development of the offering.

Satellite television, which is considered complementary with respect to digital terrestrial, makes it possible to reach areas which are not served by this type of broadcasting technology and it is for this reason that Rai, together with Mediaset and Telecom Italia Media, following similar experiences in other countries, has developed Tivù Sat, the free satellite platform.

Rai's offering is the broadest free offering available in Italy and Europe, with a total of fourteen channels on the digital terrestrial and satellite platforms:

- **three general-interest channels**, Rai 1, Rai 2 and Rai 3, which are also available in HD. The Rai HD channel, which proposes the best of Rai's programming, is available on the digital terrestrial platform and the HD versions of Rai 2 and Rai 3 are available through multiplex 5, the coverage of which is currently being extended. The HD versions of all three general-interest channels are available on Tivù Sat.
- **Four semi-general-interest channels**: Rai 4, Rai 5, Rai Movie and Rai Premium.
- **Seven specialised channels**: Rai News 24, Rai Storia, Rai Scuola, Rai Sport 1 and 2, Rai Gulp and Rai YoYo.

In addition and in support of the linear television offering, Rai proposes interactive applications and video services on demand via the Internet,

which can also be used with smart TV and TV with interactive decoders connected to the network.

### International television offering

Rai operates at international level with two channels:

- **Rai Italia**, a channel directed at Italians living abroad, outside of Europe.
- **Rai World Premium**, which offers the best of Rai's fiction production.
- **Euronews**, a pan-European multilingual news and information channel created by a consortium of which Rai is one of the founding partners.

### Radio

Analogue and digital radio is an essential segment in which Rai is the leader, in line with its historical vocation, due to the desire for defence and innovation in an evergreen communication medium and due to the role assigned to it by the Service Agreement.

Rai's offering is the broadest in Italy and envisages the presence of:

- **three radio stations**, Radio 1, Radio 2 and Radio 3.
- **Gr Parlamento**: a channel dedicated to the Institutions.
- **Isoradio**: the infomobility station offering Italian travel information, with the CISS services also on television channels.
- **Two specialised music stations**: Radio FD4 and Radio FD5.

All the stations can be used on the Internet and on the digital terrestrial and satellite channels, while three additional channels, WebRadio 6, WebRadio 7 and WebRadio 8 have been added specifically for the web.

### Internet

Together with DTT, the web represents a central platform in Rai's programming and industrial strategy, both in the light of growing popularity with Italian families (68.6% of families are connected and 81.4% of individuals) and due to its ability to determine in-depth innovations in the offering, consumption and business models.

At the end of 2013, Rai's offering on the web consisted mainly of three 'sites':

- **Rai.it**: the portal that aggregates and increases the accessibility to the vast web offering of the Group. It promotes and offers access to all the programming of the television and radio

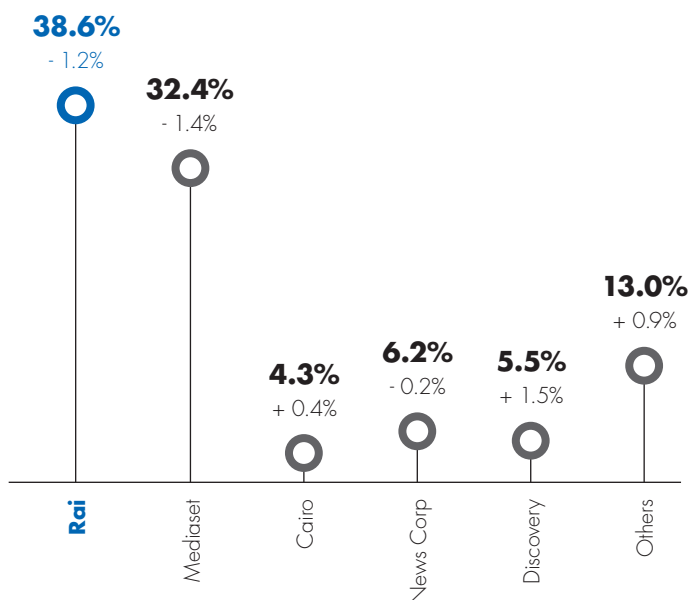


networks broadcast and to the informative and multimedia contents of all the news programmes channels. The portal also includes the programming guide and interactive services of Rai and the community, which allows interaction with the most popular programmes and celebrities and with the relative community of viewers and listeners.

- **Rai.tv:** the environment through which it is possible to access the whole Rai audio-video offering available on the Internet, with the live streaming of 15 television channels and 10 radio stations, the Replay TV service, all rights of which are held by Rai, that provides access on demand to the three general-interest channels, Rai 5, Rai Premium and Rai YoYo broadcast in the previous seven days, and the on demand service, which can be used to access almost all the TV offering of the general-interest and news channels, as well as extensive content available exclusively on the web, taken from the Teche and Rai production archives.
- **Rainews.it:** since 1 December 2013 it has been the 'site' where all information provided by Rai can be viewed with constant news updates enhanced with videos and photo galleries, the latest editions of the television and radio news, the live reports of the all-news channel, Rai News 24, and the day's most important events.

For what concerns the latest advanced media offerings, which include the on-demand video offering for state-of-the-art connected televisions, some of Rai's services are also available in the form of **applications** for the main smartphone and tablet platforms. These include Rai.tv, RadioRai, Teletvivo, Rai News 24, Tg1, Tg3 and Rai Sport.

Audience on the average day (2.00 a.m. - 2.00 a.m., source Auditel)



## The performance of Rai's offering

### Digital television

After years of changes due to the on-going switch-off operations and the growth in the range of new editors and channels, 2013 was a stable year, in which the performances of the products were determined exclusively by their ability to attract audience.

For the first time, television audience exceeded the threshold of 10.5 million viewers on the average day and 26 million viewers in prime time.

This result is even more outstanding as it has been reached in the absence of important sporting events, which attract a considerable number of viewers. The digital televisions growth can possibly be attributed to the enrichment of the television offering due to the specialised digital channels, which also determined a gradual redistribution of viewers, to the detriment of the general-interest networks.

The latter continue to endure a downtrend in viewers, settling, in 2013, at a 62.2% share on the average day, falling by 3.2 points, and at 66.8% in prime time, with a drop of 2.8 points compared to 2012.

On the **average day**, Rai retains its leadership with a 38.6% share compared to the 32.4% of Mediaset.

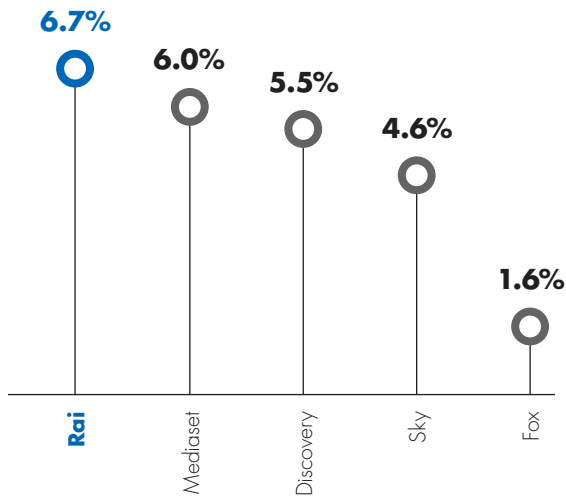
This result was attained in a situation which saw an increase in the audience of La7 (3.8%) and the free specialised channels available on the digital terrestrial and satellite platforms. Excluding Rai and Mediaset, which are measured by Auditel, the share of the other free TV channels considered together has grown to 16.5%, with an increase of 2.4 points on 2012, while the other pay TV channels have recorded a slight decline of 0.4 points, settling at 8.7%.

Restricting the analysis to the general-interest channels we report that:

- **Rai 1**, with a share of 17.8%, while falling by half a point compared to 2012, is confirmed as the most popular television channel overall, with a good margin compared to Channel 5, which is down by 0.3 points to 14.9%.
- **Rai 2** settles at 6.8%, with a loss of 0.8% in 2013, confirming its position as fourth national channel.
- **Rai 3**, with a decline of just 0.3 points, is the third national channel, with a 7.4% share in 2013.

### Comparison among specialised editors

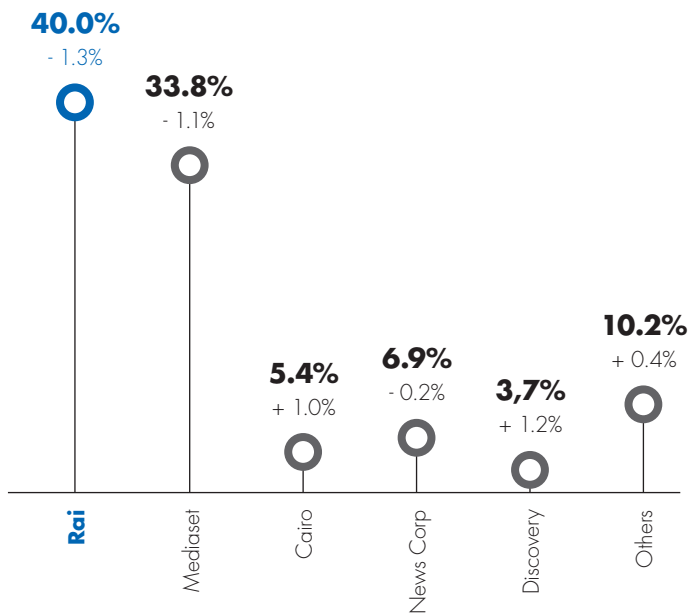
(Full day share 2.00 a.m. - 2.00 a.m., source Auditel)



Rai Group's specialised channels made an important contribution to the result, obtaining a total share of 6.7% over the whole day, an increase of half a point compared to 2012, thanks mainly to the performances of the preschool children's channel Rai YoYo, Rai Premium, Rai 4 and Rai Movie, all of which rank among the ten specialised channels with most viewers during the year.

In this ranking, Rai has four channels, compared to Mediaset's three (Iris, Top Crime and Boing), Discovery's two (Real Time and DMax) and the only one owned by Sky (Cielo).

### Prime time audience (8.30 p.m. - 10.30 p.m., source Auditel)



In **prime time**, Rai maintains its leadership with a share of 40% against 33.8% of Mediaset. During prime time, where the general-interest channels (including La7 at 4.9%) usually concentrate their leading products, the growth of the other specialised offers seems to be more contained: the combination of other free TV channels achieves a 12.7% share, up 1.6 points compared to 2012, while other pay TV channels are substantially stable at 8.6%.

As regards the single channels:

- **Rai 1** continues to be the most popular channel, with 19.1%, falling by just 0.3 points and bypassing Canale 5 (down 10 15.3% with a loss of 0.7%) by almost 4 percentage points.
- **Rai 2** and **Rai 3** continue to be the channels with most viewers after the leading Rai and Mediaset channels, reaching shares of 7.4% (-1% compared to 2012) and 7.8% (-0.5% compared to 2012) respectively.

Among the factors that contributed, at least in part, to the slight decline during prime time, it would be fair to mention the absence of big sports events for Rai 1 and the presence of the *Tribune Elettorali* on Rai 2 which, being essential to the Public Service mission, recorded under-average shares for the two weeks during which they were broadcast.

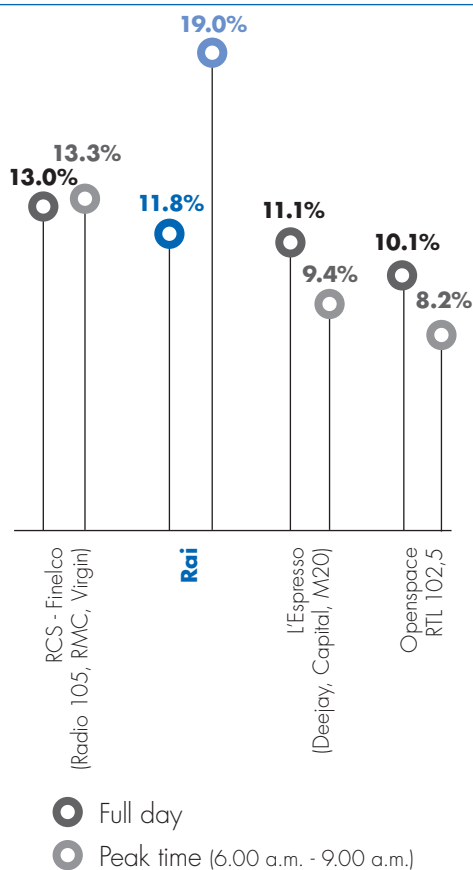
Rai's specialised channels reached a 5.7% share in prime time, up 0.4% compared to 2012, falling just behind Mediaset's specialised offering which, we should remember, also includes the premium football events available on pay TV (Serie A, Champions League and Europa League).

## Radio

RadioRai keeps Italians company every day. Around 6.8 million people, 13.4% of the population, listen to Radio 1, Radio 2 or Radio 3 every day.

This means that RadioRai is the second radio group, with an 11.8% audience share on the average day. This position climbs to the top of the ranking, with 19%, during peak time, from 6.00 to 9.00 a.m. and with an average of 1.3 million listeners.

**Radio audience** (source Eurisko Radiomonitor)



## Internet

In 2013, an average number of 28 million Italians logged onto the internet from home or work at least once a month. Almost 20 million of these watched video content.

The **Rai.it** portal totalled an average of 149 million pages visited per month and generated overall traffic of almost 1.8 billion pages, with a growth of 6% compared to 2012.

The multimedia portal, **Rai.tv** reached a monthly average of 61 million pages visited, with an overall total of approximately 730 million pages a year and a growth of over 14% compared to 2012.

On the whole, the numbers of Rai's presence on the internet platform, including Youtube, confirm the strong appeal of Rai's contents.

This appeal is behind the important figures also recorded on **social network**: at the end of 2013, 7 million fans liked Rai's offering on Facebook and there were 1.4 million followers on Twitter.

Rai's already rich and varied presence on **mobile devices** was further diversified, to become available on even more operating systems. The two most successful applications are Rai.tv, with 4.1 million downloads since it was launched, of which 2.8 million in 2013 alone, and **RadioRai** with 800,000 downloads, of which 200,000 in 2013.

In December, coinciding with the debut of the **Rainews.it** portal, its relative application was also launched, totalling over 111,000 downloads.

Lastly, we would like to mention the extensive presence of **Rai Educational** on the web.



## Rai's activities

<b>Television</b>	<b>28</b>
General-interest channels	28
Semi-general interest channels	29
Specialised channels	30
Information	32
Cinema	34
Fiction	36
Teche	37
<b>Radio</b>	<b>38</b>
Channels	38
News and information	39
Public Service stations	39
<b>The Internet</b>	<b>40</b>
<b>Commercial activities</b>	<b>40</b>
Advertising	38
Commercial development	38
<b>Other activities</b>	<b>42</b>
Digital development	42
Broadcasting activity	42

**Full day audience**  
(general-interest channels)

Rai 1

17.8%

Rai 2

6.8%

Rai 3

7.4%

news and the major programmes aired during prime time and the evening slot. A popular, high-quality offering which spans different television genres with an easily recognisable profile.

*“In a changing television setting, Rai 1 tackles a difficult challenge: consolidating its authority as a Public Service broadcaster whilst experimenting new products and languages to capture the needs and expectations of an evolving audience.”*

**Rai 2**

Rai 2 represents contemporary television: from culture to news, from shows to unconventional entertainment, to offer the highest quality programmes that best convey the events of our time.

In 2013, Rai 2 pursued its commitment to consolidate its role as a trend-setting channel, attentive to emerging cultural movements, current events and recent history. A channel associated with words such as modernity, dynamism, curiosity, creativity and originality.

*“Rai 2 chooses carefully the path it takes to contact its audience: as well as consolidating its successful programmes, it will also experiment in prime time and the late evening slot to strengthen the channel’s brand.”*

**Prime time audience**  
(general-interest channels)

Rai 1

19.1%

Rai 2

7.4%

Rai 3

7.8%

**Television**

**General-interest channels**

**Rai 1**

Rai 1 is the reference point for Italian audiences, with the most extensive coverage of events of national interest, from current affairs to sport and all kind of shows, as well as being the home of great television fiction production and entertainment.

2013 confirms Rai’s position as the channel with most television viewers, on all platforms and throughout the day’s various programming segments. Its programming schedule is rich and articulated, spanning from the early morning news programmes to stories of everyday life, at all levels, which, along with news reports and information, accompany the channel’s late morning and afternoon slots. This continues through the quizzes and game shows of the early evening slot, to the evening

**Rai 3**

Rai 3 is the channel characterised by commitment: a unique and irreplaceable reality in the television panorama, it investigates problems, trends and prospects of Italy’s civil society every day.

In a setting which confirms the pressures placed on general-interest TV by the specialised channels, Rai 3 has retained its third place among the channels that were most popular with the Italian public in 2013, retaining its leadership in terms of appeal to its traditional audience. The strength and identity of Rai 3 are supported by its all-live daytime programmes, a continuous sequence of cleverly put together and analysed information, which is both immediate and closely related to the evolution of the day’s topics and events.

Historical programmes accompany the transition towards the early evening slot which, at the end of the national and regional news, the fulcrum of the Public Service, leads to the channel's main programmes. Successful cultural and political talk shows, confrontations and inquiries, with Rai 3 being the only Italian network to transmit reportages in prime time.

Quality and uniqueness are the stylistic features of a network which is unmistakable and impossible for its audience to do without.

***“Rai 3 prepares for the future mindful of the pitfalls of the progressive and inevitable fragmentation of the public due to the multiplication of programmes offered by television. However, it is convinced that, by strengthening its identity, it can continue to combine quality, innovation and Public Service values, thus maintaining a strong social position.”***

**Audience of specialised channels (semi-general-interest and theme-based channels)**

Full day

6.7%

Prime time

5.7%

### **Semi-general-interest channels**

#### **Rai 4**

Rai 4 is the TV with a global image: from Oriental action to French crime, from American fantasy to the most prize-winning auteur TV series, passing by the new frontiers of genre production.

The network will devote more attention to serial productions during prime time and prioritise the 15/44 year-old target.

This sets important challenges in the updating of serial productions which are influenced, more than films, by repeat screening. This is even truer when dealing with very young viewers, who naturally prefer new products and use of the web.

***“The channel’s editorial sphere is related to the concepts of ‘cult television’: serialised stories, global image, post-modern and neo-modern***

***aesthetics, categories that are now transversally crossing film and television production.”***

#### **Rai 5**

**Rai 5, when TV is culture, art, shows and entertainment from all over the world, for an extended and global viewpoint on the present day.**

Since December 2013, Rai 5 has been the performing arts channel.

It offers unique and recognisable programmes which span from theatre to opera, from classical music to dance and from art to literature.

The programming arrangement proposes fixed and live appointments with large-scale events, prestigious pieces from the Rai repertory, and high-profile Italian and foreign productions, films and documentaries.

***“With this philosophy, Rai 5 accentuates its cultural vocation, offering more space to classical music and performing arts, and provides a tangible response to an increasingly widespread demand for quality by audiences.”***

#### **Rai Premium**

Rai Premium is the narrative channel: the best Italian and foreign fiction series, along with the biggest successes in entertainment of the past and recent present, to provoke thought, laughter and emotions.

In 2013, the channel confirmed its position as the semi general-interest channel 'to experience again and again'. It has gone from being a single-themed channel, which simply repeated the fiction series televised by Rai, to a channel with a clearer identity, through the introduction of TV series and movies from outside of Europe, South American soaps and general-interest entertainment.

The debut of productions dedicated to the channel with regard to TV series broadcast, celebrities and other cultural and informative products was of fundamental importance.

***“The repeat broadcasting of the best general-interest entertainment permitted, on the one hand, a more intensive exploitation of the product and, on the other, an opportunity for a better differentiation of the channel’s offering compared to Rai 1.”***

### Rai Movie

Rai Movie is a channel for all genres: comedies, thrillers, action, sentimental and horror films. A channel that is able to prioritise the viewer's favourite genre.

In 2013, Rai Movie confirmed and consolidated its philosophy as a film channel which aims to present a Public Service offering, capable of combining quality and performance, satisfying the tastes of film fans of every kind.

In keeping with this editorial stance, the channel has recovered and proposed works originally conceived for the big screen, without foregoing TV series characterised by a clear cinematographic style.

***“The channel placed a strong accent on current and future opportunities of the interaction via web within the context of its overall offering; the constant presidium of the social networks is rewarded by the continuing increase in followers of Rai Movie.”***

### Specialised channels

#### Rai YoYo

Rai YoYo is television with a 'no adults' policy, a channel dedicated to preschool children and their parents, a channel conceived and created to entertain and educate at the same time.

As regards editorial results, the channel currently represents a level of excellence at a national and international level, succeeding in quickly consolidating its position as the most popular channel among Italian children and their families. The channel's strengths are the concentration of the editorial development on its main and most successful programmes and constant investment in programmes produced in the studio, which enhance the reputation and appeal of Rai YoYo, as well as qualifying it in terms of the high Public Service value offered in comparison to the commercial offering of the channel's rivals, based mainly on purchase.

***“Rai YoYo is the specialised offering dedicated to preschool children, full of original programmes and productions capable of combining high creative quality and high educational value in a proposal tailored specifically to educate through play.”***

### Rai Gulp

Rai Gulp is the place where TV becomes child's play: teen comedies, teen soaps, films, games and cartoons, to offer children and teenagers fun viewing every day.

Rai Gulp is the specialised offering for school children (aged 8 to 14), with a variety of programmes rich in cartoons, TV series for children and studio productions conceived and produced entirely by Rai. In this way, again in 2013, Rai Gulp played an important role in linking the preschool offering of Rai YoYo and appetising proposals for teens on Rai 3 and Rai 4, aiming to loyalise children and teens to the Rai brand over the years.

Lastly, Rai Gulp has succeeded in launching a competitive cross-media offering, developing its own on-line community with projects that focus on strengthening the link between Rai and young teens.

***“Rai Gulp is characterised as a source of ‘smart’ entertainment, which exploits topics and themes that are particularly dear to the target, to portray values and positive elements in a fun and light way, to help educate teens by making them aware of the issues and complexities that characterise their everyday lives.”***

#### Rai Educational

The need to overcome the economic and social crisis that is affecting the country sets the whole communication system the challenge of improving and strengthening the education system, in order for it to respond to the demand for new and more extensive skills, both for those who are already part of the working world and those who have still to enter into the same.

Rai Educational aims to be a protagonist of this phase of informal education, helping to create a widespread, rich and stimulating educational environment for its viewers, also on the web, dividing its programmes between Rai Storia and Rai Scuola.

#### Rai Storia

A new story every day: documentaries, series and analytical programmes to look back at our past, always from a different and original point of view.

In 2013, the programming of Rai Storia was enhanced by lots of new elements and programmes. Series like *Italia in 4d*, with Carlo Lucarelli, and *Viaggio nell'Italia che cambia*, with



Edoardo Camurri, lay testimony to the social and economic changes underway. Great journalists like Paolo Mieli and Gianni Riotta present *Eco della Storia*, where an audience of experts discuss topics of the past which still echo loudly through contemporary life. Last but not least, and important because they are extremely current, are the analyses on matters of legality and the viewpoint of women throughout the 20th century.

***“Rai Storia is one of the lynchpins of the Rai Educational project: a channel which, starting from an attentive and detailed analysis and interpretation of our distant and recent past, offers opportunities to reflect and enables us to approach the fields of knowledge, the arts and trades with a historiographical language, favouring an understanding of the complex situation in which the contemporary person has to live.”***

#### Rai Scuola

Rai Scuola is the Rai Educational channel created to encourage communication between the world of education, young people, families and students of all ages.

The channel has developed programmes and specific interventions which have stemmed from agreements with the Ministry of Education, University and Research for the dissemination of topics linked to the economy, finance and digital skills. Alongside these, is a commitment to the development of English language skills and knowledge.

Continuing to follow Rai Educational's mission to promote the social and cultural growth of the country and to relaunch a virtuous process of excellence, rooted in scientific research, agreements have been defined and projects developed in partnership with Italy's most prestigious research institutes for the creation of television products on scientific themes. These include the CNR, the Italian Space Agency and the National Institute of Astrophysics.

***“The editorial offering of Rai Scuola continues to promote divulgation and education, creating educational contents and attractive methods, to constantly increase its appeal to young audiences, closely linked to web languages and cultures.”***

#### Rai News 24

***Keeping pace with viewers: the all-news channel that is the most popular with Italians who wish to be informed promptly, at every moment of the day, 24/7.***

In 2013, Rai News 24 made significant changes to its operating setting.

The integration process with Televideo began in June and Rai's new news portal has been on line at [www.rainews.it](http://www.rainews.it) since December.

This new configuration, together with other projects envisaged within the Industrial Plan, will lead increasingly to identify the new Rai News 24 as a point of access to all of Rai's information sources.

***“Significant investments in infrastructures and production systems are bringing Rai News 24 into line with the most modern national and international competitors in the all-news sector.”***

#### Rai Sport 1 and Rai Sport 2

Every type of sport minute by minute: live events, news and international competitions, so you won't ever miss an appointment with your favourite sporting events. There are also challenges and historical feats which have made sport more than 'just' sport.

Rai Sport 1 is the channel dedicated to the most popular sports, such as football, winter sports and team sports. The channel offers live coverage, reportages and analytical programmes.

Rai Sport 2 is becoming increasingly known as the 'wheels channel': all kinds of cycling and motor racing events are covered, from the Giro d'Italia to other cycling classics, from weekly motoring features to events and memories of sport.

Rai Sport is however, more than just coverage and analysis of the sporting event. Rai Sport is a place for discussing the prospects of training, the scouting and encouragement of talents and, above all, the indissoluble link between sport and health and between sport and loyalty with regard to the principles of fair competition, which has become a central issue in recent years.

***“The aim of Rai Sport is to create a complex offering of sport which provides viewers with reliable programming references and which makes the Rai sports department a constant presence in covering sporting***

*events and in broadcasting analyses and debates.”*

## News and Information

### TG1

TG1 is Rai's leading news and information product: the moment when viewers are able to meet the world of institutions, politics, society, religion, the economy and culture. In short, the Public Service.

TG1 confirms its place as the leading Italian television news programme, both in terms of audience and with regard to its authority in the overall panorama of news and information in Italy. These results are founded on the correctness and variety of information, the choice of news, attention to image, the credibility of the narrative style and the rigorous approach taken to content and the preparation of services.

A TG which offers a guarantee, which talks to Italians while keeping its language and the matters presented up to date, with inquiries into the current problems, hopes and curiosities of the population. The broadcasting style focuses on the centrality of the institutions and politics, Italian news and big international events.

### Highlights on Rai's news reports & information

# 34.24%

audience of the 8.00 p.m. TG1 programme of 13 March 2013 on the election of Pope Francis

*“TG1 pursued the mission prescribed by the legendary founder of the BBC, Lord John Reith for the television: to inform, educate and entertain. Informing through the main news of the day, educating with the ‘services’ on topics which are a fundamental part of people's lives and entertaining with celebrities and culture, music, film and theatre.”*

# 4,400

Tg2 tv news special reports and slots for a total of over 2,000 hours of broadcasting

### Tg2

Tg2 is the news programme featuring innovation and analysis, a qualifying element of its Public Service role.

# 80,000

TG3 twitter followers

At the end of 2012, Tg2 became the first news programme of the general-interest TV channel to switch over completely to digital technology, revolutionising the way of producing services, with a new studio, new editing rooms, new cameras, new direction teams and new graphics.

It is important to note the commitment of Tg2 to analysis and create the many features, the highest number within the panorama of Rai's news and information, which require considerable editorial and productive commitment.

# 14,600

hours of information reports produced by TGR in 2013

*“Tg2 bases its style on experimentation: creating a news product that is*

*completely different from other television news programmes, with brand new stories which arouse curiosity and attract viewers, while fully respecting the principles of the Public Service.”*

### TG3

TG3 is the people's news programme, the news programme of society, attentive to social issues and rights, politics but not 'Parliament' and sensitive to issues which determine the quality of everyday life.

Once again in 2013, TG3 confirmed its third place in the ranking of the most popular news programmes, with an original placement in programming compared to other information programmes and, moreover, a completely different approach to that taken by other informative spaces broadcast on the Italian general-interest channels.

A product destined to a loyal audience with a clear imprint, fully identifiable with the style of the channel: TG3 gives space to politics, the economy and to news, allowing viewers to follow their developments.

This is why the news programme reports facts and is the only one to have live broadcasts with the people concerned.

*“The strengths of the programme are the direct language it uses to report events and also a marked use of live broadcasts, to take viewers to the place where the news is happening.”*

### TGR

TGR is the multimedia programme based on contact with the regions, which uses its own editorial style to produce contents for the web, TV and radio, supporting the Rai's other news programmes.

TGR produces three daily editions of the news, a daily feature, *Buongiorno Regione*, and a weekly feature, *Il settimanale*.

It flanks the local product with nationally-broadcast programmes through three daily features, *Buongiorno Italia*, *Leonardo* and *Piazza Affari* and six weekly features (*Ambiente Italia*, *Estovest*, *Regioneuropea*, *Mediterraneo*, *Prodotto Italia*, *Bellitalia* and *Montagne*).

There are 23 regional newsrooms, 1 bilingual newsroom (in Valle d'Aosta) and 3 foreign-language newsrooms (German and Ladin in Bolzano and Slovenian in Trieste), 3 detached newsrooms (Udine, Catania and Sassari), 1 central newsroom in Rome and 1 national agency.

*“The digitalisation plan of the regional offices is really coming into its own now. This is an ambitious plan of investments which will allow the regional newsrooms to work better and faster, considerably increasing production, to offer people content which is an indispensable and crucial part of the Public Service mission.”*

### Rai Parlamento

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

In addition to the ordinary informative activity on institutional and parliamentary life, 2013 required an immense effort in terms of production during the political elections, the inauguration of the 17<sup>th</sup> legislature, the elections of the top parliamentary seats and the election of the President of the Republic.

## Evening news audience



## Cinema

**Rai Cinema's** main activities are the purchase of films and TV series, primarily in compliance with the requirements of Rai's general-interest channels and specialist channels, as well as in film production and theatre and home video distribution.

### Purchase

In 2013, the gradual deterioration of the global economic crisis influenced the performance of the audio-visual sector, the heart of which is represented by problems relating to purchased products, both in terms of quantity and quality. For the past decade, the procurement of high-quality products has taken place through exclusive agreements with major producers and distributors: CBS, the leading US network, which follows the same directions, editorial lines and targets as Rai, DISNEY, one of the world's most exclusive, recognisable brands, capable of maintaining loyal viewers, and the polyhedral German producer and distributor, BETA.

In addition to these agreements, we ought to consider how the commercial operations carried out by Rai Cinema during 2013 were based upon the considerable increase of requirements of the channels which, on the contrary to previous years, particularly regarded cinematographic products.

Within the scope of a constantly evolving market, as well as an oscillating productive context, Rai Cinema signed important commercial agreements with giants PARAMOUNT and MGM, and with independent Italian distributors of high-quality products.

### Film production

Numerous films were completed in 2013 and were released in the first quarter of 2014.

These included *Il capitale umano* by Paolo Virzi, based on the novel of the same name by Stephen Amidon, which compares different generations and social classes; *Anita B* by Roberto Faenza, based on the autobiography of Edith Bruck on the theme of the return to life of a young woman who survived a concentration camp in Hungary, following the Second World War; *Smetto quando voglio*, a comedy on the crisis of a generation, fast-paced and full of irresistible dialogue, directed by newcomer Sydney Sibilia, and *Allacciate le cinture* by Ferzan Ozpetek.

Numerous auteur films, featured in the various festivals, and others of a more commercial nature were in the post-production phase in 2013.

Alice Rohrwacher began editing *Le meraviglie*, the story of a bizarre family of beekeepers, narrated by one of the daughters.

Mario Martone is editing *Il giovane favoloso*, based on the life of one of the greatest and best-loved Italian poets, Giacomo Leopardi.

Ivano di Matteo has completed the shooting of *I nostri ragazzi*, the harsh portrait of an "upper class" family, whose true nature emerges following an accident.

A very interesting new film by Gabriele Salvatores is *Il ragazzo invisibile* with which he has created a fantasy for children, an unusual genre for the Italian film industry.

Pupi Avati has finished shooting his film *Il ragazzo d'oro*.

Carlo Vanzina is finishing the post-production of his choral comedy *Un matrimonio da favola*, Giulio Manfredonia, after *Qualunque sia* and *Tutto Tutto niente niente*, has shot a comedy inspired by the formation of a cooperative on land confiscated from the mafia.

Lastly, the directing debut of Diego Bianchi (aka Zoro), the extremely popular author of the successful programme for Rai 3 *Gazebo*, will be ready for 2014.

During the second half of 2013, shooting began on *Anime nere* by Francesco Munzi.

Daniele Cipri began shooting *La buca*, while Saverio Costanzo started work on a film entitled *Hungry Hearts*, based on the novel *Il bambino indaco* by Marco Franzoso.

Following the prophetic *Habemus Papam*, Nanni Moretti has set to work on a film entitled *Mia madre*, which tells the story of the pain and the difficulty of coming to terms with the illness and death of a parent, having to face up to the fact that we're all grown up.

Matteo Garrone, winner of the Special Grand Prix of the Jury at Cannes for the second year running, is preparing his next film; an international co-production of a fairy-tale in costume, based on *Lo cunto de li cunti* by Giambattista Basile.

Paolo and Vittorio Taviani, after winning the Golden Lion at the Berlin Festival in 2012, also make their return to directing, inspired by the most famous Italian collection of short stories, *The Decameron*. The film will be called *Meraviglioso Boccaccio*.

On the 100th anniversary of the First World War, one of the great masters of Italian films, Ermanno Olmi, is preparing to shoot a film that narrates the insanity of a war fought in the trenches which resulted in a massacre of the most appalling proportions, responsible for the loss of an entire generation of young men.

Among the youngest authors, we would like to mention Matteo Rovere, who is preparing *Italian Race*, the story of the demise and redemption of a young girl in the world of motorcar racing, and Claudio Cupellini who, with *I principianti*, narrates a desperate love story between two young people in search of success.

As regards debut films, Rai Cinema began 2013 with the clamorous result of *Il principe abusivo* by Alessandro Siani, top of the list at the box office for our distribution, ending with the success of the co-production of the film *Stai lontana da me* by Alessio Maria Federici.

### Documentary production

In 2013, 31 documentaries were completed, while work began on 54 new titles.

The choice of the topics confirms and expands the editorial lines sustained up to now, with particular attention to the generations of directors under the age of 35, who offer original proposals both in terms of content and form.

The year that has just ended was extremely important with regard to the results attained: *Sacro Gra* by Gianfranco Rosi won the Golden Lion at the Venice Film Festival and *Dal profondo* by Valentina Zucco Pedicini won the prize for best Italian documentary at the Rome Film Festival.

### Distribution

During 2013, the Theatrical area of 01 division distributed 28 films, with a box office total of over 80 million euros and more than 13 million tickets sold, conquering a market share of 13%, the highest ever achieved in the history of Rai Cinema. The most successful titles were *Il principe abusivo*, taking over 15 million euros at the box office, *Un fantastico via vai*, with takings of 9 million euros and, among the purchases, *Rush* with almost 6.5 million euros.

Among Rai-owned and purchased titles, the home video area reached a market share of 5% in sales, partly thanks to titles like *Il principe abusivo*, *Attacco al potere* and *Hugo Cabret*.

### Commercial agreements

In 2013, agreements were entered into with Sky for the exclusive pay and pay per view exploitation of two packages totalling 33 titles.

2013 also recorded the growth of business lines relating to the new digital platforms, which are starting to produce significant economic results through agreements with Samsung, Microsoft and Dailymotion.

An important agreement was signed with Cubovision in 2013 for the Svod exploitation of approximately 350 cinematographic works a year, while the partnership with Chili and iTunes continues.

The collaboration with Mondadori and L'Espresso also continues for the sale at newsstands of over

20 titles, while other new and repertory titles have been licenced to Alitalia.

Important results came from sales of our films abroad, both in terms of acknowledgement at festivals and also from the commercial viewpoint.

The institutional website **raicinema.it** consolidated its role as information reference point for Italian audiences for all activities that revolve around the "world" of Rai Cinema and, during 2013, its complete integration with **raicinemachannel.it** led to the creation of Rai's first real and brand new system of six free on-demand film channels, developed specifically for the web and not for existing TV channels or programmes, (*Live*, *Replay*, *Web Movies*, *Doc*, *Club* and *Making of* plus two photo gallery channels).

### Presence at festivals

2013 will be a memorable year for Rai Cinema, which won the **Leone d'Oro** at the Venice Film Festival for the first time in a quarter of a century, with the amazing *Sacro Gra* by Gianfranco Rosi. Rai also participated in the main European and international festivals.

At the Berlinale, alongside the documentary *Materia Oscura* by Massimo D'Anolfi and Martina Parenti, Rai Cinema presented *An Episode in the Life of an Iron Picker* by Oscar-winner Danis Tanovic, a film which won the Silver Bear, the Gran Prix of the Jury and the prize for best actor at Nazif Mujic.

At the Cannes Film Festival, Rai Cinema competed with two foreign films: *Venus in Furs* by Roman Polanski and *Only God Forgives* by Nicolas Winding Refn; the Italian *Miele*, the first work by Valeria Golino, was successfully presented in the section Un certain regard.

At the Venice Film Festival, Rai Cinema proposed a total of twelve titles, in all the categories. They included the four competing films: *L'intrepido* by Gianni Amelio, *Via Castellana Bandiera* by Emma Dante – for which Elena Cotta won the Volpi Cup for best actress – the *American Parkland* by Peter Landesman, as well as the aforementioned *Sacro Gra*, winner of the Golden Lion and, in the Orizzonti category, *Still Life* by Uberto Pasolini, winner of the best director award.

At the Rome Film Festival, Rai Cinema took the highest position on the podium with *Tir*, by Alberto Fasulo, while 16 other titles, of films and documentaries, competed, including *Dal Profondo* by Valentina Pedicini, winner of the Doc it Award for best Italian documentary.

2013 ended with the viewers' award going to *La mafia uccide solo d'estate* by Pierfrancesco Diliberto (aka PIF), presented at the Turin Film Festival together with *La sedia della felicità*, the entertaining comedy by Carlo Mazzacurati, and



the documentary by Antonietta De Lillo, *La piazza della porta accanto*, dedicated to Alda Merini.

## Fiction

**Rai Fiction** is responsible for the production of TV fiction series and cartoons for Rai's general-interest, semi general-interest and theme-based channels and also for the web.

Rai's commitment to the promotion of Italian and European audio-visual production is not only an obligation dictated by the Service Contract but it is also one of the Company's programming strengths in relation to its public.

Rai's production of TV fiction series is the genre which appeals most to television audiences and the cartoons co-produced by Rai are in line with the best international productions.

2013 was an important year for Rai's fiction series and, from numerous points of view it was a year of change.

The production of Rai fiction was characterised by three distinguishing elements: a strong development of serialisation, considerable attention to the contemporaneity of the storyline and the opening up to the cross-media platform.

In a television panorama so rich in channels and ways of using products, TV series have been confirmed as the main instrument used in television narration and essential in order to strengthen the channel's identity.

Rai's production in 2013 moved strongly towards serial productions: over 75% of Rai's fiction consists of series.

Although historical costume productions were not entirely forgotten, Rai fiction decided to invest primarily in contemporary narration.

Placing present-day Italian society at the centre of the story is a modern choice, and is appreciated by young audiences, who can watch the hottest and most vivid topics currently presented, without infringements.

The opening up to the cross-media platform saw Rai's participation, for the first time, in an innovative operation such as the series *Una mamma imperfetta*, made in partnership with Corriere della Sera, distributed on the web, in access-tv, ad also at cinemas and during prime time.

This was an experiment to overcome the boundaries between genres, characterised by excellent quality writing and staging, accompanied by other cross-media projects, such as the prequel to *Una Grande Famiglia 2*, distributed on app, web and Rai 1, and the sitcom *Ombrelloni*, made entirely at the Rai studios.

The opening up to the cross-media platform permitted the creation of the basis for numerous projects in 2013, which will see the light in 2014.

As regards the broadcasting results, once again this year, Rai fiction in prime time was the most popular television genre with Italian viewers. The record of no fewer than six evenings of fiction on Rai 1 exceeding the level of 10 million viewers was recorded in 2013; a similar result had not been recorded in over ten years, and at the time it was in a completely different television context. Moreover, mainly thanks to the repeats of *Il Commissario Montalbano*, the offer of fiction repeats enjoyed unprecedented success, with 26 successful evenings and an extremely positive result for Rai.

The average audience for TV fiction broadcasts by Rai 1 in 2013 exceeded a share of 21%, with an increase of about one point compared to the previous year.

This result went against the trend of the breakdown in the offering, which testifies the strength that general-interest continues to have when it offers viewers new, high-quality programmes, aimed at the broadest possible audience.

The results of fiction on Rai 1 must now be joined by those of the daily series, *Un Posto al Sole*, (which, with 250 episodes a year, continues to involve a young, loyal audience, distributed all over Italy) and those of the specialised channel Rai Premium.

Lastly, it should be noted that TV fiction, which best represents the essence of the Public Service, has managed to reach vast audiences with programmes of outstanding programming value, from *Il Commissario Montalbano*, which was also successfully distributed by the BBC in Great Britain in 2013, to the mini-series *Volare*, on the life of Domenico Modugno, from *Olivetti*, the story of a far-sighted industrialist, to *Altri tempi*, a story on violence against women and the Merlin Law.

Rai's fiction productions were selected at festivals and international events, receiving acknowledgements and awards. In particular, at the Rome Fiction Fest 2013, Rai won the most important awards in both the mini-series and TV-movie categories, with *Il Commissario Montalbano*, and in the series category, with *Questo Nostro Amore*.

In terms of production, it should be pointed out that all the productions of Rai fiction in 2013 were shot in Italy, avoiding the need for delocalisation. This was a choice with special significance in terms of costs, shared with the whole Company and with the trade unions for audio-visual operators, to support Italian enterprise at a time

of difficulty and maintain an all-Italian style and quality.

Fiction production activities were joined by the co-production of cartoons. Generally serialised productions for children and the whole family, to fuel the children's television slot on Rai 2 every day, along with the theme-based channels Rai YoYo and Rai Gulp, with original contents that accompany the best international purchases with excellent results and appreciation.

The many titles of 2013 include the success of the film *Pinocchio* by Enzo D'Alò, produced in partnership with Rai Fiction, which received one of the three Oscar nominations of the EFA as best animated film of the year.

## Teche

At the end of 2013, the multimedia catalogue contained over 70 million documents, approximately 1.3 million hours of television product and the same number of hours of radio product.

The number of registered users exceeded 11,000 and there were over 560,000 researches every month.

One of the most important jobs of the Teche, beyond the regular transformation into digital format and enhancement of Rai's heritage, regarded the management of the rights archive, in order to increment the use of repertory material within the programming of the channels.

Teche Rai continues to pursue the enhancement of the value of Rai's memories, not only with regard to the programming of the channels, but also, and above all, for what concerns the interaction with a large number of institutional and private interlocutors, not only at an Italian level but also at a European and international level too, that refer to Teche for informative needs and documentary materials relating to Italy.

***“The Rai archive is a unique company asset and is of great value to the country. This is why UNESCO has included Teche Rai in the official register of Italian records.”***

## Radio

The model of radio that Rai intends to pursue involves its presence on all analogue and digital platforms, in order to reaffirm the central position of RadioRai on the market and among listeners. The main lines of action were the launch of digital broadcasts (DAB+) in certain areas of the country, offering an exceptional opportunity for integration between Radio and Web, with a view to progressive extension to the rest of Italy; operations to improve the product within a lively market context despite the crisis in advertising investments and improvement in perception of the value of RadioRai as a Public Service.

## Channels

### Radio 1

**Radio 1, RadioRai's flagship station, reports live all the news and sports information from all over the world. Radio 1, a few seconds to recognise it, 24 hours to listen to it.**

2013 was characterised by a very important commitment to information and analysis by Radio 1: from the resignation of Pope Benedict XVI to the election of the new Pope Francis, from the political elections to the re-election of Giorgio Napolitano as President of the Republic, from the attempts to form a government to the inauguration of the Letta government, through to the events involving the leader of the opposition.

A year full of institutional events accompanied by news on other important topics and national emergencies, above all for what concerns the continuing economic crisis and unemployment, primarily among the younger generation, as well as the attention reserved to news from Europe and the world.

It was a year characterised by an extensive amount of information which was presented entirely through live programming.

### Radio 2

**Radio 2, a radio made up of people and ideas, of strong content and light style, with the most eclectic and original musical proposals, the best-loved varieties, the most current and irreverent comedies. Radio 2, a completely different sound.**

In 2013 Radio 2 confirmed its multiplatform and interactive structure, a project that combines Public Service and appeal for advertising investors with variety, music and entertainment 24/7: a voice that communicates constantly with listeners, on air, on line and on the social networks.

Music, naturally, continued to represent one of the driving forces of programming, both in terms of hits and oldies and the possibility to host live performances by the greatest Italian artists, who perform free for listeners.

During the year Radio 2 continued to be immediately recognisable in relation to the style of the various programmes that began on air and then developed into other forms on the web and in the different cross-media initiatives.

The potential and opportunities of the web are exploited to multiply contact, using the web and social networks. The web extends the life of programmes, proposing new forms of use and without attacking the expressive strength of radio.

### Radio 3

**Radio 3, the unbeatable offering of contemporary culture, classical music and original views of the world. An inimitable blend of tradition and opening to innovation. Always unique, Radio 3.**

2013 began with several challenges: narrating music in keeping with the present and exploring language to understand the society we live in. In this way, the musical year was characterised by the double anniversary of Verdi and Wagner, which marked part of the channel's initiatives. The musical programming of Radio 3, presented in historical broadcasts spanning from classical music to jazz, hosted 432 concerts, with live performances from the most important Italian and foreign theatres, from the programming of the leading musical institutions to the big European seasonal festivals.

In addition to music, many broadcasts entered the season's main scientific, cultural, book and literature, film and prose, history and commemorative events, with the aim to create paths and connections with a radio community that listens, talks and lives naturally on the web.

## News and Information

### Radio news programmes

The **radio news programmes** have confirmed their role as the backbone of RadioRai's flagship station, both in terms of quality and promptness of information and with regard to the ability to organise the real time "direct lines" that, once again in 2013, proved to be an undeniable point of strength.



### Gr Parlamento

**Gr Parlamento** offers live politics and is the Rai station that takes care of information on the activities of the Italian Senate and Chamber of Deputies, and of the other constitutional bodies, the territorial authorities and the European Union. It is the first radio station of the institutions in the European panorama, bringing the institutions closer to citizens, which is the final objective of the Public Service of modern democracies.

Programming covered 16 hours a day during the week and more than nine during the weekend. This was a productive commitment articulated to represent every moment of legislative life and of the executive in a year, 2013, which was characterised by electoral and political moments of great intensity for the Institutions.

### Public Service Stations

The Public Service Stations guarantee the travel information service on all the distribution platforms, television, radio and web, guaranteeing a diversified radio offering and prompt, detailed services.

### Isoradio

In 2013, Isoradio confirmed its mission, acting as intermediary between the road safety and civil

protection institutions and the public, with particular reference to matters relating to mobility.

During the year, new informative areas were developed: from news on air traffic, in collaboration with the ENAC, to the decision to intensify messages destined to young drivers in the evening, during programmes and musical entertainment featuring independent labels and up and coming bands, on the topic of travel as an experience of responsible growth, especially when driving a vehicle.

### CISS - Viaggiare informati

Television links, designed for resident users are different radio announcements, which are destined for people on the move.

The differentiation in programming is a strength which makes it possible to adapt the service to the media with a view to multiplatform broadcasting.

### Radio FD4 and Radio FD5

FD4, the light music channel, renewed its musical programming, enriching the catalogue of tracks with over 15,000 new titles, proposing high-quality programming, designed for a public which spans rhythms and genres with new music from all over the world.

During the 200<sup>th</sup> anniversary celebrations of the births of Verdi and Wagner, FD5 broadcast the complete version of the lives of the two composers, accompanying each broadcast with the publication of musicological sheets on the Internet. Much of the material comes from the transformation of Rai's photographic archives into digital form, with original discoveries of recordings of historical interest.

## Radio Channels Share

Radio 1 **5.5%**

Radio 2 **4.2%**

Radio 3 **2.1%**

## The Internet

2013 was characterised by the final consolidation of the Group's multiplatform digital offering and by the strengthening of programming offered on the web.

In addition to the activities already described in the analysis of Rai's offering, we report some important elements relating to the activity of **RaiNet**, a company controlled entirely by Rai and operating in the design, creation and implementation of Rai's activities on the digital platforms on the web.

Within the scope of the redefinition of Rai's journalistic information, during 2013, all the designing and construction activities required for the new Rai News portal and for its multiplatform presentation were completed.

The concept proposals were formulated during the first half of the year, while, the graphic and applicative development of the portal was launched in the second half of the year, along with the construction of an ad hoc news instrument, the formation of the Rai News team and the creation of a technical-news pool to support the journalists. Along with the portal, launched on 1 December, different apps were created for the different smartphones and tablets.

During 2013, RaiNet also contributed to the project for repositioning RadioRai on the web, strongly affirming its identity from a multiplatform perspective.

Alongside these activities, RaiNet supported the strengthening of the Rai brand on the social networks. The Rai Social Tv app (available on Rai.tv as an app for web, tablets, smartphones and MHPs) was redesigned and reorganised. The application permits the user to follow the streaming of the programme and comment and interact with other users through a Rai, Twitter or Facebook profile. The user can also receive additional content live and on demand, related to the programme, to express their point of view and communicate with the special guests connected.

## Commercial activities

### Advertising

The advertising sector, as already mentioned, suffered again in 2013 due to the negative economic situation still affecting the Italian market, as well as the well-known matter concerning the redistribution of advertising resources according to the extremely dynamic decisions of use by part of the public.

In this context, with the new company name of **Rai Pubblicità**, to reaffirm and strengthen the link

and the synergies with the Parent Company, the concession holder went ahead with the turnaround that globally affected both the organisational aspects and the commercial strategies and policies. These interventions are aimed at progressively regaining the market shares that have been lost over the years, thanks to a consistent increase in the effectiveness of commercial policies.

Together with the change in top management, the most important steps taken regarded the rewriting of the organisation model and the main core processes; the rationalisation of the workforce, the strengthening of the sales network in terms of numbers and skills; the launch of "new" advertising products with the aim of making communication more attractive and sustaining prices at a time when they are under considerable pressure; and all of this must take place within the scope of a cross-media logic and an integration of media.

In 2013 management implemented these interventions, with a progressive improvement, throughout the year, of the results in terms of advertising, with respect to the market as a whole and also to the main competitors.

## Commercial development

The commercial activity concerns the management of all the rights to intellectual property of Rai and third parties with the aim of finding economic resources different than those traditionally provided by the licence fee and by income from advertising, operating on a variety of markets, in different business areas and on numerous projects. Despite the continuing economic crisis, the commercial activity achieved good results, higher than those of the previous year, also taking into account the significant contribution of Rai Cinema.

### Management and development of conventions with the Public Administration

Within the scope of the spending review carried out by the public administrations, Rai pursued the development of the agreements entered into to defend linguistic minorities and programming for Italians abroad and to support the need for institutional visibility with activities such as the programming of Rai Scuola in accordance with the Ministry for Education, University and Research.

### Sale of rights

The excellent performance of foreign activity with regard to the sale of rights of the Rai product made it possible to offset the negative results on the domestic market, particularly in the Home video segment, which suffered a decline compared to the previous years.

It also participated in the main markets in the sector: Salone del libro in Turin, the Frankfurt Book Fair and the Cook Book Fair in Paris.

### Theme-based channels

The production of the **Juventus channel** continued in 2013. The production and programming models were changed in view of a complete relaunch in a context which was slightly unfavourable compared to the performance of subscriptions.

### Musical Editions and Productions

The Musical Editions and Productions area develops and promotes the catalogue of musical publications aimed at its use in contemporary music, radio and television broadcasts and record production. It also purchases rights, produces and sells rights and distributes soundtracks, original music for radio and TV productions, contemporary and classical music and prose in Italy and abroad. This activity regarded the editing of audio contributions for a large number of Company broadcasts, programmes and channels and, among the activities pursued in relation to specific projects, the preparation of 25 sound tracks for fiction production and two sound tracks for films made by Rai.

Alongside the intense production activity in this sphere, we report the global foreign distribution agreement, signed with Sony/EMI, and publication on the iTunes platform of the most important tracks produced.

### Sports Library

The activity to enhance the football libraries continued, with the formalisation of new agreements with 15 clubs in Serie B and with several major clubs, such as Pescara, Verona, Livorno, Palermo and Siena.

### Rai Eri

During 2013, Rai Eri pursued the repositioning of its brand on the book market, with the aim of aligning editorial products with the genres, products and personalities of the Public Service. Rai Eri published around 30 titles split into eight reference collections (Radio, Information, Public Service, Sport, Cinema and Fiction, Culture, Entertainment and Children).

## Other activities

### Digital Development

Following the completion of the switchover to the digital terrestrial platform, which dramatically transformed Rai's technological and programming scenario over a period of five years, the need for a new layout in the planning of frequencies emerged in relation to the nationwide system, considering a first consistent transferral of frequencies from television to mobile phones and considering the need to adapt Italy's competitive scenario to the instructions of the European Union. Rai took part in the new planning process, seeking elements for the rationalisation of its channels and the solution to interference-related difficulties resulting from the previous layout.

At the end of 2013, the potential coverage of the population of the Rai channels for broadcasting using the digital terrestrial platform was 99.4% for multiplex 1, 93.9% for multiplexes 2 and 3 and 92.9% for multiplex 4.

Awaiting the new framework for the national planning of frequencies, four systems for multiplex 5 have been activated.

This figure does not take into account interference from other broadcasters, a problem in relation to which Rai took action with AGCOM and the Ministry of Economic Development with a view to having them removed. Within the scope of the procedure envisaged by the legislation in force for the regulatory process for the planning of frequencies, on 1 August 2013, Rai and AGCOM and the Ministry of Economic Development signed a procedural agreement with which AGCOM intended to source the frequency resources needed for the purposes of the auction and, with which Rai intended to solve the problems relating to frequencies and, particularly, to solve the most important interference problems, the acquisition of frequencies coordinated entirely at international levels and the availability of adequate resources to cover multiplex 5 destined for HD.

Rai made an effective contribution to the definition of the consolidation and development objectives regarding the digital networks and attended all the technical meetings with the institutional departments, like AGCOM, the Ministry of Economic Development and the newly formed Confindustria RadioTelevisioni, as well as those with the manufacturers of televisions and decoders and other parties with regard to the definition of layouts, characteristics and address of the Italian digital system in the broadcasting sphere.

2013 also witnessed the continuation of a trend towards the rebalance between the different

distribution platforms, with the continuing growth of the free satellite platform, held by Rai in observance of the restrictions on technological neutrality imposed by the Public Service mission.

As at 31 December 2013, Tivù Sat, the free satellite platform held by Rai and created to supply free digital programming to reach areas that are not covered or fully covered by terrestrial broadcasts, exceeded the number of two million active cards, with more than 30 decoders, three CAM and numerous Tivù Sat-certified iDTV.

Lastly, the development trend of a multiplatform distributive environment was confirmed, in which HD broadcasting is an increasingly important competitive factor.

### Broadcasting activity

In 2013 **Rai Way** was involved in the completion of activities connected to Rai's all-digital transformation, which was effectively completed during the year in question, along with the regular fine tuning activities with a view to improving television and radio services operating, above all, with proprietary skills and professionalism.

The most important event, with regard to Rai's broadcasting activities, concerned the experimentation of broadcasts using the DAB+ technique in Trentino and, subsequently, in Friuli Venezia Giulia. These activities were also supported by the organisation of specific sectorial events and celebratory events to highlight the increasingly appreciated potential of technology which makes it possible to match a quantity of additional information and visual contents to the radio signal.

Commercial activities for third parties concluded in 2013, with satisfactory results, achieved thanks to the development of radio and television co-siting and to broadband operations, albeit within a context of restrictive policies by operators and public administrations.

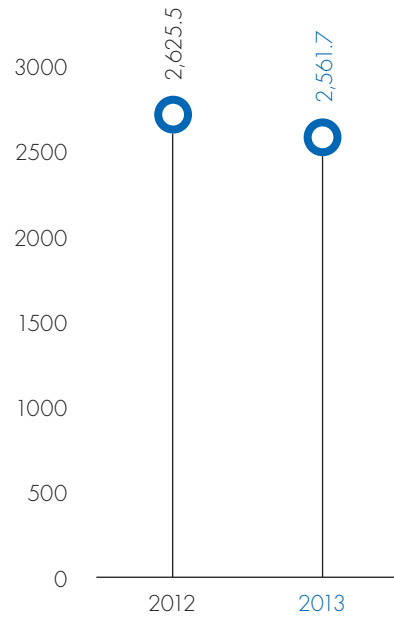
# Review of Balance Sheet, Income Statement and Financial Situation of the Parent Company

Highlights	44
Reclassified Financial statement	46
Review of Balance Sheet, Income Statement and Financial Situation	47
Income Statement	47
Balance Sheet	54

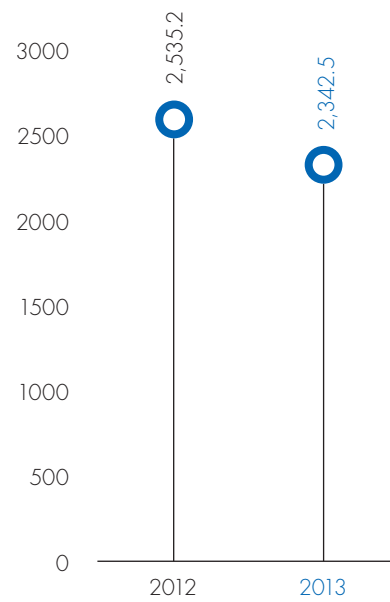
# Highlights

(in millions of Euro)

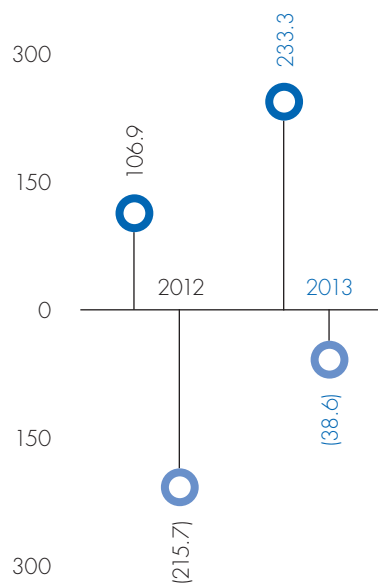
## Revenues



## Operating costs

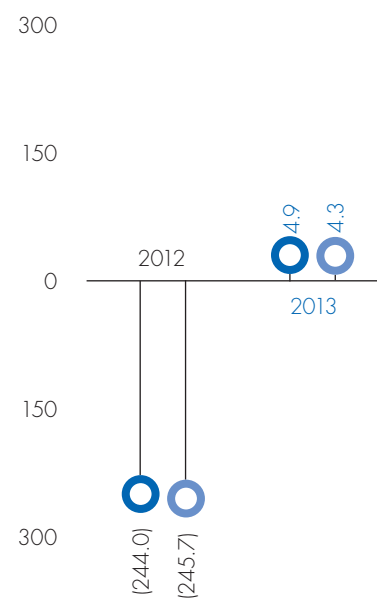


## GOM - Operating Result

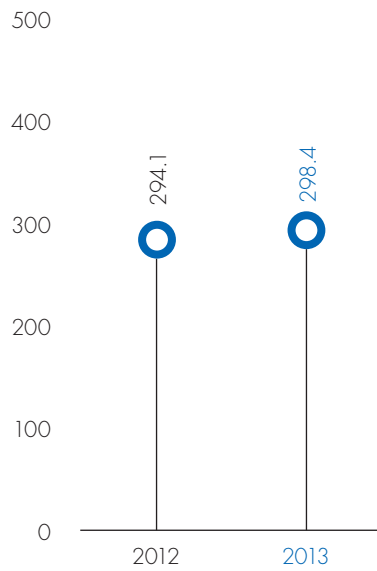


## Result before taxes

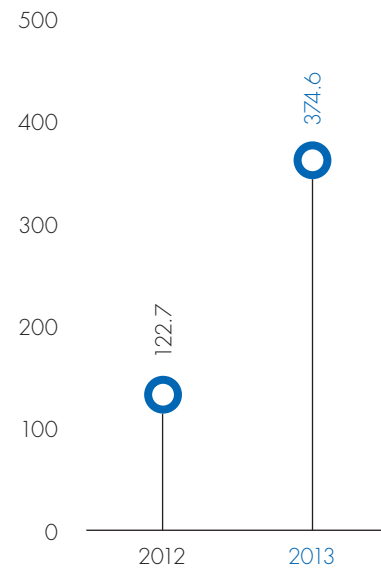
Profit (Loss) for the year



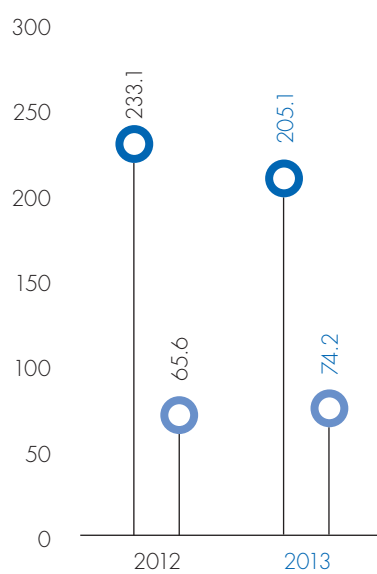
### Net equity



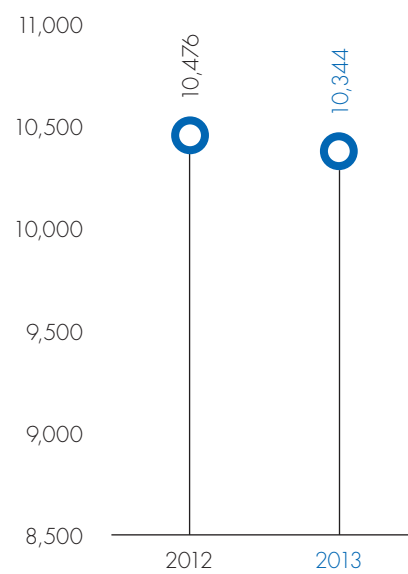
### Net financial position



### Investments in programmes and other



### Workforce as at 31 December (in units)



## Reclassified Financial Statements

### Income Statement

(millions of Euro)	Year 2013	Year 2012	Change	Change %
Revenues from sales and services	2,561.7	2,625.5	(63.8)	-2.4
Change in inventories of products in progress, semi-finished and finished products	(0.2)	0.3	(0.5)	-166.7
Internal cost capitalisations	14.3	16.3	(2.0)	-12.3
<b>Total revenues</b>	<b>2,575.8</b>	<b>2,642.1</b>	<b>(66.3)</b>	<b>-2.5</b>
External costs for major sporting events	0.0	(143.0)	143.0	-100.0
External goods and services	(1,436.7)	(1,469.6)	32.9	-2.2
Personnel costs	(905.8)	(922.6)	16.8	-1.8
<b>Total operating costs</b>	<b>(2,342.5)</b>	<b>(2,535.2)</b>	<b>192.7</b>	<b>-7.6</b>
Gross operating margin	233.3	106.9	126.4	118.2
Amortisation of programmes	(198.9)	(217.4)	18.5	-8.5
Other amortisation and depreciation	(69.2)	(68.8)	(0.4)	0.6
Other net income (charges)	(3.8)	(36.4)	32.6	-89.6
Operating result	(38.6)	(215.7)	177.1	-82.1
Financial income (expense)	(9.5)	(3.8)	(5.7)	150.0
Income from equity investments	61.9	24.3	37.6	154.7
Result before exceptional items	13.8	(195.2)	209.0	-107.1
Exceptional income (expense)	(8.9)	(48.8)	39.9	-81.8
Result before taxes	4.9	(244.0)	248.9	-102.0
Income taxes for the year	(0.6)	(1.7)	1.1	-64.7
Profit (loss) for the year	4.3	(245.7)	250.0	-101.8

### Balance Sheet

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Non-current assets	1,248.6	1,225.5	23.1	1.9
Working capital	(317.8)	(519.9)	202.1	-38.9
Staff severance pay provision	(257.8)	(288.8)	31.0	-10.7
Net invested capital	673.0	416.8	256.2	61.5
Net equity	298.4	294.1	4.3	1.5
Net financial debt	374.6	122.7	251.9	205.3
	<b>673.0</b>	<b>416.8</b>	<b>256.2</b>	<b>61.5</b>



## Review of Balance Sheet, Income Statement and Financial Situation

### Income Statement

The Income Statement of the Parent Company for the 2013 financial year recorded a **net profit of 4.3 million euros**, against a net loss of 245.7 million euros for the 2012 financial year.

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 and totalled 2,561.7 million euros, falling by 63.8 million euros (-2.4%) compared to 2012.

**License Fee** (1,755.6 million euros). These include licence fees for the current year as well as those for previous years, collected through coercive payment following legal registration.

The overall increase (+0.4%) is determined by the increase in the per-unit licence fee from 112.00 euros to 113.50 euros (+1.3%), largely offset by the reduction in the number of paying subscribers, which fell below 16 million (-0.8% compared to 2012), due to the reduction in new subscribers (-29.8%) and the rise in arrears (+13.3%), both of which can be correlated to the economic crisis underway in Italy.

### Revenues from sales and services

(millions of Euro)	2013	2012	Change	Change %
Licence fees	1,755.6	1,747.8	7.8	0.4
Advertising	597.6	674.9	(77.3)	-11.5
Other revenues	208.5	202.8	5.7	2.8
<b>Total</b>	<b>2,561.7</b>	<b>2,625.5</b>	<b>(63.8)</b>	<b>-2.4</b>

### Licence fees

(millions of Euro)	2013	2012	Change	Change %
Fees for the year – ordinary subscribers	1,662.7	1,656.3	6.4	0.4
Fees for the year – special subscribers	74.4	72.9	1.5	2.1
Fees from coercive payment	18.5	18.6	(0.1)	-0.5
<b>Total</b>	<b>1,755.6</b>	<b>1,747.8</b>	<b>7.8</b>	<b>0.4</b>

### Tv subscriptions - changes

	2013	2012	2011	Change % 2013/2012
New	355,376	506,486	401,958	-29.8
Renewals	15,636,145	15,614,136	15,629,150	0.1
<b>Paying subscribers</b>	<b>15,991,521</b>	<b>16,120,622</b>	<b>16,031,108</b>	<b>-0.8</b>
Delinquent subscribers	1,091,104	963,091	903,856	13.3
<b>Registered subscribed</b>	<b>17,082,625</b>	<b>17,083,713</b>	<b>16,934,964</b>	<b>0.0</b>
Delinquent subscribers %	6.51%	5.79%	5.45%	
Cancellations	356,464	357,737	328,118	-0.4
Cancellations + delinquent positions	1,447,568	1,320,828	1,231,974	9.6

Once again in 2013 the licence fee paid in Italy continues to be one of the lowest in Europe. By way of example, the table shows the annual licence fee in force in selected European countries.

### *Licence fee in Europe*

(euros)	
Switzerland	376.67
Denmark	324.00
Austria	282.15
Sweden	225.00
Germany	215.76
United Kingdom	174.52
Ireland	160.00
France	131.00
Italy	113.50

**Advertising.** For the third year running, the advertising market showed a considerable decline, losing approximately 900 million euros

(-12.4%) compared to the previous year. The first part of 2013 was characterised by a sharp drop in values (-17% compared to the first half of 2012), while the second half, despite continuing the negative performance, was slightly better than the first (-6.3% compared to the 2<sup>nd</sup> half of 2012). TV advertising in particular showed a less "recessive" trend (-10%) compared to the market average, like Radio (-9.3%) and the Internet (-1.8%) although the web presented a negative figure for the first time (net of Searches and Social Networks). The worst situation was in the press, in which the severe crisis continues.

In this context, Rai's **advertising revenues** 597.6 million euros) highlight a reduction of 77.3 million euros (-11.5%) compared with 2012, as shown in the table below. We would like to point out that part of the drop refers to the review of the rates envisaged by the new agreement with Rai Pubblicità.

The growth in advertising revenues on the specialised channels is to be noted (+15.3 million euros, +34.0%).

### *Advertising*

(millions of Euro)	<b>2013</b>	2012	Change	Change%
TV advertising on general interest channels:				
- commercials	444.9	539.7	(94.8)	-17.6
- promotions and sponsorship	62.1	56.0	6.1	10.9
- product placement	1.9	1.4	0.5	35.7
	<b>508.9</b>	<b>597.1</b>	<b>(88.2)</b>	<b>-14.8</b>
On specialist channels	60.3	45.0	15.3	34.0
	<b>569.2</b>	<b>642.1</b>	<b>(72.9)</b>	<b>-11.4</b>
Radio advertising	26.1	31.2	(5.1)	-16.3
Other advertising	2.3	1.6	0.7	43.8
<b>Total</b>	<b>597.6</b>	<b>674.9</b>	<b>(77.3)</b>	<b>-11.5</b>

**Other revenues** present a growth of 5.7 million euros (+2.8%) as highlighted in detail in the relative table.

With reference to the main changes compared to 2012, there was an increase in revenues from Special services under agreement in relation to the renewal of agreements with the Presidency of the Council of Ministers at higher prices (+17.3 million euros), which recovered most of the reductions sustained in 2012, and the Sale of rights to utilise materials held by Teche to football clubs (+9.9 million euros) as a consequence of numerous agreements entered into during the year. As regards the main negative changes, the reduction in the Sale of rights and musical publications (-14.0 million euros), refers partly to lower income from the sale of certain sports events for which, unlike during the previous year, no commercial exploitation rights were acquired, consequently reducing charges for sports rights.

Due to the advertising crisis, revenues from licence fees were close to 69% of overall income, as highlighted in the table below.

## Operating costs

This item includes internal and external costs (for labour), regarding ordinary business activities.

They total 2,342.5 million euros and present a drop of 192.7 million euros, -7.6% compared to 2012, the reasons for which are explained below.

### Consumption of goods and external services

– This item includes purchases of goods and services required to make programmes of immediate use (purchases of consumables, external services, artistic collaborations etc.), filming rights for sports events, copyright, services from subsidiaries, running costs (rental and hire fees, telephone and postage costs, cleaning, maintenance etc.) and other operating costs (direct and indirect taxes, contribution to the Authorities, the public broadcasting concession fee etc.).

Compared with the previous year, the item shows a drop of 175.9 million euros (-10.9%), due to the presence during the year of costs related to four-yearly sports events (European Football Championship and Summer Olympic Games) for 143.0 million euros (including costs for the production of these events amounting to 8.1 million euros). Net of this component, there was

## Other revenues

(millions of Euro)	2013	2012	Change	Change %
Special services under agreement	49.9	32.6	17.3	53.1
Sale of rights and musical publications	37.5	51.5	(14.0)	-27.2
Service and other performances for subsidiaries	28.0	29.4	(1.4)	-4.8
Recovery of emoluments and costs of seconded staff	8.3	4.9	3.4	69.4
Sale of rights to the utilise archive materials to football clubs	47.3	37.4	9.9	26.5
Technical services for digital terrestrial broadcasting	3.9	5.1	(1.2)	-23.5
Different services, performed mainly for public entities	8.1	12.5	(4.4)	-35.2
Telephone services	2.5	3.5	(1.0)	-28.6
Repayment of programme production costs	1.9	2.9	(1.0)	-34.5
Other	21.1	23.0	(1.9)	-8.3
<b>Total</b>	<b>208.5</b>	<b>202.8</b>	<b>5.7</b>	<b>2.8</b>

## % of revenues

	2013	2012
Licence fees	68.6	66.6
Advertising revenues	23.3	25.7
Other revenues	8.1	7.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

a net reduction of external costs of approximately 33 million euros compared to 2012, determined largely by initiatives implemented during the year to limit spending.

The following table shows details of savings in most items, apart from Rai Cinema film and TV serial broadcasting rights (+28.8 million euros,

+10.1%), due mainly to increased use during the year.

**Personnel costs** – amount to 905.8 million euros, down 16.8 million euros on the total at 31 December 2012 (-1.8%), according to the breakdown shown in the reference table.

### *Consumption of goods and external services*

(millions of Euro)	2013	2012	Change	Change %
<b>Materials purchased</b>	19.2	22.9	(3.7)	-16.2
External services:				
Freelance services	122.9	130.7	(7.8)	-6.0
Services for acquisition and production of programmes	182.0	189.2	(7.2)	-3.8
Staff allowances, travel and accessory costs	34.3	35.7	(1.4)	-3.9
Signal broadcasting and transport – Rai Way	182.1	188.9	(6.8)	-3.6
General services (postage, telephones, transport, maintenance, cleaning, archive services etc.)	137.7	140.6	(2.9)	-2.1
Other	60.9	62.1	(1.2)	-1.9
	<b>719.9</b>	<b>747.2</b>	<b>(27.3)</b>	<b>-3.7</b>
Use of third-party assets:				
Acquisition of viewing rights from Rai Cinema	313.5	284.7	28.8	10.1
Leases and rentals	51.1	59.0	(7.9)	-13.4
Filming rights (mainly for sports events and the Sanremo Festival)	145.2	310.1	(164.9)	-53.2
Utilisation rights	106.0	105.1	0.9	0.9
	<b>615.8</b>	<b>758.9</b>	<b>(143.1)</b>	<b>-18.9</b>
<b>Change in inventories</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>
<b>Concession fee</b>	<b>26.3</b>	<b>27.9</b>	<b>(1.6)</b>	<b>-5.7</b>
Other operating costs:				
Prizes and winnings	12.7	11.9	0.8	6.7
Authority for Communication Guarantees contribution	5.2	5.5	(0.3)	-5.5
Municipal property tax	8.0	7.5	0.5	6.7
Other indirect taxes, duties and levies	8.8	9.9	(1.1)	-11.1
Newspapers, magazines, books and publications	2.0	2.1	(0.1)	-4.8
Membership fees	2.9	3.1	(0.2)	-6.5
Other	3.3	3.3	0.0	0.0
	<b>42.9</b>	<b>43.3</b>	<b>(0.4)</b>	<b>-0.9</b>
Other	12.5	12.4	0.1	0.8
<b>Total</b>	<b>1,436.7</b>	<b>1,612.6</b>	<b>(175.9)</b>	<b>-10.9</b>

This consistent reduction stems mainly from the effect of incentives to encourage staff to resign, resolved in December 2012 and implemented throughout the year. Savings deriving from these incentivised resignations more than offset the effects on personnel costs generated by transforming fixed-term contracts into permanent contracts, by renewing the contracts of middle management, white and blue collars and orchestral staff, and due to automatic contractual pay increases.

Lower inflation also positively influenced the trend of personnel costs, having a positive impact on the revaluation of the provision for staff severance pay, as did the continuation in 2013, of the limitation of payment policies and a more general control of all exceptional items.

Lastly, the 4.5 million euros increase in expenses allocated to cover disputes with staff is worth noting.

**Personnel on payroll** at 31 December 2013 amounted to 10,344 units, down 132 units compared to 31 December 2012. The change was determined by the resignation of 571 units, 474 of which were incentivised, and by the hiring of 439 units, 358 of which regarded the transformation of fixed-term contracts into permanent ones, 31 were returns following legal disputes and 13 were arrivals from other Group companies.

### *Personnel costs*

(millions of Euro)	2013	2012	Change	Change %
Wages and salaries	649.0	661.1	(12.1)	-1.8
Social security contributions	183.4	184.7	(1.3)	-0.7
Staff severance pay	44.1	48.1	(4.0)	-8.3
Pension and similar costs	12.3	12.2	0.1	0.8
Other	17.0	16.5	0.5	3.0
<b>Total</b>	<b>905.8</b>	<b>922.6</b>	<b>(16.8)</b>	<b>-1.8</b>

### *Investments in programmes*

(millions of Euro)	2013	2012	Change	Change %
Programmes:				
- Tv fiction series	164.3	188.1	(23.8)	-12.7
- Other programmes	40.8	45.0	(4.2)	-9.3
<b>Total</b>	<b>205.1</b>	<b>233.1</b>	<b>(28.0)</b>	<b>-12.0</b>

### *Amortisation of programmes*

(millions of Euro)	2013	2012	Change	Change %
Programmes:				
- Tv fiction series	172.5	181.9	(9.4)	-5.2
- Other programmes	26.4	35.5	(9.1)	-25.6
<b>Total</b>	<b>198.9</b>	<b>217.4</b>	<b>(18.5)</b>	<b>-8.5</b>

The **average number of employees**, including those on fixed-term contracts, amount to 11,703, down 148 units compared to last year's workforce. In detail, there has been a drop of 85 members of staff on fixed-term contracts and of 63 members of staff on permanent contracts.

### **Gross Operating Margin**

The Gross Operating Margin, as a consequence of the above, is positive by 233.3 million euros, which is more than twice the figure for the previous year (106.9 million euros).

### **Amortisation of programmes**

This item is related to **investments in programmes**, which in 2013 amounted to 205.1 million euros, down 28.0 million euros (-12.0%), largely relating to TV fiction series.

**Amortisation** charged to the above items for the year amounts to 198.9 million euros, and shows a reduction of 18.5 million euros compared to the previous year (-8.5%) related to the trend in investments.

## Other amortisation and depreciation

This item is related to investments in **tangible non-current assets** and **other investments**, highlighted in the statement below.

Overall, investments increased by 8.6 million euros (+13.1%), mainly due to the development of the digitalisation process for the conversion of recording studios and systems.

**Amortisation and depreciation** for the period referring to the items mentioned above amount to 69.2 million euros, with a slight increase of 0.4 million euros compared to 2012.

## Other net expenses

The item comprises income/expenses not directly related to the Company's core business and, in 2013, highlights net expenses of 3.8 million euros (36.4 million euros in the previous year). In detail, it comprises expenses for repeat-usage programmes which are not expected to be used, repeated or commercially exploited (26.0 million euros; 28.2 million euros in 2012), provision for the company supplementary pension fund for former employees (4.9 million euros; 12.0 million euros in 2012), provisions for risks and charges (13.5 million euros; 21.0 million euros in 2012), partially offset by net contingent assets (21.3 million euros; 20.5 million

euros in 2012) and the release of funds allocated in previous years (20.5 million euros; 10.3 million euros in 2012).

## Operating Result

The performance described above for operating income and expenses determined an improvement of 177.1 million euros in the operating result, which improved from last year's -215.7 million euros to the current -38.6 million euros.

## Net financial expenses

**Net financial expenses** shows a loss of 9.5 million euros (3.8 million euros in 2012). The item shows the economic effects of typical financial operations and comprises bank interest income and expense as well as that relating the Group companies and net gains in relation to exchange rates.

In detail there has been:

- a saving of about 1 million euros – compared to the previous year – in net interest payable to banks, due to the reduction in the average interest rates on loans;
- lower net interest income from subsidiaries and associated companies, amounting to about 2 million euros in relation to loans to Rai Cinema and Rai Way;
- a deterioration in the management of foreign currencies, mainly due to exposures in US

## Other investments

(millions of Euro)	2013	2012	Change	Change %
Tangible assets	64.9	57.5	7.4	12.9
Other intangible assets	9.3	8.1	1.2	14.8
<b>Total</b>	<b>74.2</b>	<b>65.6</b>	<b>8.6</b>	<b>13.1</b>

## Depreciation and amortisation of other non-current assets

(millions of Euro)	2013	2012	Change	Change %
Tangible assets	58.1	59.6	(1.5)	-2.5
Other intangible assets	11.1	9.2	1.9	20.7
<b>Total</b>	<b>69.2</b>	<b>68.8</b>	<b>0.4</b>	<b>0.6</b>

## Net financial expense

(millions of Euro)	2013	2012	Change
Net interest expense from banks	(11.5)	(12.6)	1.1
Net interest income from subsidiaries and associated	4.9	7.0	(2.1)
Net exchange gains (losses)	(0.5)	3.1	(3.6)
Other net financial expense	(2.4)	(1.3)	(1.1)
<b>Total</b>	<b>(9.5)</b>	<b>(3.8)</b>	<b>(5.7)</b>

dollars subject to hedge, which determined significant income last year;

- higher net financial expenses originating from commissions on stand-by loans taken out during the year.

The average cost of loans, consisting of current account credit lines, "hot money", stand-by and medium-term loans, settled at 2.9% (3.4% in the previous year) in relation to the reduction in the monetary reference rates.

### Income from equity investments

The item amounts to 61.9 million euros, up 37.6 million euros compared to 2012, determined largely by the better results of Rai Cinema, Rai Way and Rai Pubblicità, as indicated in the dedicated table.

### Net exceptional expense

This item amounts to 8.9 million euros (48.8 million euros in 2012) and refers mainly to expenses to incentivise early staff resignation totalling 9.3 million euros (62.2 million euros in 2012).

### Income taxes

This item amounts to 0.6 million euros (1.7 million euros in 2012) determined by the balance between current and deferred taxes, as indicated in detail in the table.

As regards the IRES tax, no amount was booked as the year's result for tax purposes was negative.

IRAP, amounting to 30.7 million euros, shows an increase of 5.7 million euros compared to the previous year, determined by a higher taxable base determined by the economic performance of operations.

Deferred tax liabilities determine a positive effect of 2.1 million euros (3.0 in 2012), as a consequence of the reversal of the temporary differences of income deriving from the higher amortisation applied in previous years for tax purposes only.

## Income from equity investments

(millions of Euro)	2013	2012	Change
Revaluations/Writedowns			
- Rai Cinema	37.1	16.1	21.0
- Rai Way	11.8	3.3	8.5
- Rai Pubblicità	8.4	0.4	8.0
- Rai World	1.9	1.7	0.2
- RaiNet	1.0	1.8	(0.8)
- Rai Corporation	1.0	0.2	0.8
- Tivù	0.6	0.5	0.1
- Treccani	(0.1)	0.0	(0.1)
- San Marino	(0.1)	(0.3)	0.2
- Auditel	0.1	0.2	(0.1)
- Euronews	0.2	0.4	(0.2)
<b>Total</b>	<b>61.9</b>	<b>24.3</b>	<b>37.6</b>

## Income taxes

(millions of Euro)	2013	2012	Change	Change %
IRES	0.0	-	0.0	=
IRAP	(30.7)	(25.0)	(5.7)	22.8
Deferred tax liabilities	2.1	3.0	(0.9)	-30.0
Deferred tax assets	28.0	20.3	7.7	37.9
<b>Total</b>	<b>(0.6)</b>	<b>(1.7)</b>	<b>1.1</b>	<b>-64.7</b>

Deferred tax assets (28.0 million euros) originated from the booking of IRES credit deriving mainly from:

- the negative taxable amount, which was partially offset by the positive taxable amounts of the subsidiaries, included within the scope of consolidation for the 2013 tax year, with a positive tax effect of 22.0 million euros;
- newly booked temporary differences for programme assets, which will certainly be recovered as they are transformable into tax credits, with a positive tax effect of 6.6 million euros.

## Balance sheet

### Non-current assets

**Tangible non-current assets**, which are up slightly, are presented in detail in the dedicated statement.

**Investments in programmes** are mainly represented by TV fiction series (257.6 million euros), which accounted for the greater part of total investments during the year (205.1 million euros). The details are provided in the table at the bottom of the page.

### Non-current assets

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Tangible assets	365.8	359.4	6.4	1.8
Programmes	366.7	386.6	(19.9)	-5.1
Equity investments	470.4	435.9	34.5	7.9
Other non-current assets	45.7	43.6	2.1	4.8
<b>Total</b>	<b>1.248.6</b>	<b>1.225.5</b>	<b>23.1</b>	<b>1.9</b>

### Tangible assets

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Land and buildings	163.6	168.1	(4.5)	-2.7
Plant and machinery	112.1	110.0	2.1	1.9
Industrial and sales equipment	3.7	3.9	(0.2)	-5.1
Other assets	26.4	27.0	(0.6)	-2.2
Tangible assets under construction and payments on account	60.0	50.4	9.6	19.0
<b>Total</b>	<b>365.8</b>	<b>359.4</b>	<b>6.4</b>	<b>1.8</b>

### Investments in programmes

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Tv Fiction Series	257.6	291.9	(34.3)	-11.8
Other programmes	109.1	94.7	14.4	15.2
<b>Total</b>	<b>366.7</b>	<b>386.6</b>	<b>(19.9)</b>	<b>-5.1</b>



**Equity investments** increased by 34.5 million euros, mainly as a result of the application of the equity method to the economic results of subsidiaries and associated companies, net of the dividends paid by them.

The details are provided in the table below.

**Other non-current assets**, which remained stable overall, are indicated in detail in the reference statement.

## Working capital

The working capital is shown in the table at the bottom of the page where the various components of the item are highlighted.

The change compared to 2012 (+202.1 million euros) is due mainly to the normal development in the business.

## Equity investments

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
<b>In subsidiaries:</b>				
Rai Cinema SpA	267.8	257.8	10.0	3.9
Rai Corporation in liquidation	2.9	1.9	1.0	52.6
RaiNet SpA	13.0	12.1	0.9	7.4
Rai Way SpA	137.0	125.2	11.8	9.4
Rai World SpA	7.6	5.7	1.9	33.3
Rai Pubblicità SpA	31.1	22.7	8.4	37.0
	<b>459.4</b>	<b>425.4</b>	<b>34.0</b>	<b>8.0</b>
<b>In associated companies:</b>				
Auditel Srl	0.5	0.3	0.2	66.7
Euronews	5.0	5.0	0.0	0.0
San Marino RTV SpA	2.2	2.4	(0.2)	-8.3
Tivù Srl	2.6	2.0	0.6	30.0
	<b>10.3</b>	<b>9.7</b>	<b>0.6</b>	<b>6.2</b>
Other	0.7	0.8	(0.1)	-12.5
<b>Total</b>	<b>470.4</b>	<b>435.9</b>	<b>34.5</b>	<b>7.9</b>

## Other non-current assets

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Digital terrestrial frequencies	7.8	11.2	(3.4)	-30.4
Alterations and improvements to leased properties	6.9	8.8	(1.9)	-21.6
Non-current receivables	12.9	9.7	3.2	33.0
Securities	2.4	1.4	1.0	71.4
Other	15.7	12.5	3.2	25.6
<b>Total</b>	<b>45.7</b>	<b>43.6</b>	<b>2.1</b>	<b>4.8</b>

## Working capital

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Inventories	1.4	1.6	(0.2)	-12.5
Trade receivables	556.1	535.4	20.7	3.9
Other assets	245.6	212.0	33.6	15.8
Trade payables	(562.2)	(612.2)	50.0	-8.2
Provisions for risks and charges	(340.4)	(466.4)	126.0	-27.0
Other liabilities	(218.3)	(190.3)	(28.0)	14.7
<b>Total</b>	<b>(317.8)</b>	<b>(519.9)</b>	<b>202.1</b>	<b>-38.9</b>

The most important change regards Provisions for risks and charges, which presented a reduction of 126.0 million euros during the year, determined mainly by the use of the funds allocated during the previous year. These include the Provision for incentivised resignation (-61 million euros compared to 31 December 2012) allocated in the 2012 financial statements to cover the incentivised resignation initiative resolved in December 2012 and implemented during the year.

It should be noted that the **trade receivables** item consists mainly of accounts receivable from subsidiaries, mainly Rai Pubblicità, and from public authorities and institutions.

### Net financial position

The year-end net financial position is negative by 374.6 million euros, deteriorating compared to 2012 (-122.7 million euros) and is composed as reported in the table below.

In detail, there was an increase in short-term bank debt (74.3 million euros), a consolidation of the sources of medium/long-term financing thanks to the extension of the repayment terms, as well as a significant reduction in the intercompany balance receivable (176.8 million euros), mainly with reference to the associated companies Rai Cinema and Rai Way.

In relation to cash flows for the year:

- the negative flows are due to the reduction in advertising revenues and greater outlay for the renewal of white and blue collar employment contracts, as well as for the payment of funds and staff severance pay as a consequence of the incentivised resignation plan;
- the positive flows relate to the limitation of outlays to third parties asset management, investments and direct taxes, the payment of the Rai Cinema dividend and the cashing of VAT credit.

The average net financial position is negative by 155 million euros (negative by 55 million euros in 2012), with a deterioration of 100 million euros, which is more limited than the final figure, thanks to the more favourable breakdown of the fee instalments collected during the year and to the reduction in the account receivable from the associated companies Rai Way and Rai Cinema.

The analysis carried out on the basis of the **balance sheet and income statement ratios** highlighted that:

- the **net invested capital coverage ratio**, determined by the ratio between net invested capital and own means, is 2.26 (1.42 in 2012);
- the **financial debt hedging ratio**, determined by the ratio between financial payables and own means, is 1.26 (0.42 in 2012);
- 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 0.94 (1.13 in 2012);
- the **self-coverage ratio** of non-current assets, calculated as the ratio of shareholders' equity to non-current assets, is 0.24 (the same as in 2012).

Medium/long-term loans envisage the respect of two parametric/equity ratios, amended in agreement with the banking pool during the years, calculated using the figures of the consolidated financial statements, which have been respected.

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 practices, 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.

### Net Financial position

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Net amounts due from (to) banks and other lenders				
- in the medium/long term	(295.8)	(295.0)	(0.8)	0.3
- in the short term - net	(140.3)	(66.0)	(74.3)	112.6
	<b>(436.1)</b>	<b>(361.0)</b>	<b>(75.1)</b>	<b>20.8</b>
Net financial position with investee companies				
- payables	(78.1)	(27.4)	(50.7)	185.0
- receivables	139.6	265.7	(126.1)	-47.5
	61.5	238.3	(176.8)	-74.2
<b>Net financial position</b>	<b>(374.6)</b>	<b>(122.7)</b>	<b>(251.9)</b>	<b>205.3</b>

In particular:

- the **exchange risk** is related to the exposure in US dollars generated by the acquisition of sports events rights. These commitments generated payments for approximately 33 million dollars during 2013. The operation begins on 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 establishes 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. In relation to the medium-term loan with the pool of lending banks (Unicredit, Intesa Sanpaolo, Banca Nazionale del Lavoro, UBI Banca, Banca di Credito Cooperativo di Roma), interest rate swap agreements were entered into during 2011 for 137 million euros, with the aim of transforming the cost of the loan, issued at floating rate and therefore subject to market volatility, to fixed rate.
- The **credit risk** on cash deployment is limited in that the company policy envisages the use, for limited periods of cash surpluses, of low-risk financial instruments with parties with high ratings. Only tied deposits or sight deposits were used during 2013.

- As regards the **liquidity risk**, in order to increase medium/long-term availability, the following actions were taken during the year:
  - collection of a portion of the loan from the European Investment Bank for the development of DTT (expiring in June 2021) for a total of 50 million euros;
  - change to the pool loan referred to above, with a six-month extension to the initial repayment plan (the new expiry date being June 2016), as well as the availability of a new tranche of loan totalling 147,5 million euros (repayable in a single payment in June 2017).

The levels of the financial covenants have been raised for both loans.

Relative to the banking system, short-term and reversible credit lines were opened for a maximum amount of about 360 million euros. Stand-by loans are also in place for a total of 115 million euros, maturing in August 2014. The existing loans allow coverage of overdrafts during the year, on condition that payment of the fees by the Ministry of the Economy and Finance takes place in observance of the contractual quarter-end deadlines.

## Other information

### Human Resources

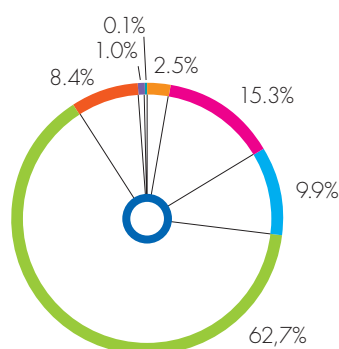
The main aim that inspired operations in the Human Resources area was the need to contain personnel costs. For this reason, the pension policy took on particular importance, aiming, on the one hand, to reduce the structural costs of the whole Group, and, on the other, to favour mobility, a return to the bonus system, which had been blocked for several years, the acceleration in the assignment of permanent employment contracts to office employees and journalists who had fixed term contracts, in observance of the trade union agreements entered into upon implementation of Law 247/2007, and the introduction of fifty apprentices in 2013-2014.

An increasingly refined ability to analyse resources and skills has also enabled rationalisation, prioritising internal mobility via job positing and the conversion of professional profiles.

As a result of the steps taken, the Parent Company workforce fell in numerical terms from 10,476 units as at 31 December 2012 to **10,344** at the end of 2013.

358 of the new employees were hired in application of trade union agreements regarding categorized personnel groups, with 13 cases of mobility within the group, 37 arrivals (19 of which on apprenticeships), and 31 returns for legal disputes. It is important to note how the evolution of the workforce tends to favour conditions of gender equality as time goes by.

#### Breakdown of staff by qualification (source Rai)



#### Breakdown of Rai SpA staff

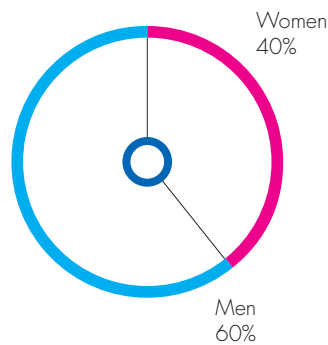
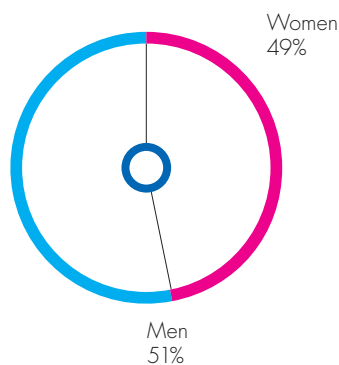
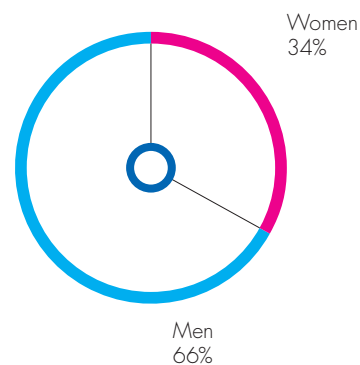
(in units)	12.31.2013	12.31.2012	Change
Executives	262	255	7
Journalists	1,581	1,697	(116)
Middle management	1,022	1,097	(75)
White collars	6,490	6,389	101
Blue collars	870	906	(36)
Orchestra members	108	121	(13)
Out-patient doctors	11	11	-
<b>Total</b>	<b>10,344</b>	<b>10,476</b>	<b>(132)</b>

As regards the **organisational aspects**, important actions included the integration of Rai News and Televideo, as well as the active participation of the management of Human Resources, in the so-called Sites set up within the scope of the Industrial Plan 2013-2015 for the improvement and optimisation of the aims and processes of various areas within the Company.

In terms of relations with **trade unions**, the agreements signed were focused on the introduction of flexible forms also aimed at launching a process of compatibility of the contractual institutes with the rate of technological innovation of products, also at informative level.

As regards **training**, the utmost attention was devoted to safety and prevention and the relative compulsory training, related particularly to the management systems regulated by OHSAS which, for the TV Production Centre in Rome, involved approximately 1,800 people.

In terms of **safety in the workplace**, the TV Production Centre in Rome and the Regional Offices in Cagliari were certified in compliance with OHSAS 18001.

Workforce by gender (source Rai)Hiring by genderTermination of employment by gender (source Rai)**Research and Development**

Using its dedicated structures, Rai has undertaken to direct the Group's harmonious and unitary development via experimentation and, consequently, the implementation of technological broadcasting and telecommunication platforms. The radical change in the setting in recent years, with the rapid change in methods of multiplatform fruition, focused mainly on the Internet, implicates the concentration on technological decisions capable of enhancing the value of the product, distributing it across different media, such as HD and Ultra HD, and allowing interaction with users.

The main areas of research and development during the period of time examined regarded the development of Digital Terrestrial Television, the evolution of television towards Ultra HD and 3D, the creation of new television experiences in addition to traditional viewing, evolved sound recording systems and the digital dimension of radio.

Within the sphere of **DTT** the *Telecomando Rai* service was activated, to allow viewers to browse around Rai's offering, overcoming the limitations of the channel numbering system, and experimentation of the second-generation DVB-T2 standard began in Valle d'Aosta, which makes it possible to almost double the potential of each

terrestrial frequency compared to the existing DVB-T.

Other activities regarded the development of interference control systems with mobile phone services using LTE and the web application *OrienteRai* for the correct adjustment of the television aerial.

Full HD 3D and Ultra HD-4K technologies are now a reality on various distributive platforms and Rai is proceeding with the adaptation of the recording, production and post-production structures.

Experiments and the application of new technologies and formats to make the **television experience** interactive through the television screen and the main mobile devices continue in order to enhance the entertainment experience and that related to other genres, also through interaction with viewers.

New services such as *Rai Replay*, *TGR-ondemand* and the new *Rai Sport* application, which allow access to a portal of contents on demand relating to sports information, are also available.

**Basic research**

The Technological Innovation and Research Centre (CRIT) in Turin participates, also with a view to making the most of patents, in the consortia of companies which hold essential patents for broadband technologies.

Noteworthy projects include the European project TOSCA-MP, on the new semi-automatic methods of research and annotation of video contents, the European project VISION Cloud, winner of the Special Award 2013 at the Amsterdam IBC on the integration between multimedia production and archiving systems and cloud computing, the European project MUSCADE on the future of 3D television without the use of glasses.

Lastly, CRIT, in partnership with the University of Parma, has developed the new 3D-VMS spherical microphones of the Virtual Microphone System, which have permitted the replacement of twenty suspended microphones in the Rai Auditorium in Turin with just two installations, creating a big improvement in the visual impression.

**Intercompany transactions**

During 2013, the Rai Group continued its operations on the basis of a decentralised organisational model for certain activities managed by specially set-up companies.

Relations with subsidiaries and associated companies are based on standard negotiations with reference to the 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.

Between the subsidiaries and Rai there is a financial relationship in force for the management of centralised treasury in order to guarantee the coverage of financial requirements and the optimisation of the investment of cash holdings.

**Highlights of Subsidiaries**

	Rai Cinema		RaiNet		Rai Way		Rai World		Rai Pubblicità	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in millions of Euro)										
Revenues	394.5	345.2	14.5	14.5	219.2	224.6	10.0	5.8	687.4	751.2
Gross Operating Margin	309.6	278.9	1.4	2.6	86.4	88.7	2.8	2.4	17.5	6.4
Operating result	58.8	28.2	1.1	2.0	23.9	13.2	2.8	2.5	16.9	3.3
Net profit (loss) for the year	37.2	16.1	1.0	1.8	11.8	3.3	1.9	1.7	8.0	0.1
Net equity	267.8	257.8	13.0	12.1	137.0	125.2	7.6	5.7	40.0	32.0
Net financial debt	(84.4)	(129.7)	13.4	11.7	(56.3)	(135.1)	12.2	7.8	48.9	1.9
Investments	233.4	237.4	0.6	0.7	23.2	75.9	-	-	1.4	2.1

(in units)

Workforce	91	92	43	38	601	625	4	2	390	428
-----------	----	----	----	----	-----	-----	---	---	-----	-----

## Relations between Rai and the Group companies

(in thousands of euros)	Commercial and other relations				Financial relations				Memorandum Accounts		
	Receivables	Payables	Costs	Revenues	Receivables	Payables	Charges	Income	Guarantees issued	Commitments	Other
Rai Cinema	32,449	11,629	314,138	8,177	84,636	129	-	3,319	-	20,009	-
Rai Corporation	11	17	33	13	-	3,111	-	-	-	-	-
RaiNet	4,962	4,724	8,488	2,970	-	13,429	116	-	-	-	-
Rai Pubblicità	216,600	3,165	2,016	600,949	-	48,744	566	10	42,923	-	-
Rai WWay	54,831	46,812	182,267	21,918	55,001	-	-	2,240	2,264	-	-
Rai World	6,204	3,261	10,024	5,715	-	12,220	84	-	-	-	-
Audiradio	-	-	-	-	-	-	-	-	-	-	-
Auditel	-	-	6,089	-	-	-	-	-	2,582	-	-
Euronews	1	-	1,496	2	-	-	-	-	-	-	-
San Marino	86	3,105	-	243	-	523	7	..	-	-	516
Tivù	248	474	1,894	482	-	-	-	-	-	-	-
<b>Total</b>	<b>315,392</b>	<b>73,187</b>	<b>526,445</b>	<b>640,469</b>	<b>139,637</b>	<b>78,156</b>	<b>773</b>	<b>5,569</b>	<b>47,769</b>	<b>20,009</b>	<b>516</b>

### Significant post-period events

By decree published in Official Gazette no. 18 dated 23 January 2014, the Ministry of Economic Development has determined the licence fee for 2014, confirming the amount indicated in the Ministerial Decree dated 20 December 2012. Rai has proposed appeal before the TAR Lazio for annulment of the provision.

### Outlook

On the basis of the preliminary evidence of the first quarter of 2014, the macro-economic picture continues to be uncertain, with an impact for Rai which is manifest mainly in terms of resources, particularly with regard to the slow dynamics of revenues from licence fees.

These dynamics confirm the need to take a relatively conservative approach to investment policies and to continue with actions to optimise and rationalise Group costs, in compliance with the Business Plan.

2014, as with every other even year, has to withstand costs for big sports events, which might only be partially covered by incremental advertising revenues.

Within the above context, on the basis of the information currently available and taking into account the trends of the reference markets, a break-even seems to be a rather ambitious aim at present.

### Supplemental information

With regard to the technical requirements associated with the obligation of preparing consolidated financial statements, pursuant to article 16, paragraph 4 of the 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 closure of the financial year.

As regards the administrative responsibility introduced by Legislative Decree no. 231/2001, subsequently integrated by numerous legislative instructions, Rai has, for some time now, adopted its own Organisation, Management and Control Model and set up, in accordance with the law, an Oversight Committee, with independent powers of initiative and control, with the task of overseeing the implementation of the Model and updating the same.

During 2013, the content of the new Organisation, Management and Control Model was approved pursuant to Legislative Decree 231/01, updated to take into account the Company's organisational changes; the evolution of law and case law, as well as the latest legislative amendments; the considerations ensuing from the application of the Model; the best practices applied by the companies with regard to the adoption and actuation of the organisation, management and control models; the outcomes of the oversight

activities and results of the Internal Auditing activities.

For what concerns environmental protection, Rai's commitment is reported in the *Regulations on Safety, Health and the Environment Protection and in the Safety Management Manual*, for sites subject to certification of health and safety in the workplace.

These documents report the commitment to respect the laws in force, the specifications, the national and international standards and the clauses signed by the company.

Likewise, the commitment towards the Authorities and towards the population is reported, along with the commitment to training and informing employees and to the oversight of the respect of instructions by the staff of Rai and third parties who work for the company.

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 proposes:

- the approval of the draft statutory Financial Statements of Rai which consist of a Balance Sheet, Income Statement and Notes to the Financial Statements, which close with a net profit of 4,317,063.75 euros, as well as the approval of the Report on Operations;
- to allocate the net profit of 4,317,063.75 euros as follows:
  - 215,853.19 euros, equal to 5% of the net result, to the *Legal Reserve*;
  - the remaining 4,101,210.56 euros to the *Non-distributable reserve for revaluation of equity investments*.



# Financial Statements of Rai SpA

## Balance Sheet and Income Statement (Statutory form)

## Financial Statements of Rai SpA

**Balance Sheet - Assets**

(euros)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	171,813,844	182,797,774
4.- Concessions, licences, trademarks and similar rights	7,906,247	11,290,278
6.- Intangible assets under development and payments on account	206,761,973	215,160,160
7.- Others	10,608,677	9,859,353
<b>TOTAL INTANGIBLE ASSETS</b>	<b>397,090,741</b>	<b>419,107,565</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	163,656,321	168,066,632
2.- Systems and machinery	112,073,570	110,016,532
3.- Industrial and commercial equipment	3,703,806	3,874,943
4.- Other assets	26,379,077	27,045,492
5.- Tangible assets under construction and payments on account	59,983,564	50,408,060
<b>TOTAL TANGIBLE ASSETS</b>	<b>365,796,338</b>	<b>359,411,659</b>
III. FINANCIAL ASSETS		
1.- Equity investments in		
a) subsidiaries	459,466,097	425,359,118
b) associated companies	10,186,520	9,718,273
d) other companies	751,922	824,549
	470,404,539	435,901,940
2.- Receivables		
a) subsidiaries		
due within 12 months	45,654	40,454
due after 12 months	-	25,916
	45,654	66,370
d) other		
due within 12 months	537,455	433,637
due after 12 months	12,358,104	9,154,922
	12,895,559	9,588,559
	12,941,213	9,654,929
3.- Other securities	2,384,523	1,444,494
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>485,730,275</b>	<b>447,001,363</b>
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,248,617,354</b>	<b>1,225,520,587</b>

follows

**Balance Sheet - Assets**

(euros)	<b>12.31.2013</b>	12.31.2012
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	547,075	611,176
4.- Finished products and merchandise	840,982	1,041,776
<b>TOTAL INVENTORIES</b>	<b>1,388,057</b>	<b>1,652,952</b>
II. RECEIVABLES		
1.- customers		
due within 12 months	236,962,892	257,095,471
due after 12 months	2,830,833	4,058,333
2.- subsidiaries	454,658,933	538,770,152
3.- associated companies	334,902	200,583
4.bis - tax receivables		
due within 12 months	42,716,134	85,303,690
due after 12 months	16,823,705	16,809,339
4.ter - deferred tax assets		
due within 12 months	35,629,879	32,052,000
due after 12 months	862,000	1,462,000
5.- other		
due within 12 months	101,657,743	51,669,978
due after 12 months	22,542,197	4,935,613
<b>TOTAL RECEIVABLES</b>	<b>915,019,218</b>	<b>992,357,159</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	6,467,423	10,227,990
2.- Cheques	49,437	51,612
3.- Cash and cash equivalents on hand	373,285	361,770
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>6,890,145</b>	<b>10,641,372</b>
<b>TOTAL CURRENT ASSETS</b>	<b>923,297,420</b>	<b>1,004,651,483</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	26,392,121	20,697,710
<b>TOTAL ASSETS</b>	<b>2,198,306,895</b>	<b>2,250,869,780</b>

## Financial Statements of Rai SpA

**Balance Sheet - Liabilities**

(euros)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. SHARE CAPITAL	242,518,100	242,518,100
IV. LEGAL RESERVE	8,943,984	8,943,984
VII. OTHER RESERVES	42,686,194	288,349,032
IX. PROFIT (LOSS) FOR THE YEAR	4,317,064	(245,662,838)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>298,465,342</b>	<b>294,148,278</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- for pension and similar liabilities	142,620,834	153,848,801
2.- for taxes (also deferred taxes)	2,108,507	4,209,261
3.- other	195,705,050	308,388,092
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>340,434,391</b>	<b>466,446,154</b>
C) PROVISION FOR STAFF SEVERANCE PAY	257,788,501	288,759,490
D) PAYABLES		
4.- Due to banks		
due within 12 months	245,489,254	174,963,614
due after 12 months	197,500,000	196,666,667
6.- Advances	2,734,019	2,822,940
7.- Suppliers	486,298,914	510,925,395
9.- Subsidiaries		
due within 12 months	143,191,180	117,547,784
due after 12 months	4,049,756	4,035,390
10.- Associated companies	4,102,301	4,304,035
12.- Tax payables	62,187,159	45,781,682
13.- Welfare and social security institutions	52,175,671	46,464,136
14.- Other payables	74,445,889	60,723,968
<b>TOTAL PAYABLES</b>	<b>1,272,174,143</b>	<b>1,164,235,611</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	29,444,518	37,280,247
<b>TOTAL LIABILITIES</b>	<b>2,198,306,895</b>	<b>2,250,869,780</b>

**Memorandum Accounts**

(euros)	<b>12.31.2013</b>	12.31.2012
1.- Unsecured guarantees granted		
a) Sureties:		
- for subsidiaries	45,186,819	39,475,848
- for associated companies	2,582,285	2,582,285
- for others	-	44,733
	47,769,104	42,102,866
<b>Total unsecured guarantees granted</b>	<b>47,769,104</b>	<b>42,102,866</b>
2.- Secured guarantees granted		
b) for own commitments other than payables	2,271,000	1,440,000
<b>Total secured guarantees granted</b>	<b>2,271,000</b>	<b>1,440,000</b>
3.- Purchase and sale commitments	20,008,887	34,519,703
4.- Other	352,845,969	220,491,622
	<b>422,894,960</b>	<b>298,554,191</b>

## Financial Statements of Rai SpA

**Income Statement**

(euros)	Year 2013	Year 2012
A) PRODUCTION VALUE		
1.- Revenues from sales and services	2,489,920,803	2,550,012,794
2.- Changes in inventories of work in progress, semifinished and finished goods	(200,794)	262,959
4.- Internal cost capitalisations	14,253,082	16,321,440
5.- Other production-related income		
a) operating grants	8,148,192	9,813,074
b) gains on disposal of assets	1,278	60,819
c) other	113,499,157	107,520,726
	121,648,627	117,394,619
<b>TOTAL PRODUCTION VALUE</b>	<b>2,625,621,718</b>	<b>2,683,991,812</b>
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(19,179,486)	(22,931,888)
7.- Services	(719,933,127)	(747,172,976)
8.- Use of third-party assets	(615,814,746)	(758,870,711)
9.- Personnel		
a) wages and salaries	(648,895,593)	(661,150,104)
b) social security contributions	(183,438,332)	(184,646,960)
c) staff severance pay	(44,096,760)	(48,097,276)
d) pension and similar costs	(12,340,102)	(12,259,533)
e) other costs	(16,981,853)	(16,469,129)
	(905,752,640)	(922,623,002)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(222,375,306)	(238,790,926)
b) depreciation of tangible assets	(58,160,290)	(59,618,419)
c) other non-current asset writedowns	(26,370,217)	(28,271,918)
d) writedown of current receivables and cash and cash equivalents	-	(4,193,029)
	(306,905,813)	(330,874,292)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(64,102)	24,427
12.- Provisions for risks	(13,094,566)	(12,200,428)
13.- Other provisions	(553,883)	(8,975,183)
14.- Other operating costs		
a) capital losses on disposal of assets	(247,635)	(1,527,427)
b) concession fee	(26,297,597)	(27,944,028)
c) other	(55,828,031)	(66,244,983)
	(82,373,263)	(95,716,438)
<b>TOTAL PRODUCTION COSTS</b>	<b>(2,663,671,626)</b>	<b>(2,899,340,491)</b>
<b>Difference between production value and costs</b>	<b>(38,049,908)</b>	<b>(215,348,679)</b>

follows

## Income Statement

(euros)	Year 2013	Year 2012
C) FINANCIAL INCOME AND EXPENSES		
15. Income from equity investments		
c) from other companies	10	-
	10	-
16.- Other financial income.		
a) from non-current receivables		
. other	22,823	16,132
	22,823	16,132
b) from non-current securities other than equity investments	74,832	90,420
d) financial income other than the above		
. interest and commissions from subsidiaries	5,569,562	7,737,488
. interest and commissions from associated companies	49	3,881
. interest and commissions from others and miscellaneous income	965,531	899,245
	6,535,142	8,640,614
	6,632,797	8,747,166
17.- Interest and other financial expenses		
a) interest and commissions payable to subsidiaries	(766,861)	(787,620)
b) interest and commissions payable to associated companies	(7,246)	(3,869)
d) interest and commissions payable to others and miscellaneous charges	(14,886,379)	(14,916,148)
	(15,660,486)	(15,707,637)
17 bis.- Foreign exchange gains and losses - net	(504,377)	3,099,653
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>(9,532,056)</b>	<b>(3,860,818)</b>
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18.- Revaluations		
a) of equity investments	62,166,434	24,761,257
b) of non-current securities other than equity investments	-	29,350
	62,166,434	24,790,607
19.- Writedowns		
a) of equity investments	(221,759)	(373,920)
b) of non-current securities other than equity investments	(550,658)	(387,740)
	(772,417)	(761,660)
<b>TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>61,394,017</b>	<b>24,028,947</b>
E) EXCEPTIONAL INCOME AND EXPENSE		
20.- Exceptional income		
b) out-of-period gains and reversal of non-existent liabilities	438,582	13,421,007
	438,582	13,421,007
21.- Exceptional expense		
d) other	(9,297,325)	(62,200,000)
	(9,297,325)	(62,200,000)
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>(8,858,743)</b>	<b>(48,778,993)</b>
Result before taxes	4,953,310	(243,959,543)
22.- Current income taxes for the year, and deferred tax assets and liabilities	(636,246)	(1,703,295)
<b>23.- Profit (loss) for the year</b>	<b>4,317,064</b>	<b>(245,662,838)</b>





# 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.

The company may enlist the aid of subsidiaries for activities relating to the performance of the pertinent services. Rai is also allowed to perform commercial and publishing activities connected to the dissemination of pictures, sound and data, as well as other related activities, either directly or through associated companies, as long as these activities do not influence the best pursuit of the public services for which it holds the concession and contribute to balanced company operation.

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", which was amended and renamed "Consolidated Broadcasting Law" by Legislative Decree 44 of 15 March 2010, 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 Consolidated Law governing audio-visual and radio media services, issued with article 49 of the 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.

The service agreement for 2010-2012 entered into between the Ministry of Economic Development and Rai on 6 April 2012 was approved with ministerial decree of 27 April 2012, published in Official Gazette of 27 June 2012: negotiations for renewal are currently underway.

The rationale underlying the above regulatory framework lies in the public interest functions entrusted to the concession holder. Under these regulations, Rai has special institutional characteristics and operating constraints, in addition to the specific obligations undertaken with the Service Contract.

## 2) Introduction

The Parent Company financial statements at 31 December 2013 are prepared in conformity to the relevant provisions of the Italian Civil Code. They are supplemented with annexes featuring the reclassified statements comprised of tables for the analysis of the balance sheet and income statement, and of cash flows.

The financial statements are expressed in euros, without decimals; the Notes to the financial statements and the related detailed Schedules are stated in thousands of euros.

Rai's financial statements have been audited by PricewaterhouseCoopers SpA.

### 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. These 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 football 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, 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.
  - *Sporting 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 over ten years from the year they enter service.
- e) Deferred charges are carried under other intangible assets net of accumulated amortisation. They regard improvements to leased or licensed property and accessory charges on loans. Amortisation for leasehold improvements is determined on the basis of the shorter of the residual duration of the related contracts and the estimated period of benefit of the costs, calculated using amortisation rates which reflect the rate of economic deterioration of the relative assets. Accessory charges on loans are amortised in relation to the duration of the loan.
- f) Tangible fixed 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 non-current assets as determined above are depreciated in accordance with Article 2426 (2) of the Civil Code. Ordinary maintenance costs are expensed in the year in which they are incurred.
- g) Investments in subsidiaries and associated companies are valued using the equity method. This method envisages that the value at which investments is booked be the same as the corresponding fraction of the shareholders' equity resulting from the last financial statements, minus the dividends and after the adjustments required by the principles used in the preparation of the consolidated financial statements. The profit or loss by the investee for the year, duly adjusted, is booked to the Income Statement in the year to which the result refers, on line *DD18 Revaluations a) of equity investments* or on line *D19 Writedowns a) of equity*

## Notes to the Parent Company Financial Statements

*investments.* For companies with negative shareholders' equity, the cost of the investment is set at zero and Rai's share of the deficit is specifically provided for under the provisions for risks and charges. Any net profit is taken to a specific non-distributable reserve until the profit is realised.

- h) Investments in other companies are valued on the basis of purchase cost adjusted in the case of durable losses in value. For companies with negative shareholders' equity, the cost of the investment is set at zero and Rai's share of the deficit is specifically provided for under the provisions for risks and charges. Adjustments for durable losses in value are reversed in the event that such loss is subsequently recovered due to sufficient operating earnings by the investee companies.
- i) Fixed-income securities carried as non-current financial assets are valued at purchase cost. Positive or negative differences between purchase cost and redemption value are taken to income in the amount accruing for the year.
- j) Non-current assets which, at the balance sheet date, have suffered a permanent impairment in value, are carried at the lower value. Should the reasons for the writedown made in previous years no longer apply, the assets are revalued within the limits of the amount of the writedown.
- k) Other securities carried under current financial assets are valued at the lower of purchase cost – determined as the weighted average cost – and estimated realisable value, which is given by market value.
- l) Inventories of raw materials, supplies and consumables (technical materials) are valued at purchase cost, which is determined on the basis of weighted average cost, written down taking account of market trends and estimated non-use due to obsolescence and slow turnover. Inventories of items for resale 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) Receivables are shown at the presumable 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.
- n) Accrued income and prepaid expenses, and accrued expenses and deferred income, are recorded on an accruals basis for the individual entries.
- o) 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.
- p) 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* item 4 *ter Deferred tax assets* if there is reasonable certainty that they will be recovered in the future.
- q) 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.
- r) 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.
- s) Payables are shown at nominal value.
- t) 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.
- u) Payments on account include advances paid by customers for services that have not yet been performed.

- v) Costs and revenues are taken to the income statement on a consistently applied accruals basis.
- 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-return is carried under taxes payable, together with liabilities relating to taxes already assessed and due.
- The Company has opted for the Group to be taxed on a consolidated basis and accordingly, as the consolidating entity, attends to all requirements connected with the settlement of IRES tax for all companies within the consolidated taxation arrangement.
- The procedure for the consolidation of the Group's taxable amounts is regulated by a specific agreement between the Parent Company and the subsidiaries.
- The fundamental standards that regulate this agreement are neutrality (absence of negative effects on the single companies), proportionality in the use of losses and their integral remuneration on the basis of the rate of IRES in force at the time of effective use, offsetting the incomes booked.
- x) 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.
- y) Collections are recorded by bank transaction date; for payments account is likewise taken of the instruction date.

## Notes to the Parent Company Financial Statements

## 4) Parent Company Balance Sheet

### Assets

#### Non-current assets

##### Intangible assets

This item 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

Schedule 1

(in thousands of euros)	12.31.2012 (a)			Changes during the year				12.31.2013			
	Costs	Amortisation	Book value	Increases and capitalisation	Reclassifications	Writedowns, eliminations and disposals	Amortisation	Costs	Amortisation	Book value	
Industrial patents and intellectual property rights:											
programmes (b)	467,181	(255,046)	212,135	111,093	109,375	-	(232,973)	687,649	(488,019)	199,630	
provision for impairment of programmes being amortised	(32,582)	-	(32,582)	-	-	(21,823)	21,665	(54,405)	21,665	(32,740)	
	434,599	(255,046)	179,553	111,093	109,375	(21,823)	(211,308)	633,244	(466,354)	166,890	
software licences (c)	6,713	(3,468)	3,245	4,046	1,778	-	(4,145)	12,537	(7,613)	4,924	
	441,312	(258,514)	182,798	115,139	111,153	(21,823)	(215,453)	645,781	(473,967)	171,814	
Digital Terrestrial Television	40,537	(29,325)	11,212	-	-	-	(3,364)	40,537	(32,689)	7,848	
Concessions, licences, trademarks and similar rights (d)	203	(125)	78	-	-	-	(20)	203	(145)	58	
	40,740	(29,450)	11,290	-	-	-	(3,384)	40,740	(32,834)	7,906	
Intangible assets under development and payments on account:											
programmes (e)	207,053	-	207,053	106,321	(109,375)	(4,147)	(h)	199,852	-	199,852	
software licences	1,778	-	1,778	395	(1,778)	-	-	395	-	395	
long-term costs relating to third-party property	829	-	829	102	(802)	-	-	129	-	129	
other rights	5,500	-	5,500	1,586	(300)	(400)	(h)	6,386	-	6,386	
	215,160	-	215,160	108,404	(112,255)	(4,547)	-	206,762	-	206,762	
Others											
long-term costs relating to third-party property (f)	36,929	(28,994)	7,935	875	814	(i)	-	(2,791)	38,619	(31,786)	6,833
accessory charges on loans (g)	2,573	(838)	1,735	2,299	-	-	(552)	4,871	(1,390)	3,481	
other rights	200	(11)	189	-	300	-	(195)	500	(206)	294	
	39,702	(29,843)	9,859	3,174	1,114	-	(3,538)	43,990	(33,382)	10,608	
<b>Total</b>	<b>736,914</b>	<b>(317,807)</b>	<b>419,107</b>	<b>226,717</b>	<b>12</b>	<b>(26,370)</b>	<b>(222,375)</b>	<b>937,273</b>	<b>(540,183)</b>	<b>397,090</b>	

(a) Includes only those values which 31.12.12 have not been fully amortised, apart from the depreciation fund for programmes under amortisation, disclosed net of the portion of use Other item, which includes long-term charges on third-party assets fully amortised with leasing agreement in progress (note (f))

(b) Book values:

. not fully amortised	467,181	(255,046)	212,135					418,594	(218,964)	199,630
. fully amortised	270,067	(270,067)	-					269,055	(269,055)	-
	737,248	(525,113)	212,135					687,649	(488,019)	199,630

(c) Book values:

. not fully amortised	6,713	(3,468)	3,245					8,948	(4,024)	4,924
. fully amortised	2,188	(2,188)	-					3,589	(3,589)	-
	8,901	(5,656)	3,245					12,537	(7,613)	4,924

(d) Book values:

. not fully amortised	203	(125)	78					170	(112)	58
. fully amortised	25	(25)	-					33	(33)	-
	228	(150)	78					203	(145)	58

(e) Costs for the right to use intellectual property under production at 31.12.12 and not yet transferred by the end of December 2013 to non-current assets under amortisation, refer to rights becoming valid after 31 December 2012 or still to be defined, as well as internal productions of programmes still to be completed on such date. In any case, these are costs referring to programmes which are expected to be used in the future.

(f) Long-term charges on third-party property, with book values:

. not fully amortised	29,096	(21,161)	7,935					31,162	(24,329)	6,833
. fully amortised - with contract in progress	7,833	(7,833)	-					7,459	(7,459)	-
	36,929	(28,994)	7,935					38,621	(31,788)	6,833

(g) Book values:

. not fully amortised	2,573	(838)	1,735					4,871	(1,390)	3,481
. fully amortised	1,530	(1,530)	-					-	-	-
	4,103	(2,368)	1,735					4,871	(1,390)	3,481

(h) Writedowns of unmade or unusable programmes/rights

(i) Reclassification:

- from non-current assets in progress and payments on account.	- costs			802						
- to tangible assets:	- costs			13						
	- amortisation			(1)						
				814						

**Industrial patents and intellectual property rights.** As indicated in Schedule 1, they amount to 171,814 thousand euros, as follows:

- 166,890 thousand euros for the cost of television programmes available for use, and compared with the figure as at 31 December 2012, shows a net decrease of 12,663 thousand euros. The aforementioned reduction represents the balance between the increase determined by new assets for 220,468 thousand euros (of which 109,375 thousand euros transferred from *non-current assets under development and payments on account* for rights that became available during the year) and the decrease determined by the writedown to highlight the effects resulting from the risk of non-transmission, repeatability and commercial exploitation of certain programmes (21,823 thousand euros) and the amortisation charge for the year (211,308 thousand euros);
- 4,924 thousand euros refer to software licences, 3,245 thousand euros as at 31 December 2012, with a net increase of 1,679 thousand euros. The aforementioned increase represents the balance between the increase determined by new assets for 5,824 thousand euros (of which 1,778 thousand euros transferred from *non-current assets under development and payments on account* for products that became useable during the year) and the amortisation charge for the year (4,145 thousand euros).

As regards television programmes available for use, the overall sum, gross of the writedown, is broken down between:

- rights to television programmes owned or held under unlimited-term licences amounting to 169,345 thousand euros (at 31 December 2012: 181,452 thousand euros);
- rights to television programmes owned or held under fixed-term licences amounting to 30,285 thousand euros (at 31 December 2012: 30,683 thousand euros).

Overall investments in television programmes made in 2013 amount to 217,414 thousand euros, including 106,321 thousand euros relating to investments in television programmes which are not yet available at 31 December 2013, which are carried under *non-current assets under development and payments on account*. Analyses of investments by type, at 31 December 2013, showed that 164,280 thousand euros was invested in fiction genres (series, miniseries, TV movies, soap operas etc.), 12,331 thousand euros in documentaries, 11,936 thousand euros in cartoons and comedy programmes, 22,420 thousand euros in football libraries, 5,793 thousand euros in classical music and prose and 654 thousand euros in other genres.

**Concessions, licences, trademarks and similar rights.** The item, which is stated net of accumulated amortisation, includes costs incurred on the acquisition of licences for digital terrestrial frequencies, and own trademarks. They total 7,906 thousand euros, of which 7,848 thousand euros relating to digital network frequencies.

**Non-current assets under development and payments on account.** The item amounts to 206,762 thousand euros, including:

- 199,852 thousand euros for the cost of television programmes which are not yet available, and therefore not subject to amortisation, and compared with the figure as at 31 December 2012, showing a net reduction of 7,201 thousand euros, as indicated in Schedule 1. In particular, the aforementioned reduction is equal to the balance between increases for new assets (106,321 thousand euros), decreases for items transferred to Industrial patents and intellectual property rights in that they relate to productions and/or purchases that became usable during the year (109,375 thousand euros) or to eliminations of unmade or unusable programmes (4,147 thousand euros);
- 395 thousand euros refer to software licences and, compared with the figure as at 31 December 2012, show a net reduction of 1,383 thousand euros, determined entirely by new assets. In particular, the aforementioned reduction is equal to the balance between increases for new assets (395 thousand euros), decreases for items transferred to Industrial patents and intellectual property rights in that they relate to products that became usable during the year (1,778 thousand euros);
- 129 thousand euros refer to alterations and improvements underway on property under leasehold or concession and, compared with the figure as at 31 December 2012, show a net reduction of 700 thousand euros. The aforementioned reduction is equal to the balance between increases for new assets (102 thousand euros) and reductions for items transferred to Other non-current assets (802 thousand euros);
- 66,386 thousand euros refer to the cost to purchase options on agreements for the commercial exploitation of products held in football libraries and, compared with the figure as at 31 December 2012, show an increase of 886 thousand euros. The aforementioned increase is equal to the balance between increases for new assets (1,586 thousand euros), reductions for items transferred to Other non-current assets (300 thousand euros) and eliminations for expired options (400 thousand euros).

## Notes to the Parent Company Financial Statements

For television programmes that have not yet become available, the total of 199,852 thousand euros includes:

- 117,214 thousand euros for television programmes owned by the Company that were not ready at 31 December 2013 or for which usage rights began after 31 December 2013 (at 31 December 2012: 140,865 thousand euros). These comprise costs of 5,733 thousand euros relating to the production of a long-running fiction series which has been interrupted for the moment following production problems with the company responsible for production. On this matter, this amount was prudently assigned to the provision for *risks of non-usability of non-current assets*;
- 82,611 thousand euros regarding third-party television programmes held on fixed-term licence beginning after 31 December 2013 (at 31 December 2012: 66,188 thousand euros).

**Other intangible assets.** The amount of 10,608 thousand euros includes:

- 6,833 thousand euros for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (at 31 December 2012: 7,935 thousand euros);
- 3,481 thousand euros for expenses, net of accumulated amortisation, on long-term loan agreements to be distributed throughout their duration (at 31 December 2012: 1,735 thousand euros);
- 294 thousand euros refer to the cost to purchase options on agreements for the commercial exploitation of products held in football libraries, net of shares of amortisation, calculated in relation to the period of use.

### Tangible assets

These comprise the costs and related revaluations of non-current tangible assets with an economic 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 annual 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 systems 12.5%
  - Transmission and television systems 19%
  - Recording systems 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 2013 amount to 365,796 thousand euros, showing an overall net increase of 6,384 thousand euros on 31 December 2012. The aforementioned increase represents the balance between increases of 64,859 thousand euros and reductions of 58,475 thousand euros, as detailed in Schedule 2.



**Tangible assets and accumulated depreciation****Schedule 2**

(in thousands of euros)	12.31.2012					Changes during the year				12.31.2013				
	Costs	Revaluations	Writedowns	Accumulated depreciation	Book value	Increases and capitals.	Reclassifications	Net eliminations (a)	Depreciation	Costs	Revaluations	Writedowns	Accumulated depreciation	Book value
Land and buildings	521,173	561,940	(36,529)	(878,517)	168,067	5,113	3,883	(47)	(13,359)	529,901	561,907	(36,529)	(891,623)	163,656
Systems and machinery	1,239,055	8,224	-	(1,137,262)	110,017	21,503	18,475	(105)	(37,817)	1,270,429	8,178	-	(1,166,533)	112,074
Industrial and commercial equipment	79,095	2,907	-	(78,127)	3,875	1,409	69	(9)	(1,640)	74,367	2,823	-	(73,486)	3,704
Other assets	103,535	972	-	(77,462)	27,045	3,889	853	(65)	(5,344)	107,007	966	-	(81,594)	26,379
Tangible assets under construction and payments on account	50,408	-	-	-	50,408	32,945	(23,292)	(77)	-	59,983	-	-	-	59,983
<b>Total</b>	<b>1,993,266</b>	<b>574,043</b>	<b>(36,529)</b>	<b>(2,171,368)</b>	<b>359,412</b>	<b>64,859</b>	<b>(12)</b> (b)	<b>(303)</b>	<b>(58,160)</b>	<b>2,041,687</b>	<b>573,874</b>	<b>(36,529)</b>	<b>(2,213,236)</b>	<b>365,796</b>
(a) including:														
. Costs - tangible assets														
(16,425)														
. Revaluations - tangible assets														
(169)														
. Depreciation - tangible assets														
16,291														
<b>(303)</b>														
(b) changes for reclassification under intangible assets under development														
. Costs - tangible assets														
(13)														
. Depreciation - tangible assets														
1														
<b>(12)</b>														

It should be noted that new tangible assets recorded, which reflect investments made during the year, comprise 6,393 thousand euros for the capitalisation of the cost of internal personnel engaged in the construction of buildings, systems and machinery.

The gross value of revaluations recorded under Non-current tangible assets is reported below, listed according to the applicable regulations:

- 36,172 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 44,517 thousand euros. This comprises property acquired by 31 December 1946, the gross value of which, amounting to 424 thousand euros, includes revaluation pursuant to Law 74 of 11 February 1952;
- 52,244 thousand euros gross in implementation of Law 413 of 30 December 1991;
- 485,458 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.

## Notes to the Parent Company Financial Statements

**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 470,404 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****Schedule 3**

(in thousands of euros)	12.31.2012				Changes during the year			12.31.2013			
	Costs	Revaluations	Writedowns (a)	Book value	Acquisitions Subscriptions	Dividends	Writedown (-) Reval. (+)	Costs	Revaluations	Writedowns (a)	Book value
<b>Subsidiaries</b>											
Rai Cinema SpA	200,103	57,716	-	257,819	-	(27,132)	37,161	200,103	67,745	-	267,848
Rai Corporation in liquidation	8,713	-	(6,822)	1,891	-	-	1,000	8,713	-	(5,822)	2,891
RaiNet SpA	47,900	-	(35,844)	12,056	-	-	984	47,900	-	(34,860)	13,040
Rai Pubblicità SpA	11,114	11,613	-	22,727	-	-	8,355	11,114	19,968	-	31,082
Rai Way SpA	70,244	54,931	-	125,175	-	-	11,821	70,244	66,752	-	136,996
Rai World SpA	5,300	391	-	5,691	-	-	1,918	5,300	2,309	-	7,609
	<b>343,374</b>	<b>124,651</b>	<b>(42,666)</b>	<b>425,359</b>	<b>-</b>	<b>(27,132)</b>	<b>61,239</b>	<b>343,374</b>	<b>156,774</b>	<b>(40,682)</b>	<b>459,466</b>
<b>Associated companies</b>											
Audiradio Srl in liquidation	1,428	-	(1,428)	-	-	-	-	1,428	-	(1,428)	- (a)
Auditel Srl	10	355	-	365	-	-	148	10	503	-	513
Euronews	850	4,155	-	5,005	-	(166)	141	850	4,130	-	4,980
San Marino RTV SpA	258	2,105	-	2,363	-	-	(149)	258	1,956	-	2,214
Tivù Srl	483	1,502	-	1,985	-	(144)	638	483	1,996	-	2,479
	<b>3,029</b>	<b>8,117</b>	<b>(1,428)</b>	<b>9,718</b>	<b>-</b>	<b>(310)</b>	<b>778</b>	<b>3,029</b>	<b>8,585</b>	<b>(1,428)</b>	<b>10,186</b>
<b>Other companies</b>											
Almaviva SpA	324	-	-	324	-	-	-	324	-	-	324
Banca di Credito Cooperativo di Roma	1	-	-	1	-	-	-	1	-	-	1
CFI in liquidation	30	-	(30)	-	-	-	-	30	-	(30)	-
Consorzio Nettuno	21	-	(21)	-	-	-	-	21	-	(21)	-
Consorzio Valle D'Aosta Digitale in liquidation	7	-	(7)	-	-	-	-	7	-	(7)	-
Int. Multimedia University Umbria Srl	52	-	(52)	-	-	-	-	52	-	(52)	-
Immobiliare Editori Giornali Srl	12	-	-	12	-	-	-	12	-	-	12
Ist. Enciclopedia Treccani SpA	513	-	(26)	487	-	-	(72)	513	-	(98)	415
	<b>960</b>	<b>-</b>	<b>(136)</b>	<b>824</b>	<b>-</b>	<b>-</b>	<b>(72)</b>	<b>960</b>	<b>-</b>	<b>(208)</b>	<b>752</b>

(a) net of capital reconstitutions.

**List of equity investments in subsidiaries and associated companies****Schedule 4**

(in thousands of euros)

Company name	Headquarters	Share capital	Investee Shareholder's Equity	Profit (loss)	Portion held %	Portion corresponding to investee Shareholder's Equity	Book value
<b>Subsidiaries</b>							
Rai Cinema SpA	Rome	200,000	267,848	37,161	100.00%	267,848	267,848
Rai Corporation in liquidation	New York (USA)	363 (1)	2,891 (2)	1,081 (3)	100.00%	2,891	2,891
RaiNet SpA	Rome	5,160	13,040	984	100.00%	13,040	13,040
Rai Pubblicità SpA	Turin	10,000	39,994	8,014	100.00%	39,994	31,082 (4)
Rai Way SpA	Rome	70,176	136,996	11,821	100.00%	136,996	136,996
Rai World SpA	Rome	1,300	7,609	1,918	100.00%	7,609	7,609
							<b>459,466</b>
<b>Associated companies</b>							
Audiradio Srl in liquidation	Milan	258	(128) (5)	(2) (5)	27.00%	(35)	- (6)
Auditel Srl	Milan	300	1,556	449	33.00%	513	513
Euronews	Ecully (F)	4,033	24,222	1,129	20.56%	4,980	4,980
San Marino Rtv SpA	San Marino (RSM)	516	4,429	(298)	50.00%	2,214	2,214
Tivù Srl	Rome	1,002	5,146	1,326	48.16%	2,479	2,479
							<b>10,186</b>

(1) USD 500,000 at the exchange rate as at 12.31.2013 of 1.3791 euros/USD

(2) USD 3,986,381 at the exchange rate as at 12.31.2013 of 1.3791 euros/USD

(3) USD 1,490,879 at the exchange rate as at 12.31.2013 of 1.3791 euros/USD

(4) The difference between book value and equity of the company, amounting to 8,912 thousand euros, refers to adjustments to intercompany operations required by the standards applied to the drawing up of the consolidated financial statements for valuation at equity.

(5) Resulting from the financial statements as at 12.31.2013

(6) The equity deficit is hedged by a provision for charges of the same amount.

The following section discusses the more significant developments in investee companies and the consequent impact on the Rai financial statements:

**Equity investments in subsidiaries**

- *Rai Cinema SpA* (100% 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. The investment was revalued for an amount of 37,161 thousand euros, corresponding to the positive result attained by the company in 2013. A dividend of 27,132 thousand euros was paid out in 2013, booked under Equity investments in subsidiaries in reduction of the revaluation of the investment.
- *Rai Corporation in liquidation* (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 investment is carried at a gross value of 8,713 thousand euros, in that this includes the payment on account of share capital in US\$ 10,000,000 which was made during 2005. At 31 December 2013 the value of the investment, written down at 31 December 2012 by 6,822 thousand euros, was revalued by 1,000 thousand euros to adapt the value of the investment to the company shareholders' equity, drawn up on the basis of the Italian accounting standards, at the exchange rate in force on 31 December 2013.
- *RaiNet SpA* (100% 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 2013 the gross value of the holding, 47,900 thousand euros which had been written down at 31 December 2012 by 35,844 thousand euros, was revalued by 984 thousand euros in view of the profit earned by the company in 2013.
- *Rai Pubblicità SpA* (formerly *Sipra SpA* - 100% Rai): the company changed the name from *Sipra* to *Rai Pubblicità* in May 2013. The share capital of 10,000 thousand euros is represented by 100,000 shares with a par value of 100 euros each. Evaluation of the investment using the equity method determined a revaluation of 8,355 thousand euros, deriving from the profits made by the company in 2013, equating

to 8,014 thousand euros, increased by further adjustments to intercompany operations required by the standards applied to the drawing up of the consolidated financial statements.

- *Rai Way SpA* (100% 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 investment was revalued for an amount of 11,821 thousand euros, corresponding to the profits made by the company in 2013.
- *Rai World SpA* (100% Rai): the share capital of 1,300 thousand euros is represented by 1,300,000 shares with a par value of 1 euro each. The investment was revalued for an amount of 1,918 thousand euros, corresponding to the profits made by the company in 2013.

### Equity investments in associated companies

- *Audiradio Srl in liquidation* (27% Rai): the share capital of 258 thousand euros is represented by 258,000 shares with a par value of 1 euro each. The gross value of the investment equating to 1,428 thousand euros was fully written down on the basis of the results of the financial statements at 31 December 2012, which highlight a negative shareholders' equity of 128 thousand euros. The portion of the capital deficit amounting to 35 thousand euros was allocated to a special provision for charges.
- *Auditel Srl* (33% Rai): the share capital of 300 thousand euros is represented by 300,000 shares with a par value of 1 euro each. In view of the profits of 449 thousand euros made by the company in 2013, the investment was revalued by the amount assigned to Rai, equal to 148 thousand euros.
- *Euronews - Société Anonyme* (20.56% Rai): the share capital of 4,033 thousand euros is represented by 268,856 shares with a par value of 15 euros each. During 2013, the distribution of a dividend of 806 thousand euros against the 2012 result was resolved. The amount of 166 thousand euros assigned to Rai was booked to Equity investments in associated companies, reducing the revaluation of the investment. In relation to profits amounting to 1,129 thousand euros made by the company in 2013, the investment was revalued by the amount assigned to Rai, equal to 141 thousand euros.
- *San Marino Rtv SpA* (50% Rai): this company was established in 1991 by Rai and E.R.A.S. - Ente di Radiodiffusione Sammarinese - with an equal holding in the company. It was set up pursuant to Law 99 of 9 April 1990 ratifying the collaboration treaty between the Republic of Italy and the Republic of San Marino concerning radio and television. It has a share capital of 516 thousand euros consisting of 1,000 shares with a par value of 516,46 euros each. In relation to the negative result achieved by the company in 2013, equating to 298 thousand euros, the revaluation of 2,105 thousand euros referred to the previous years was reduced by the portion attributable to Rai, equal to 149 thousand euros.
- *Tivù Srl* (48.16% Rai): the share capital of 1,002 thousand euros was subscribed by Rai and by R.T.I. - Reti Televisive Italiane SpA - with equal holdings of 48.16%, by TI Media - Telecom Italia Media S.p.A. - with a share of 3.5% and by two associations - FRT and Aeranti Corallo - each with a 0.09% share. During 2013, the distribution of a dividend of 300 thousand euros valid against the 2012 result was resolved. The amount of 144 thousand euros assigned to Rai was booked to Equity investments in associated companies, reducing the revaluation of the investment. In view of the profits of 1,326 thousand euros made by the company in 2013, the investment was revalued by the amount assigned to Rai, equal to 638 thousand euros.

### Equity investments in other companies

- *Almaviva - The Italian Innovation Company SpA* (0.831% Rai): the value of the holding is unchanged from 2012 and amounts to 324 thousand euros, The share capital is represented by 107,567,301 ordinary shares with a par value of 1.00 euro each.
- *Banca di Credito Cooperativo di Roma Scpa* (variable capital company; insignificant percentage held by Rai): carried at a value of 1 thousand euros, equivalent to the amount paid on 16 January 2009 for the purchase of 100 shares. The company distributed a dividend to Rai during 2013 for an insignificant amount in thousands of euros, which was booked to Revenues from equity investments in other companies.
- *C.F.I - International Consortium for International Education in liquidation*: carried at a value of 1 thousand euros, equivalent to the amount paid on 16 January 2009 for the purchase of 100 shares. The company distributed a dividend to Rai during 2013 for an insignificant amount in thousands of euros, which was booked to Revenues from equity investments in other companies.
- *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 Valle d'Aosta Digitale in liquidation* – Consortium for the switchover from analogue to DTT 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 Srl* (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.
- *Immobiliare Editori Giornali Srl* (1.75% Rai): the investment consists of 23,815 pay shares and of 4,306 free shares for a total of 28,121 shares with a par value of 0.51 euro each, out of a total of 1,608,000 shares making up the Share Capital of 1,75%. The value of the investment, 12 thousand euros, is unchanged from 2012.
- *Istituto Enciclopedia Treccani SpA* (0.87% Rai): the investment is carried at a gross value of 513 thousand euros, written down initially by 26 thousand euros, it was further written down by 72 thousand euros following the negative result attained by the company in 2012. The share capital is represented by 41,245,128 shares with a par value of 1.00 euro each.

## Receivables

Receivables total 12,941 thousand euros, showing an increase of 3,287 thousand euros on 31 December 2012, net of a provision for bad debts amounting to 11,926 thousand euros, as can be seen in Schedule 5. In relation to this provision for bad debts, 10,897 thousand euros are allocated against the risk of failure to achieve commercial recovery of the advance payments made as the guaranteed minimum. Schedule 9 details their distribution by maturity and Schedule 10 by geographic area.

**Receivables from subsidiaries:** these consist of 46 thousand euros in guaranteed minimum towards Rai Cinema SpA relating to mandates for the sale of rights.

**Receivables from others:** disclosed for 12,895 thousand euros, they consist of 10,961 thousand euros of guaranteed minimums relating to mandates for the sale of rights and other commercial initiatives, 1,595 thousand euros of guarantee deposits and 339 thousand euros of loans disbursed to employees.

## Non-current financial assets - Receivables

Schedule 5

(in thousands of euros)	12.31.2012			Changes during the year			12.31.2013		
	Par value	Provisions for bad debt	Book value	Disbursements	Refunds/ Recoveries	Writedowns (-) Writebacks (+)	Par value	Provisions for bad debt	Book value
Due from Subsidiaries:									
- Rai Cinema - guaranteed Minimums on marketing mandates	276	(210)	66	24	(22)	(22)	278	(232)	46
	<b>276</b>	<b>(210)</b>	<b>66</b>	<b>24</b>	<b>(22)</b>	<b>(22)</b>	<b>278</b>	<b>(232)</b>	<b>46</b>
Due from others:									
- guaranteed minimums on marketing mandates	17,974	(10,276)	7,698	4,470	(678) (a)	(529)	21,626	(10,665)	10,961
- guarantee deposits	1,548	-	1,548	54	(7)	-	1,595	-	1,595
- employees	521	(179)	342	94	(97)	-	518	(179)	339
- Ponteco	220	(220)	-	-	-	-	220	(220)	-
	<b>20,263</b>	<b>(10,675)</b>	<b>9,588</b>	<b>4,618</b>	<b>(782)</b>	<b>(529)</b>	<b>23,959</b>	<b>(11,064)</b>	<b>12,895</b>
<b>Total</b>	<b>20,539</b>	<b>(10,885)</b>	<b>9,654</b>	<b>4,642</b>	<b>(804)</b>	<b>(551)</b>	<b>24,237</b>	<b>(11,296)</b>	<b>12,941</b>

(a) determined by:

- recoveries and cancellations	(818)
- use of the provision for bad debts	140
	<b>(678)</b>

## Notes to the Parent Company Financial Statements

**Other securities:** these are carried at 2,385 thousand euros and relate entirely to securities pledged as collateral; details in terms of breakdown are given in Schedule 6.

**Non-current financial assets - Other securities**

Schedule 6

(in thousands of euros)	12.31.2012				Changes during the year				12.31.2013			
	Costs	Revaluations (a)	Writedowns (a)	Book value	Acquisitions	Refunds	Revaluations (a)	Writedowns (-) Writebacks (+) (a)	Costs	Revaluations (a)	Writedowns (a)	Book value
Fixed-income securities:												
- B.T.P.	957	3	-	960	4,704	(3,247)	-	(33)	2,392	-	(7)	2,385
- C.C.T.	484	-	-	484	-	(484)	-	-	-	-	-	-
	<b>1,441</b>	<b>3</b>	<b>-</b>	<b>1,444</b>	<b>4,704</b>	<b>(3,731)</b>	<b>-</b>	<b>(33)</b>	<b>2,392</b>	<b>-</b>	<b>(7)</b>	<b>2,385</b>

(a) issue and trading discounts

**Current assets****Inventories**

Inventories amount to 1,388 thousand euros net of the writedown provision (at 31 December 2012: 1,653 thousand euros). As shown in Schedule 7, they comprise:

- *Raw materials, supplies and consumables:* these amount to 547 thousand euros net of the writedown provision for 12,874 thousand euros. They consist entirely of supplies and spare parts for maintenance and the operation of technical equipment, considered as consumables since they are not directly incorporated into products.
- *Finished products and merchandise:* these consist of inventories associated with the book and periodicals publishing business, amounting to 396 thousand euros net of a writedown of 831 thousand euros to bring them into line with their estimated realisable value, and by inventories associated with the commercial activity, amounting to 445 thousand euros net of a writedown of 13 thousand euros to bring them into line with their estimated realisable value.

**Inventories**

Schedule 7

(in thousands of euros)	12.31.2012	Changes during the year		12.31.2013
		Increases (+) Reductions (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	13,877	(456)	-	13,421
Provision for inventories writedown	(13,266)	-	392	(12,874)
	<b>611</b>	<b>(456)</b>	<b>392</b>	<b>547</b>
Finished products	1,042	(201)	-	841
	<b>1,042</b>	<b>(201)</b>	<b>-</b>	<b>841</b>
<b>Total</b>	<b>1,653</b>	<b>(657)</b>	<b>392</b>	<b>1,388</b>

**Current assets - Receivables****Schedule 8**

(in thousands of euros)	12.31.2012	Changes during the year			12.31.2013
		Balance of entries (+) repayments (-)	Utilizations/ Releases	Allocations to provisions	
<b>Customers</b>					
. government and other public entities for public broadcasting services	44,539	34,034	-	-	78,573
. net receivables for licence fees	9,461	966	-	-	10,427
. other receivables	234,509	(59,033)	-	-	175,476
<i>less</i>					
. Provision bad debts	(27,355)	-	2,673	-	(24,682)
	<b>261,154</b>	<b>(24,033)</b>	<b>2,673</b>	<b>-</b>	<b>239,794</b>
<b>Subsidiaries</b>					
. Rai Corporation	2	9	-	-	11
. Rai Pubblicità SpA	206,443	10,157	-	-	216,600
. Rai Way SpA	172,774	(62,975)	-	-	109,799
. RaiNet SpA	3,397	1,563	-	-	4,960
. Rai Cinema SpA	153,407	(36,240)	-	-	117,167
. Rai World SpA	2,857	3,347	-	-	6,204
<i>less</i>					
. Provision for bad debts (Rai Cinema)	(110)	-	28	-	(82)
	<b>538,770</b>	<b>(84,139)</b>	<b>28</b>	<b>-</b>	<b>454,659</b>
<b>Associated companies</b>					
. Tivù Srl	105	143	-	-	248
. San Marino RTV	95	(9)	-	-	86
. Euronews SA	1	-	-	-	1
	<b>201</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>335</b>
<b>Tax receivables</b>	<b>102,113</b>	<b>(42,573)</b>	<b>-</b>	<b>-</b>	<b>59,540</b>
<b>Deferred tax assets</b>	<b>33,514</b>	<b>2,978</b>	<b>-</b>	<b>-</b>	<b>36,492</b>
<b>From others</b>					
. future sports events	11,640	66,139	-	-	77,779
. payments on account to social security and welfare	18,614	736	-	-	19,350
. payments on account to suppliers, collaborators, agents	10,029	5,492	-	-	15,521
. personnel	8,152	723	-	-	8,875
. European Union for subsidies and grants	947	11	-	-	958
. other	9,751	(5,587)	-	-	4,164
<i>less</i>					
. Provision for bad debts	(2,528)	-	81	-	(2,447)
	<b>56,605</b>	<b>67,514</b>	<b>81</b>	<b>-</b>	<b>124,200</b>
<b>Total</b>	<b>992,357</b>	<b>(80,119)</b>	<b>2,782</b>	<b>-</b>	<b>915,020</b>

Notes to the Parent Company Financial Statements

**Receivables, accrued income and prepaid expenses distributed by maturity and type** *Schedule 9*

(in thousands of euros)	12.31.2013				12.31.2012			
	within following year	within 2 to 5 years	after 5 years	Book value	within following year	within 2 to 5 years	after 5 years	Book value
<b>Non-current financial receivables</b>								
subsidiaries	46	-	-	46	40	26	-	66
other	537	11,444	914	12,895	433	8,245	910	9,588
	<b>583</b>	<b>11,444</b>	<b>914</b>	<b>12,941</b>	<b>473</b>	<b>8,271</b>	<b>910</b>	<b>9,654</b>
<b>Current receivables</b>								
<b>Financial receivables</b>								
subsidiaries	139,637	-	-	139,637	265,696	-	-	265,696
	139,637	-	-	139,637	265,696	-	-	265,696
<b>Trade and other receivables</b>								
customers	236,963	2,831	-	239,794	257,096	4,058	-	261,154
subsidiaries	315,022	-	-	315,022	273,074	-	-	273,074
associated companies	335	-	-	335	201	-	-	201
tax receivables	42,716	16,824	-	59,540	85,304	16,809	-	102,113
deferred tax assets	35,630	862	-	36,492	32,052	1,462	-	33,514
others:								
- future sports events	55,237	22,542	-	77,779	6,705	4,935	-	11,640
- others	46,421	-	-	46,421	44,965	-	-	44,965
	<b>732,324</b>	<b>43,059</b>	<b>-</b>	<b>775,383</b>	<b>699,397</b>	<b>27,264</b>	<b>-</b>	<b>726,661</b>
<b>Total current receivables</b>	<b>871,961</b>	<b>43,059</b>	<b>-</b>	<b>915,020</b>	<b>965,093</b>	<b>27,264</b>	<b>-</b>	<b>992,357</b>
Accrued income	24	-	-	24	15	-	-	15
Prepaid expenses	26,368	-	-	26,368	20,683	-	-	20,683
<b>Total</b>	<b>898,936</b>	<b>54,503</b>	<b>914</b>	<b>954,353</b>	<b>986,264</b>	<b>35,535</b>	<b>910</b>	<b>1,022,709</b>

**Receivables - Distribution by geographical area***Schedule 10*

(in thousands of euros)	12.31.2013				12.31.2012			
	Italy	Other EU Countries	Other	Book value	Italy	Other EU Countries	Other	Book value
<b>Non-current financial receivables</b>								
subsidiaries	46	-	-	46	66	-	-	66
other	12,794	92	9	12,895	9,481	106	1	9,588
	<b>12,840</b>	<b>92</b>	<b>9</b>	<b>12,941</b>	<b>9,547</b>	<b>106</b>	<b>1</b>	<b>9,654</b>
<b>Current receivables</b>								
customers	223,871	8,644	7,279	239,794	246,506	8,912	5,736	261,154
subsidiaries	454,648	-	11	454,659	538,768	-	2	538,770
associated companies	248	1	86	335	105	1	95	201
tax receivables	59,540	-	-	59,540	102,113	-	-	102,113
deferred tax assets	36,492	-	-	36,492	33,514	-	-	33,514
other:								
- future sports events	23,992	8,350	45,437	77,779	4,587	1,815	5,238	11,640
- other	42,343	3,538	540	46,421	42,416	2,116	433	44,965
<b>Total</b>	<b>841,134</b>	<b>20,533</b>	<b>53,353</b>	<b>915,020</b>	<b>968,009</b>	<b>12,844</b>	<b>11,504</b>	<b>992,357</b>



## Receivables, cash and equivalents and accrued income in foreign currency or exposed to exchange rate risk

Schedule 11

(in thousands of euros)	12.31.2013				12.31.2012			
	In euros	In foreign currency or exposed to exchange rate risk	Provisions for bad debts	Book value	In euros	In foreign currency or exposed to exchange rate risk	Provisions for bad debts	Book value
<b>Non-current financial receivables</b>								
subsidiaries	277	-	(231)	46	275	-	(209)	66
other	23,953	6	(11,064)	12,895	20,257	6	(10,675)	9,588
	<b>24,230</b>	<b>6</b>	<b>(11,295)</b>	<b>12,941</b>	<b>20,532</b>	<b>6</b>	<b>(10,884)</b>	<b>9,654</b>
<b>Current receivables</b>								
customers	260,523	3,953	(24,682)	239,794	283,776	4,733	(27,355)	261,154
subsidiaries	454,730	11	(82)	454,659	538,879	2	(111)	538,770
associated companies	335	-	-	335	201	-	-	201
tax receivables	59,540	-	-	59,540	102,113	-	-	102,113
deferred tax assets	36,492	-	-	36,492	33,514	-	-	33,514
other:								
- future sports events	68,820	8,959	-	77,779	7,302	4,339	-	11,641
- other	48,467	401	(2,447)	46,421	47,006	486	(2,528)	44,964
	<b>928,907</b>	<b>13,324</b>	<b>(27,211)</b>	<b>915,020</b>	<b>1,012,791</b>	<b>9,560</b>	<b>(29,994)</b>	<b>992,357</b>
<b>Cash and cash equivalents</b>								
Bank and post office deposits	3,297	3,170	-	6,467	7,951	2,277	-	10,228
Cheques	50	-	-	50	52	-	-	52
Cash and cash equivalents on hand	373	-	-	373	362	-	-	362
	<b>3,720</b>	<b>3,170</b>	<b>-</b>	<b>6,890</b>	<b>8,365</b>	<b>2,277</b>	<b>-</b>	<b>10,642</b>
<b>Accrued income</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Total</b>	<b>956,881</b>	<b>16,500</b>	<b>(38,506)</b>	<b>934,875</b>	<b>1,041,703</b>	<b>11,843</b>	<b>(40,878)</b>	<b>1,012,668</b>

### Receivables

Receivables total 915,020 thousand euros, showing a decrease of 77,337 thousand euros on 31 December 2012, as can be seen in Schedule 8, which gives a breakdown of receivables, indicating value components, 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.

**Receivables from customers:** these relate to trade receivables, excluding those from subsidiaries and associated companies, which are carried under separate headings. They total 239,794 thousand euros, equivalent to a nominal value of 264,476 thousand euros, which has been written down by 24,682 thousand euros to bring them to their estimated realisable value, and compared with 31 December 2012 they show a decrease of 21,360 thousand euros.

Details of the item 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 par value of 78,573 thousand euros, up 34,034 thousand euros on 31 December 2012, equivalent to the balance between the increase in invoices issued and for amounts accrued for 2013 less collections.

## Notes to the Parent Company Financial Statements

(in thousands of euros)	2013	2012
<b>Prime Minister's Office:</b>		
- Operating grant to be transferred to San Marino RTV	3,099	3,099
- Radio, television and multimedia offering for the foreign market	13,031	6,058
- Broadcasting from Trieste in Slovenian	11,346	4,401
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	2,115	1,310
- Extension of the Rai 1 signal to Tunisia and subsequent maintenance	-	1
<b>Total Prime Minister's Office</b>	<b>29,591</b>	<b>14,869</b>
<b>Ministries:</b>		
- Economy and Finance: management of television licence fee collection	21,470	10,532
<b>Regions and Provinces:</b>		
- Autonomous Province of Bolzano: broadcasting of radio and television programmes in German and Ladin in the autonomous province of Bolzano	18,871	9,916
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	8,641	9,222
	<b>78,573</b>	<b>44,539</b>

The following should be noted in connection with the above receivables:

- Prime Minister's Office: receivables for television, radio and multimedia offering for broadcasting abroad refer to services rendered in 2012, amounting to 6,300 thousand euros and 6,731 thousand euros; receivables for broadcasts in Slovenian and French relate to services rendered in 2013;
- Ministry for the Economy and Finance: the receivable refers to 11,032 thousand euros for 2012 and 10,438 thousand euros for 2013;
- Autonomous Province of Bolzano; the receivable refers to services rendered in 2013;
- Autonomous Region of Valle d'Aosta: the receivable of 8,641 thousand euros relates to activities performed for the years from 1994 to 2013.
- *Net receivables for licence fees:* these amount to 10,427 thousand euros, up 966 thousand euros on 31 December 2012, representing licence fees not yet transferred to Rai. Activities will be launched to recover such receivables. They consist in asking the Ministry of the Economy and Finance to increase the specific provision of the expense section during the settlement of the Government Financial Statements for 2014, in order to allow recovery, with liquidation of the fourth instalment of transfer of the fees, envisaged to take place in December 2014.
- *Other receivables:* these amount to a par value of 175,476 thousand euros, down 59,033 thousand euros on 31 December 2012. They represent receivables for services of varying nature.

**Receivables from subsidiaries:** disclosed at a par value of 454,659 thousand euros (538,770 thousand euros at 31 December 2012) net of a provision for bad debts of 82 thousand euros, set-up against the risk of recoverability of costs sustained in relation to commercial initiatives. They represent the year-end balance of transactions with subsidiaries, as shown in Schedule 8. They include financial receivables of 139,637 thousand euros (265,696 thousand euros at December 2012) and other receivables amounting to 315,022 thousand euros (at 31 December 2012: 273,074 thousand euros).

**Receivables from associated companies:** these amount to 335 thousand euros (201 thousand euros at 31 December 2012) and represent the balance of non-financial transactions with associated companies, as shown in Schedule 8.

**Tax receivables:** these are carried at nominal value of 59,540 thousand euros (102,113 thousand euros at 31 December 2011). They comprise 35,809 thousand euros for the balance of Group VAT credits (net of assignment without recourse of 41,040 thousand euros during the year), for tax refunds requested pursuant to article 2 paragraph 1 quater Decree Law 201/2011 for IRES relating to the company and to the subsidiaries that adhered to the tax consolidation arrangement, deriving from the deductibility of IRAP relating to personnel costs and similar (16,824 thousand euros), other tax reimbursements requested (6,869 thousand euros) and the remainder consisting of minority items.

**Deferred tax assets:** these amount to 36,492 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*.

Details of deferred tax assets, regarding movements in 2013, are provided in the following table:

### Deferred tax assets

(in thousands of euros)	Amount of IRES timing differences	IRES 27.5%	Amount of IRAP timing differences	IRAP 4.873% (average)	Total
<b>Situation at 31 December 2012:</b>					
- Taxable loss	48,300	13,283	==	==	13,283
- Writedown of programmes	36,100	9,927	32,583	1,591	11,518
- Statutory/fiscal difference on amortisation of programmes	24,355	6,698	==	==	6,698
- Other timing differences	0	0	41,279	2,015	2,015
<b>Deferred tax assets at start of year</b>	<b>108,755</b>	<b>29,908</b>	<b>73,862</b>	<b>3,606</b>	<b>33,514</b>
<b>Movements in the year:</b>					
- Alignment of prior year tax loss	(1,649)	(454)	==	==	(454)
- Taxable loss	80,000	22,000	==	==	22,000
- Writedown of programmes	15,254	4,195	158	5	4,200
- Statutory/fiscal difference on amortisation of programmes	8,909	2,450	==	==	2,450
- Other timing differences	0	0	(4,717)	(233)	(233)
<b>Changes having effect on income statement</b>	<b>102,514</b>	<b>28,191</b>	<b>(4,559)</b>	<b>(228)</b>	<b>27,963</b>
Offsetting of taxes due to the effect of tax consolidation	(46,651)	(12,829)	==	==	(12,829)
Transformation into tax credits	(44,203)	(12,156)			(12,156)
<b>Changes having effect on balance sheet</b>	<b>(90,854)</b>	<b>(24,985)</b>	<b>==</b>	<b>==</b>	<b>(24,985)</b>
<b>Total changes in the year</b>	<b>11,660</b>	<b>3,206</b>	<b>(4,559)</b>	<b>(228)</b>	<b>2,978</b>
<b>Situation at 31 December 2013:</b>					
- Taxable loss	80,000	22,000	==	==	22,000
- Writedown of programmes	24,182	6,650	32,741	1,596	8,246
- Statutory/fiscal difference on amortisation of programmes	16,233	4,464	==	==	4,464
- Other timing differences	0	0	36,562	1,782	1,782
<b>Deferred tax assets at end of year</b>	<b>120,415</b>	<b>33,114</b>	<b>69,303</b>	<b>3,378</b>	<b>36,492</b>

**Receivables from others:** these amount to 124,200 thousand euros (56,605 thousand euros at 31 December 2012). Net of writedown of 2,447 thousand euros, they reflect the value of other types of receivable as described below:

- *supplier receivables* relating to advances for the purchase of future sports events filming rights carried at a par value of 77,779 thousand euros;
- *receivable from Social Security institutions* on contributions payable for artistic activities and other amounts owing, carried at nominal value of 19,350 thousand euros;
- *supplier receivables related to miscellaneous advances* carried at a par value of 15,521 thousand euros;
- *receivables from personnel*, carried at a par value of 8,875 thousand euros. These are composed mainly of receivables for labour disputes (2,817 thousand euros), payments in advance for travel expenses (2,491 thousand euros) and payments in advance for production expenses (1,846 thousand euros);
- *receivables from the European Union for subsidies and grants*, carried at a par value of 958 thousand euros, consisting entirely of receivables for research projects;
- *receivables from others*, carried at a par value of 4,164 thousand euros.

## Cash and cash equivalents

These are listed in Schedule 12 and comprise:

- Bank and post office deposits: these amount to 6,467 thousand euros (10,228 thousand euros at 31 December 2012). They represent sight or short-term balances on deposit or current account with banks, financial institutions and the Post Office.
- Cheques: these amount to 50 thousand euros (52 thousand euros at 31 December 2012).
- Cash and cash equivalents on hand: these amount to 373 thousand euros (362 thousand euros at 31 December 2012) and include liquid funds in the form of cash and equivalent instruments (tax stamp, cashier's cheques or bank-guaranteed cheques etc.) held by the Company at 31 December 2013.

Schedule 11 gives a breakdown of the item in euros and other currencies, while Schedule 24 shows amounts at banks and the Post Office restricted by attachments.

## Cash and cash equivalents

*Schedule 12*

(in thousands of euros)	Changes during the year		<b>12.31.2013</b>
	12.31.2012	Balance of movements	
Bank and post office deposits	10,228	(3,761)	6,467
Cheques	52	(2)	50
Cash and cash equivalents on hand	362	11	373
<b>Total</b>	<b>10,642</b>	<b>(3,752)</b>	<b>6,890</b>

## Accrued income and prepaid expenses

Accrued income and prepaid expenses total 26,392 thousand euros. They are detailed in Schedule 13.

### Accrued income and prepaid expenses

Schedule 13

(in thousands of euros)	Changes during the year		12.31.2013
	12.31.2012	Balance of movements	
<b>Prepaid expenses:</b>			
. sports event filming rights	15,001	5,333	20,334
. software licenses	2,065	1,924	3,989
. hire costs	2,459	(1,572)	887
. commissions on guarantee policies	54	177	231
. EDP	219	(53)	166
. insurance and accident prevention	67	76	143
. various production services	4	208	212
. rent	13	37	50
. Rai Way service costs	61	(28)	33
. maintenance and repairs	97	(73)	24
. documentation and information services	74	(66)	8
. premiums payable on currency hedges	64	(57)	7
. association dues	10	(3)	7
. programme production exclusives	175	(175)	-
. other	320	(43)	277
	<b>20,683</b>	<b>5,685</b>	<b>26,368</b>
<b>Accrued income:</b>			
. interest income on securities deposited for cautionary purposes	4	14	18
. interest income on current accounts	11	(5)	6
	<b>15</b>	<b>9</b>	<b>24</b>
<b>Total</b>	<b>20,698</b>	<b>5,694</b>	<b>26,392</b>

## Liabilities

### Shareholders' equity

Shareholders' equity totals 298,465 thousand euros.

The components of shareholders' equity and the effects of operations carried out in 2013 and the previous year are shown in Schedule 14.

Schedule 15 presents the classification of the shareholders' equity items based on 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.

## Notes to the Parent Company Financial Statements

**Shareholders' equity**

Schedule 14

(in thousands of euros)	Changes during the year					Changes during the year			12.31.2013
	12.31.2011	Allocation of profit during the year	Release of reserve on gains from rate valuations	Evaluations of investments at equity	Loss of the year	12.31.2012	Loss coverage during the year	Profit of the year	
Share capital (a)	242,518	-	-	-	-	242,518	-	-	242,518
Legal reserve	6,977	1,967	-	-	-	8,944	-	-	8,944
Other reserves:									
- merger surplus	138,714	-	-	-	-	138,714	(133,400)	-	5,314
- non-distributable reserve from revaluations of investments	-	-	-	111,712	-	111,712	(111,712)	-	-
- distributable reserve revaluations of investments	-	-	-	551	-	551	(551)	-	-
- non-distributable reserve arising from exchange valuation gains	-	928	(928)	-	-	-	-	-	-
- other reserves	-	36,444	928	-	-	37,372	-	-	37,372
Profit / (loss) for the year	39,339	(39,339)	-	-	(245,663)	(245,663)	245,663	4,317	4,317
	<b>427,548</b>	<b>-</b>	<b>-</b>	<b>112,263</b>	<b>(245,663)</b>	<b>294,148</b>	<b>-</b>	<b>4,317</b>	<b>298,465</b>
(a) number of ordinary shares	242,518,100					242,518,100			242,518,100
per-unit value	1 euro					1 euro			1 euro

**Availability of Shareholders' equity**

Schedule 15

Nature - Description	Amount	Possibility for utilisation	Portion available	Utilisation in the previous three years	
				to cover losses	other
Share Capital	242,518	-	-		
Legal reserve	8,944	2	8,944		
Other reserves:					
- merger surplus	5,314	1/2/3	5,314	261,867	-
- non-distributable reserve from revaluation of investments	-	1/2	-	111,712	
- distributable reserve from revaluation of investments	-	1/2/3	-	551	
- other reserves	37,372	1/2/3	37,372		
Profit for the year	4,317	1/2/3	4,317		
<b>Total available</b>			<b>55,947</b>	<b>374,130</b>	<b>-</b>
Non-distributable share:					
- Legal reserve			(8,944)		
- 5 % profit for the year			(216)		
- profit remaining from the year held in non-distributable reserve from revaluation of investments			(4,101)		
<b>Total distributable</b>			<b>42,686</b>		

Key:

1: for capital increase – 2: for coverage of losses – 3: for distribution to shareholders

## Share Capital

At 31 December 2013 the share capital was represented by 242,518,100 ordinary shares with a par value of 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 the share capital).

## Legal Reserve

The legal reserve amounts to 8,944 thousand euros.

## Other reserves

These total 42,686 thousand euros and are comprised as follows:

- merger surplus: 5,314 thousand euros;
- other: 37,372 thousand euros.

## Profit for the year

This amounts to 4,317,063.75 euros.

## Provisions for risks and charges

These amount to 340,434 thousand euros, down 126,012 thousand euros net on 31 December 2012. The breakdown of these items and details of the aforementioned reduction are shown in Schedule 16. The notes which follow provide additional information on the individual provisions..

**Provisions for risks and charges**

Schedule 16

(in thousands of euros)	12.31.2012	Provisions made	Direct utilisations	Transferred to Income Statement	Reclassifications	31.12.2013
<b>Provision for pension and similar liabilities:</b>						
- supplementary seniority benefits	964	37 (a)	(205)	(88) (i)	-	708
- retirement benefits	155	2 (a)	(30)	-	(15)	112
- supplementary company pension fund	152,730	4,883 (b)	(11,167)	(4,660) (i)	14	141,800
	<b>153,849</b>	<b>4,922</b>	<b>(11,402)</b>	<b>(4,748)</b>	<b>(1)</b>	<b>142,620</b>
<b>Provision for taxes</b>	4,209	-	(2,100)	-	-	2,109
<b>Other:</b>						
- litigation	105,800	13,874 (c)	(17,207)	(1,967) (i)	-	100,500
- risks for doubtful receivables from the concession holder Rai Pubblicità for the Rai portion	13,250	5,271 (e)	(4,021)	-	-	14,500
- renovation and restructuring of properties	18,846	-	(1,626)	-	-	17,220
- staff resignation incentives	62,200	1,303 (h)	(61,153)	-	(1,047)	1,303
- litigation with social security institutions	12,000	-	-	-	-	12,000
- accrued costs	48,071	2,666 (g)	(41,496)	(6,143) (i)	-	3,098
- lease disputes	3,441	117 (e)	(35)	-	-	3,523
- disputes with controlling bodies	1,500	175 (e)	(175)	-	-	1,500
- risks of non-usability of non-current assets (*)	10,700	-	-	-	-	10,700
- miscellaneous:						
. for charges	14,216	554 (d)	(571)	(1,519) (i)	-	12,680
. for risks	18,364	5,705 (f)	(63)	(5,325) (i)	-	18,681
	<b>308,388</b>	<b>29,665</b>	<b>(126,347)</b>	<b>(14,954)</b>	<b>(1,047)</b>	<b>195,705</b>
<b>Total</b>	<b>466,446</b>	<b>34,587</b>	<b>(139,849)</b>	<b>(19,702)</b>	<b>(1,048)</b>	<b>340,434</b>
(*) including:						
- programmes under development	9,039					9,039
- technical	1,661					1,661
(a) contra-account:	item B 9 d) pension and similar liabilities		(f) contra-accounts:	item B 7 production costs for services		169
(b) contra-account:	item B 14 c) other operating costs			item B 12 provisions for risks		5,509
(c) contra-accounts:	item B 9 e) other personnel costs	11,852		item C 17 d) various financial charges		27
	item B 12 provisions for risks	2,022	(g) contra-accounts:	item B 9 a) wages and salaries		2,216
(d) contra-account:	item B 13 other provisions			item B 9 b) welfare and social security charges		450
(e) contra-account:	item B 12 provisions for risks		(h) contra-account:	item E 21 c) other exceptional expense		
			(i) contra-account:	item A 5 c) other revenues and income		

**Provision for pension and similar liabilities:** this amounts to 142,620 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 709 thousand euros (964 thousand euros at 31 December 2012). 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 applicable to blue-collar and white-collar workers. In the event of early termination of employment, or changes in category, the amounts accrued are released.
- The *provision for retirement benefits* amounts to 112 thousand euros (155 thousand euros at 31 December 2012) and includes amounts accrued until 31 December 1988 and the revaluations of these 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 the CRAIPI (supplementary retirement fund for Rai employees) and the 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.



Following the agreement entered into on 25 October 2001, the provision for retirement benefits for non-executive staff was completely liquidated (with disbursement to employees or to the CRAIPI). For executive staff, upon retirement, the funds accumulated by Rai 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 and FIPDRAI funds remain with the associations to finance the said life annuities.

- The *company supplementary pension fund*, amounts to 141,800 thousand euros (152,730 thousand euros at 31 December 2012) and includes funds accrued for the payment of supplementary pensions to 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.  
During 2013, following the company's cancellation of the previous agreement (on 29 January 2013) the part of the funds accrued for payments of the supplementary pensions of eligible executives still in service (7,433 thousand euros at 31 December 2012) was released.

**For taxes:** these amount to 2,109 thousand euros (4,209 thousand euros at 31 December 2012). The following table shows a breakdown of the item and changes during 2012.

### Deferred tax provision

(in thousands of euros)	Amount of IRES timing differences	IRES 27.5%	Amount of IRAP timing differences	IRAP 4.873% (average)	Total
<b>Balance at 31 December 2012:</b>					
- Tax assessment 1975					297
- Tax charge for long-term loan	527	145	==	==	145
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Higher tax amortisation on programmes	0	0	11,420	558	558
- Accelerated depreciation for tax purposes non-current tangible assets	10,373	2,853	7,292	356	3,209
<b>Deferred tax provision at beginning of year</b>	<b>10,900</b>	<b>2,998</b>	<b>18,712</b>	<b>914</b>	<b>4,209</b>
Movements in the year					
- Tax assessment 1975					0
- Tax charge for long-term loan	(150)	(41)	==	==	(41)
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Higher tax amortisation on programmes	0	0	(11,420)	(558)	(558)
- Accelerated depreciation for tax purposes non-current tangible assets	(4,162)	(1,145)	(7,292)	(356)	(1,501)
<b>Total changes in the year</b>	<b>(4,312)</b>	<b>(1,186)</b>	<b>(18,712)</b>	<b>(914)</b>	<b>(2,100)</b>
<b>Balance at 31 December 2013:</b>					
- Tax assessment 1975					297
- Tax charge for long-term loan	377	104	==	==	104
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Higher tax amortisation on programmes	0	0	0	0	0
- Accelerated depreciation for tax purposes non-current tangible assets	6,211	1,708	0	0	1,708
<b>Deferred tax provision at year-end</b>	<b>6,588</b>	<b>1,812</b>	<b>0</b>	<b>0</b>	<b>2,109</b>

**Other provisions:** these amount to 195,705 thousand euros (308,388 thousand euros at 31 December 2012). 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 risks and charges* is the best estimate of the likely charges based on the most up-to-date information available.

### Provision for staff severance pay

The provision totals 257,788 thousand euros (288,759 thousand euros at 31 December 2012). 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 of 1 January 2007.

By effect of this legislation, provisions for staff severance pay converge into pension funds other than those inside the company, unless employees ask to maintain the severance pay within the company. In this case, the provisions are paid into a 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 breakdown of the item and changes during the year are shown in Schedule 17.

### Provisions for Staff severance pay

Schedule 17

(in thousands of euros)		Changes during the year				12.31.2013
12.31.2012	Provisions	Severance pay disbursed	Staff transfers	Transfer to INPS supplementary retirement funds	Other movements	
288,759	44,097	(35,787)	127	(38,914)	(493)	257,789

## Payables

These amount to 1,272,174 thousand euros, up 107,938 thousand euros on 31 December 2013.

More specifically, financial debt payable to banks totals 442,989 thousand euros, with a net increase of 71,359 thousand euros on the figure disclosed in the 2012 financial statements. No payables covered by collateral in the form of company assets are recorded.

A breakdown of the item 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, about 97% relates to Italian residents, about 2% relates to EU residents and about 1% relates to non-EU residents.

## Payables

*Schedule 18*

(in thousands of euros)	Changes during the year		12.31.2013
	12.31.2012	Balance of new positions (+) and repayments (-)	
Due to banks	371,630	71,359	442,989
Advances	2,823	(89)	2,734
Suppliers	510,926	(24,627)	486,299
Subsidiaries (a)	121,583	25,658	147,241
Associated companies (b)	4,304	(202)	4,102
Tax payables	45,782	16,405	62,187
Welfare and social security institutions	46,464	5,712	52,176
Other payables	60,724	13,722	74,446
	<b>1,164,236</b>	<b>107,938</b>	<b>1,272,174</b>
(a) including:			
- Rai Cinema SpA	4,583	7,175	11,758
- Rai Corporation in liquidation	3,602	(475)	3,127
- RaiNet SpA	16,468	1,685	18,153
- Rai Pubblicità SpA	15,918	35,992	51,910
- Rai Way SpA	71,166	(24,354)	46,812
- Rai World SpA	9,846	5,635	15,481
	<b>121,583</b>	<b>25,658</b>	<b>147,241</b>
(b) including:			
- San Marino RTV SpA	3,635	(7)	3,628
- Tivù Srl	669	(195)	474
	<b>4,304</b>	<b>(202)</b>	<b>4,102</b>

**Payables, accrued expenses and deferred income by maturity and type** *Schedule 19*

(in thousands of euros)	<b>12.31.2013</b>				12.31.2012			
	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
<b>Medium/long-term financial debt:</b>								
Due to banks	98,333	172,500	25,000	295,833	98,333	196,667	-	295,000
<b>Short-term financial debt:</b>								
due to banks	147,156	-	-	147,156	76,630	-	-	76,630
suppliers	-	-	-	-	-	-	-	-
subsidiaries	77,633	-	-	77,633	26,872	-	-	26,872
associated companies	523	-	-	523	533	-	-	533
	<b>225,312</b>	<b>-</b>	<b>-</b>	<b>225,312</b>	<b>104,035</b>	<b>-</b>	<b>-</b>	<b>104,035</b>
<b>Trade and other payables:</b>								
advances	2,734	-	-	2,734	2,823	-	-	2,823
suppliers	486,299	-	-	486,299	510,926	-	-	510,926
subsidiaries	65,558	4,050	-	69,608	90,676	4,035	-	94,711
associated companies	3,579	-	-	3,579	3,771	-	-	3,771
taxes payable	62,187	-	-	62,187	45,782	-	-	45,782
welfare and social security institutions	52,176	-	-	52,176	46,464	-	-	46,464
other payables	74,446	-	-	74,446	60,724	-	-	60,724
	<b>746,979</b>	<b>4,050</b>	<b>-</b>	<b>751,029</b>	<b>761,166</b>	<b>4,035</b>	<b>-</b>	<b>765,201</b>
<b>Total payables</b>	<b>1,070,624</b>	<b>176,550</b>	<b>25,000</b>	<b>1,272,174</b>	<b>963,534</b>	<b>200,702</b>	<b>-</b>	<b>1,164,236</b>
Accrued expenses	530	-	-	530	502	-	-	502
Deferred income	28,915	-	-	28,915	36,778	-	-	36,778
<b>Total</b>	<b>1,100,069</b>	<b>176,550</b>	<b>25,000</b>	<b>1,301,619</b>	<b>1,000,814</b>	<b>200,702</b>	<b>-</b>	<b>1,201,516</b>

**Payables and accrued expenses in foreign currency or exposed to exchange rate risk** *Schedule 20*

(in thousands of euros)	<b>12.31.2013</b>			12.31.2012		
	In euros	In foreign currency of exposed to exchange rate risk	Book value	In euros	In foreign currency of exposed to exchange rate risk	Book value
<b>Payables</b>						
Due to banks	442,989	-	442,989	371,630	-	371,630
Suppliers	474,734	11,565	486,299	506,024	4,902	510,926
Subsidiaries	144,114	3,127	147,241	117,981	3,602	121,583
Associated companies	4,102	-	4,102	4,304	-	4,304
Tax payables	62,187	-	62,187	45,782	-	45,782
Welfare and social security institutions	52,176	-	52,176	46,464	-	46,464
Other payables	74,222	224	74,446	60,681	43	60,724
<b>Total payables (a)</b>	<b>1,254,524</b>	<b>14,916</b>	<b>1,269,440</b>	<b>1,152,866</b>	<b>8,547</b>	<b>1,161,413</b>
Accrued expenses	530	-	530	502	-	502
<b>Total</b>	<b>1,255,054</b>	<b>14,916</b>	<b>1,269,970</b>	<b>1,153,368</b>	<b>8,547</b>	<b>1,161,915</b>

(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 442,989 thousand euros (371,630 thousand euros at 31 December 2012) and consist of:

- 295,833 thousand euros of amounts payable in the future, consisting as follows:
  - 245,833 thousand euros belonging to an unsecured loan taken out in May 2011 with a pool of banks. The loan, following the payment of the first instalment in June, was amended with a six-month extension to the six-monthly repayment plan (the new final repayment date being June 2016) and with the rise of the two parametric/equity indexes to calculate on the consolidated financial statements. The loan was also added to by the supply of a new tranche of 147,500 thousand euros (unused at 31.12.2013), closing it with a single payment in June 2017. Interest rate Swap hedges for the amount of 137 million have been activated on the original tranche;
  - 50,000 thousand euros belonging to the loan from the European Investment Bank, covered by a bank guarantee to hedge investments in DTT, with amortisation beginning in 2016 and a final repayment date on June 2012;
- 147,156 thousand euros, representing the negative balance of current account overdrafts with certain banks.

**Advances:** these amount to 2,734 thousand euros (2,823 thousand euros at 31 December 2012), relating entirely to miscellaneous advances.

**Due to suppliers:** these amount to 486,299 thousand euros (510,926 thousand euros at 31 December 2012). They refer entirely to non-financial payables.

**Accounts payable to subsidiaries:** these amount to 147,241 thousand euros (121,583 thousand euros at 31 December 2012), as detailed in Schedule 18. They include financial payables for 77,633 thousand euros (26,872 thousand euros at 31 December 2012) and non-financial payables of 69,608 thousand euros (94,711 thousand euros at 31 December 2012).

**Accounts payable to associated companies:** these amount to 4,102 thousand euros (4,304 thousand euros at 31 December 2012), as detailed in Schedule 18. They include financial payables for 523 thousand euros (533 thousand euros at 31 December 2012) and non-financial payables of 3,579 thousand euros (3,771 thousand euros at 31 December 2012).

**Tax payables:** these amount to 62,187 thousand euros (45,782 thousand euros at 31 December 2012). They consist of:

(in thousands of euros)	2013	2012
- Tax withholdings on earnings of employees and free-lance workers to be paid over	33,239	31,238
- IRES under taxation arrangements on consolidated basis	20,861	10,037
- IRAP relating to the year	5,495	-
- Deferred VAT	2,589	4,144
- Other withholdings and 'substitute' taxes	3	363
<b>Total</b>	<b>62,187</b>	<b>45,782</b>

As regards debt in relation to IRES, as reported in the accounting policies, the company has opted for group taxation, transferring to itself, as the consolidating entity, the activities inherent in liquidation and payment of the tax with regard to the following companies: Rai World, Rai Cinema, Rai Way, RaiNet and Rai Pubblicità, within the consolidated taxation arrangement. The national tax consolidation option was renewed for all the companies until the tax year ending 31 December 2015, with the exception of Rai Pubblicità, for which the option is exercised until 31 December 2013.

**Welfare and social security institutions:** these payables amount to 52,176 thousand euros (46,464 thousand euros at 31 December 2012). They reflect contributions due on remuneration paid to employees and freelance workers, to be paid over to the institutions at the scheduled dates. They consist of:

(in thousands of euros)	2013	2012
- ENPALS	18,022	17,105
- INPGI	19,366	14,662
- Contributions on assessed remuneration	7,289	7,145
- INPS	5,879	5,812
- Other	1,620	1,740
<b>Total</b>	<b>52,176</b>	<b>46,464</b>

**Other payables:** these amount to 74,446 thousand euros (60,724 thousand euros at 31 December 2012) and consist of:

(in thousands of euros)	2013	2012
- Employees for assessed remuneration	39,635	37,349
- CRAIPI	10,837	-
- FCPGI	8,990	9,761
- Other for assessed pertinent remuneration	8,098	6,733
- FIPDRAI	1,467	1,370
- Other	5,419	5,511
<b>Total</b>	<b>74,446</b>	<b>60,724</b>

## Accrued expensed and deferred income

This item totals 29,445 thousand euros. Details and a comparison with the previous year are provided in Schedule 21.

### Accrued expenses and deferred income

Schedule 21

(in thousands of euros)	Changes during the year		12.31.2013
	12.31.2012	Balance of movem.	
<b>Deferred income:</b>			
. grants for switchover to digital terrestrial broadcasting	33,810	(7,770)	26,040
. broadcasting and related rights on own productions	1,452	27	1,479
. special licence fees	816	151	967
. interest income for extension of payments	506	(159)	347
. teletext services	47	(22)	25
. sponsorship of minor FIFA events	146	(133)	13
. other	1	43	44
	<b>36,778</b>	<b>(7,863)</b>	<b>28,915</b>
<b>Accrued expenses:</b>			
. commitment fees on credit lines	471	(146)	325
. interest on rate hedging operations	12	(4)	8
. interest on short-term loans	19	165	184
. interest on medium and long-term loans	-	13	13
	<b>502</b>	<b>28</b>	<b>530</b>
<b>Total</b>	<b>37,280</b>	<b>(7,835)</b>	<b>29,445</b>

The item contains the entire amount of grants for 26,040 thousand euros, net of the amount already booked to the income statement, disbursed by the Ministry for Communications from 2007 to 2011 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 grant is disclosed in the income statement of each year in relation to amortisation booked by the subsidiary, taking into account the relationship between the amount of grants collected and the investments necessary for the accomplishment of related projects.

## 5) Memorandum Accounts

Memorandum accounts amount to 422,895 thousand euros. A breakdown by type is provided in the table attached to the Parent Company Balance Sheet.

### *Unsecured guarantees granted*

*Schedule 22*

(in thousands of euros)	12.31.2013	12.31.2013
Unsecured guarantees granted for sureties:		
In favour of subsidiaries		
- for Group VAT	42,923	37,143
- other	2,264	2,333
	<b>45,187</b>	<b>39,476</b>
In favour of associated companies	2,582	2,582
In favour of others	-	45
<b>Total</b>	<b>47,769</b>	<b>42,103</b>

### *Secured guarantees granted*

*follows Schedule 22*

(in thousands of euros)	12.31.2013	12.31.2013
Secured guarantees on behalf of others	-	-
Secured guarantees granted for own commitments other than payables		
Assets pledged as collateral:		
- fixed-income securities	2,271	1,440
<b>Total</b>	<b>2,271</b>	<b>1,440</b>

### *Purchase and sales commitments*

*Schedule 23*

(in thousands of euros)	12.31.2013	12.31.2013
Purchase commitments	-	-
Sales commitments	-	-
Derivative financial contracts on behalf of Rai Cinema:		
- forward	15,946	9,966
- options strategies acquired in foreign currencies (collars)	4,063	24,554
	<b>20,009</b>	<b>34,520</b>
<b>Total</b>	<b>20,009</b>	<b>34,520</b>



**Other memorandum accounts****Schedule 24**

(in thousands of euros)		12.31.2013	12.31.2012
<b>Secured guarantees received</b>			
Assets pledged as collateral:	(a)		
- passbook savings accounts		2	2
		<b>2</b>	<b>2</b>
<b>Unsecured guarantees received</b>			
Sureties:			
- Banks and insurance companies other than to guarantee acquisition of goods and services	(a)	74,335	50,172
- Miscellaneous banks and insurance companies covering full performance of contracts for the production of radio/television programmes	(a)	57,876	53,461
- Credito Bergamasco - guarantee for Sky Italia worldcup 2014	(a)	54,676	21,780
- Banco di Brescia covering agreement with the City of Sanremo for filming the Italian Song Festival	(a)	7,100	100
- Banca Popolare di Sondrio-Guarantee for Juventus F.C. contract	(a)	4,354	4,354
- Banca Popolare Sondrio covering the obligations undertaken with the subscription of the contractual renewal relating to the Auditorium Foro Italico	(a)	3,200	3,200
- Monte dei Paschi di Siena covering the offer to purchase Palazzo Labia by Valore Reale	(a)	285	285
- Intesa Sanpaolo - mediotactoring loan	(a)	244	-
- Sun Insurance Office Limited covering insurance-related advisory and assistance activity granted to AON	(a)	224	224
- Banca di Credito di Trieste covering loan granted to Ponteco	(b)	220	220
- Intesa Sanpaolo - Wind	(a)	14	-
- Intesa Sanpaolo to guarantee advance granted to Michele Alberico	(a)	10	10
- Intesa Sanpaolo - guarantee for Andrea Bosco	(a)	-	52
Other:			
- E.RAS. comfort letters issued on behalf of San Marino RTV for credit line agreed by us	(a)	516	516
		<b>203,054</b>	<b>134,374</b>
<b>Leased assets received</b>		-	-
<b>Third party assets under development</b>		-	-
<b>Third party assets held under free loan for use, custody, leased or for similar reasons</b>		..	..
<b>Assets with third parties under development awaiting assignment</b>		<b>3,350</b>	<b>1,416</b>
<b>Third party assets held under free loan for use, custody, leased or for similar reasons</b>		<b>1,500</b>	<b>1,810</b>
<b>Guarantees granted by other parties for obligations of the company:</b>			
Against debt:			
- Other banks for guarantee for BEI to cover loan		57,500	-
- Unicredit for guarantee for Intesa Sanpaolo to cover subsidised loans		-	1,744
		<b>57,500</b>	<b>1,744</b>
To cover other obligations:			
- Intesa Sanpaolo for guarantee granted to FIFA covering payment of sporting rights relating to the 2014 Worldcup		43,750	35,000
- Intesa Sanpaolo for guarantees granted to tax authorities covering prize competitions		23,673	23,673
- Other bodies for guarantee granted to SKY for Olympics		9,438	-
- Intesa Sanpaolo for guarantees granted to different companies for presentation of bids for tender		27	27
- Other guarantees		1,110	1,117
		<b>77,998</b>	<b>59,817</b>
		<b>135,498</b>	<b>61,561</b>
<b>Any other cases in hand:</b>			
- Sums not available at various banks due to restriction by attachment	(c)	9,255	19,162
- Sums not available at Bancoposta due to restriction by attachment		185	1
- Bank deposits at Unicredit and Intesa Sanpaolo in favour of third parties		2	2
- Sums not available in correspondence current account with the subsidiary Rai Pubblicità due to restriction by attachment		-	2,164
		<b>9,442</b>	<b>21,329</b>
<b>Total</b>		<b>352,846</b>	<b>220,492</b>

(a) against obligations of others

(b) against receivables

(c) includes amounts attached for 7,026 thousand euros, released by BNL in January 2013, for which during 2012, release had been ordered by the legal authorities.

## Notes to the Parent Company Financial Statements

The terms of the hedge contracts covering the specific company commitments or those taken on for the subsidiary Rai Cinema SpA relating to fair value are summarised in Schedule 25. The fair value of these instruments is determined with reference to the market value on the closing date of the period under evaluation; in the case of unlisted instruments, fair value is determined using commonly used financial evaluation techniques.

On the whole, hedging contracts entered into are, in observance of the Group policy, of a reasonable amount in relation to the overall commitments subject to such risks.

At 31 December 2013 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.

Schedule 24 details the amount of company assets held by third parties for the various reasons indicated therein.

**Fair value of derivatives****Schedule 25**

	Notional 12.31.2013 thousands of USD	Notional 12.31.2013 thousands of CHF	Fair value at 12.31.2013 thousands of euros
<b>Derivative financial instruments for hedges</b>			
- on exchange rates (1):			
. optional currency purchase strategies	51,585	363	(2,043)
	<b>51,585</b>	<b>363</b>	<b>(2,043)</b>
- on interest rates (2)	see note (3)		(3,467)
<b>Hedges for the account of Rai Cinema</b>			
- on exchange rates (4):			
. forwards and swaps	21,755	-	(171)
. optional currency purchase strategies	5,150	-	(303)
	<b>26,905</b>	<b>-</b>	<b>(474)</b>

(1) The transactions are carried out to hedge commercial agreements in US\$ and CHF, in observance of the Group policy.

(2) Irs transactions to hedge the Rai SpA loan of 295 million euros.

(3) Reference notional 136.7 million euros.

(4) The transactions are carried out on behalf of Rai Cinema 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 2,489,921 thousand euros (2,550,013 thousand euros at 31 December 2012). 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

Schedule 26

(in thousands of euros)	Year 2013	Year 2012
Revenues from sales	806	685
Revenues from services:		
- Licence fees:		
. private subscriptions	1,662,725	1,656,338
. special subscriptions	74,423	72,850
	<b>1,737,148</b>	<b>1,729,188</b>
- General-interest TV advertising		
. commercials	444,935	539,718
. TV promotions	14,257	24,197
. sponsorships	47,834	31,759
. product placement	1,915	1,379
	<b>508,941</b>	<b>597,053</b>
- Specialist channel TV advertising	60,276	45,019
- Radio advertising:		
. commercials	21,813	26,113
. radio promotions	607	627
. sponsorships	3,651	4,508
	<b>26,071</b>	<b>31,248</b>
- Other advertising	2,305	1,599
	<b>597,593</b>	<b>674,919</b>
- Special services under agreements	49,986	32,554
- Other services:		
. sale of transmission rights, programme distribution and musical publications	84,789	94,603
. agreements with telephone companies	2,545	3,498
. production services	3,227	716
. television broadcasting services through digital terrestrial techniques	3,900	5,056
. teletext services	200	248
. miscellaneous	9,727	8,546
	<b>104,388</b>	<b>112,667</b>
	<b>2,489,115</b>	<b>2,549,328</b>
<b>Total</b>	<b>2,489,921</b>	<b>2,550,013</b>

As regards revenues from licence fees, the mechanism used to determine the per-unit fee envisaged by the Consolidated Broadcasting Law ("separate accounting"), aimed at guaranteeing the proportions between costs sustained by Rai, and certified by an independent auditor, for the performance of its public service remit and resources from licence fees, highlights a lack of the latter for the period from 2005 to 2012, totalling over 2.3 billion euros, of which more than 346 million euros refer to 2012 alone. In 2011, Rai re-

quested, issuing warnings to such effect, the payment of the sums owing to it, as highlighted on the separate accounting forms, as well as interest matured and to mature.

For 2013, the 'separate accounting' figures will be available, as established, within four months of the date on which the Shareholders' Meeting approves the financial statements.

**Changes in inventories of work in progress, semi-finished and finished goods:** the positive amount of 201 thousand euros (up 263 thousand euros on 31 December 2012) expresses the reduction in the value of inventories associated with the commercial activity.

**Internal cost capitalisations:** the amount of 14,253 thousand euros (16,321 thousand euros at 31 December 2012): represents internal costs associated with non-current assets, which were capitalised under the specific asset items. Details are shown in Schedule 27.

### *Internal cost capitalisations*

*Schedule 27*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Intangible assets	7,860	10,606
Tangible assets	6,393	5,715
<b>Total</b>	<b>14,253</b>	<b>16,321</b>

**Other production-related income:** these amount to 121,649 thousand euros (117,395 thousand euros at 31 December 2012) as detailed in Schedule 28.

### *Other production-related income*

*Schedule 28*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Operating grants	8,148	9,813
Gains on disposals	1	61
Other		
Recovery and reimbursement of expenses	17,902	15,362
Out-of-period gains from licence fees	18,421	18,595
Other out-of-period gains	29,362	31,486
Provisions released	20,469	10,310
Income from real estate investments	227	237
Other income from equity investments:		
- Rai Way service contract	16,184	15,895
- Rai Cinema service contract	6,471	9,045
- RaiNet service contract	1,296	1,147
- other	2,361	2,147
Miscellaneous	807	3,297
	113,500	107,521
<b>Total</b>	<b>121,649</b>	<b>117,395</b>

## Production costs

This item comprises costs and capital losses related to ordinary activities, excluding financial operations. The costs shown here do not include those relating to non-current tangible and intangible assets, which are recorded under the respective asset accounts.

**Raw materials, supplies, consumables and merchandise:** these total 19,179 thousand euros (22,932 thousand euros at 31 December 2012), which includes purchases of technical materials for inventory – excluding items used in the construction of plant, which are allocated directly to non-current 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.

### *Production costs for raw, subsidiary consumable materials and goods*

*Schedule 29*

(in thousands of euros)	Year 2013	Year 2012
Technical materials for inventory	2,938	4,009
Miscellaneous production materials	3,258	4,391
Miscellaneous non-production materials	10,423	11,595
Other materials	2,565	2,944
Discounts, allowances and premiums on purchases of goods	(5)	(7)
<b>Total</b>	<b>19,179</b>	<b>22,932</b>

**Services:** these amount to 719,933 thousand euros (747,173 thousand euros at 31 December 2012) and comprise costs for freelance workers and other external services, net of discounts and allowances, as shown in Schedule 30.

### *Production costs for services*

*Schedule 30*

(in thousands of euros)	Year 2013	Year 2012
Freelance services	122,904	130,666
Services for acquisition and production of programmes	137,815	137,361
Ancillary services for the acquisition and production of programmes	44,227	51,854
Allowances, travel expenses and transfer of personnel	22,710	24,034
Ancillary personnel service costs	11,590	11,683
Maintenance and repairs	18,496	18,682
Documentation and information services	41,608	43,275
Insurance and accident prevention	16,643	17,389
Advertising and promotion	8,131	8,714
General services	60,510	60,379
Supply services	26,353	23,873
Expenses for the promotion and distribution of our products	415	1,408
Signal broadcasting and transport under service contract and other Rai WWay costs	182,060	188,871
Services under RaiNet contract	7,012	6,908
Other	19,459	22,076
<b>Total</b>	<b>719,933</b>	<b>747,173</b>

## Notes to the Parent Company Financial Statements

Among other things, they include emoluments, remuneration for special functions and reimbursement of expenses paid to Directors for 1,114 thousand euros (plus reimbursement of expenses for 155 thousand euros) and to Statutory Auditors for 160 thousand euros (plus reimbursement of expenses for 9 thousand euros). They also include 154 thousand euros of fees for the statutory audit of the annual accounts by independent auditors, 24 thousand euros for the auditing of the half-year accounts and 17 thousand euros for other services.

**Use of third-party assets:** these amount to 615,815 thousand euros (758,871 thousand euros at 31 December 2012) and include costs for rents, leases, usage rights and filming rights, as detailed in Schedule 31.

**Production costs for use of third party assets***Schedule 31*

(in thousands of euros)	Year 2013	Year 2012
Rent and hire costs	51,081	58,301
Lease instalments	-	634
Filming rights	145,201	310,094
Usage rights	97,671	97,068
Acquisition of viewing rights from Rai Cinema	313,533	284,716
Other rights	8,329	8,058
<b>Total</b>	<b>615,815</b>	<b>758,871</b>

**Personnel:** employee-related costs amount to 905,753 thousand euros (922,623 thousand euros at 31 December 2012), broken down as indicated in the income statement. The average number of employees on the payroll in 2013 was 11,703, including employees on fixed-term contracts (11,851 employees at 31 December 2012), distributed as detailed in Schedule 32.

**Average number of employees***Schedule 32*

	Year 2013			Year 2012		
	Staff on permanent contracts (average) <sup>(1)</sup>	Staff on fixed-term contracts (average)	Total	Staff on permanent contracts (average)	Staff on fixed-term contracts (average)	Total
- Managers	261	-	261	249	-	249
- Junior managers and supervisors	1,055	1	1,056	1,103	1	1,104
- Journalists	1,639	262	1,901	1,677	262	1,939
- Office staff, production employees, camera staff, film directors' staff, technicians	6,377	931	7,308	6,342	999	7,341
- Blue-collars	885	158	1,043	904	177	1,081
- Orchestra members and other artistic staff	115	8	123	120	6	126
- Medical staff	11	-	11	11	-	11
<b>Total</b>	<b>10,343</b>	<b>1,360</b>	<b>11,703</b>	<b>10,406</b>	<b>1,445</b>	<b>11,851</b>

(1) of which apprenticeships

**Amortisation, depreciation and writedowns:** these amount to 306,905 thousand euros (330,874 thousand euros at 31 December 2012). They are broken down between amortisation in relation to non-current intangible assets for 222,375 thousand euros (238,791 thousand euros at 31 December 2012), non-current tangible assets for 58,160 thousand euros (59,618 thousand euros at 31 December 2012) and other writedowns of non-current assets for 26,370 thousand euros (28,272 thousand euros at 31 December 2012). In particular, the amortisation relating to non-current intangible assets is referred mainly to industrial patents and intellectual property rights for 215,453 thousand euros (232,602 thousand euros at 31 December 2012), while Schedules 33 and 34 provide details of depreciation of tangible assets and other writedowns in relation to non-current assets. They include a writedown of capitalised programmes amounting to 21,823 thousand euros, which was made to take account of the risk that certain programmes may not be transmitted, re-broadcast or commercially exploited.

We inform you that, following a refinement of the calculation procedures from 2013, depreciation of tangible assets is calculated from the month in which the goods enter into operation.

### *Depreciation of tangible assets*

*Schedule 33*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Land and buildings	13,359	13,204
Systems and machinery	37,817	38,952
Industrial and commercial equipment	1,640	1,801
Other assets	5,344	5,661
<b>Total</b>	<b>58,160</b>	<b>59,618</b>

### *Other writedowns of non-current assets*

*Schedule 34*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Programmes being amortised	21,823	21,847
Intangible assets under development	4,547	6,425
<b>Total</b>	<b>26,370</b>	<b>28,272</b>

**Changes in inventories of raw materials, supplies, consumables and merchandise:** the amount of 64 thousand euros (24 thousand euros at 31 December 2012) represents the reduction in net inventories carried under current assets at 31 December 2013 with respect to the previous year.

**Provisions for risks:** these amount to 13,095 thousand euros (12,200 thousand euros at 31 December 2012) and consist of allocations to provisions for risks. The most significant items are detailed in Schedule 16.

**Other provisions:** these amount to 554 thousand euros (8,975 thousand euros at 31 December 2012). The main items are shown in Schedule 16.

**Other operating costs:** these amount to 82,373 thousand euros (95,716 thousand euros at 31 December 2012). Their composition is shown directly in the income statement and further information is provided in Schedule 35.

### Other operating costs

Schedule 35

(in thousands of euros)	Year 2013	Year 2012
<b>Capital losses:</b>		
Non-current tangible assets:		
- land and buildings	47	306
- plant and machinery	79	30
- industrial and sales equipment	9	6
- other assets:	63	47
- under construction	50	827
Non-current intangible assets:		
- under development	-	311
	<b>248</b>	<b>1,527</b>
<b>Concession fee</b>	<b>26,298</b>	<b>27,944</b>
<b>Other costs:</b>		
- gifts, prize contests and entertainment expenses	13,401	12,920
- association dues	2,900	3,131
- IMU (municipal property tax)	8,041	7,510
- other indirect taxes and contributions	8,815	9,912
- contributions to the Supervisory Authorities	5,504	5,564
- payment of uninsured damages, fines and penalties	588	315
- newspapers, books, periodicals, specific documentation and publications	1,973	2,114
- prior-year charges and reversal of non-existent assets	8,003	10,904
- provision for pension fund - former employees	4,883	12,028
- other	1,719	1,847
	<b>55,827</b>	<b>66,245</b>
<b>Total</b>	<b>82,373</b>	<b>95,716</b>

### Financial income and expense

**Income from equity investments:** no relevant value. Following the adoption of the equity method, the dividends resolved by the subsidiaries and associated companies were deducted from the value of the investment, without effects on the income statement.

**Other financial income:** this amounts to 6,633 thousand euros (8,747 thousand euros at 31 December 2012) broken down as follows:

- from *non-current receivables*: booked for 23 thousand euros for interest income on guarantee deposits;
- from *non-current securities other than equity investments*: booked for 75 thousand euros and referring to accrued interest;
- *financial income other than the above*: this amounts to 6,535 thousand euros and mainly relates to interest on current receivables as shown directly in the income statement and detailed even further in Schedule 36.



### *Other financial income on current receivables other than the above*

*Schedule 36*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Interest and commissions receivable from subsidiaries	5,570	7,738
Interest and commissions from associated companies	..	4
Interest and commissions receivable from others and miscellaneous income:		
- interest from banks, post office current accounts and other financial institutions	415	658
- default interest on customer receivables	-	11
- interest from others	550	230
	965	899
<b>Total</b>	<b>6,535</b>	<b>8,641</b>

**Interest and other financial expenses:** these amount to 15,660 thousand euros (15,708 thousand euros at 31 December 2012). 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 37.

### *Interest and other financial expenses*

*Schedule 37*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Interest and commissions payable to subsidiaries	767	788
Interest and commissions payable to associated companies	7	4
Interest and commissions payable to others and miscellaneous charges:		
- interest and commissions payable to banks and other financial institutions	10,362	12,348
- interest expense and charges on interest rate hedges	4,070	2,493
- interest and commissions on factoring	235	-
- interest to suppliers	152	39
- accrual to risks provision for interest expense	27	27
- other interest expense and miscellaneous charges	40	9
	14,886	14,916
<b>Total</b>	<b>15,660</b>	<b>15,708</b>

**Foreign exchange gains and losses:** these show a loss of 504 thousand euros (3,100 thousand euros at 31 December 2012), and include 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 further in Schedule 38.

### *Foreign exchange gains and losses*

*Schedule 38*

(in thousands of euros)	<b>Year 2013</b>	Year 2012
Foreign exchange gains (losses) from valuation	(413)	(29)
Other foreign exchange gains (losses) - net	(91)	3,129
<b>Total</b>	<b>(504)</b>	<b>3,100</b>

## Value adjustments to financial assets

**Revaluations:** these amount to 62,166 thousand euros (24,790 thousand at 31 December 2012) and express the income from revaluations of non-current financial assets as a consequence of profits from investments during the year (Schedule 3 shows the breakdown by company).

**Writedowns:** these total 772 thousand euros (762 thousand euros at 31 December 2012). They comprise writedowns of non-current financial assets following losses incurred in the year by the investee companies for 221 thousand euros, and of value adjustments of non-current receivables for 551 thousand euros.

## Exceptional income and expense

The item comprises expenses for 9,297 thousand euros (62,200 thousand euros at 31 December 2012) and income of 439 thousand euros (13,421 thousand euros at 31 December 2012), as detailed in Schedule 39.

### Exceptional income

*Schedule 39*

(in thousands of euros)	Year 2013	Year 2012
Lower taxes for previous years	439	209
IRES refund requested for deductibility of IRAP relating to personnel costs and similar for 2007 - 2011	-	12,774
Out-of-period gains and reversal of non-existent liabilities	-	438
<b>Total</b>	<b>439</b>	<b>13,421</b>

### Exceptional expense

*follows Schedule 39*

(in thousands of euros)	Year 2013	Year 2012
Costs connected with the staff voluntary resignation incentives scheme	9,297	62,200
<b>Total</b>	<b>9,297</b>	<b>62,200</b>

## Current income taxes for the year and deferred tax assets and liabilities

These amount to 637 thousand euros. They represent the total tax charge for the year and are made up as follows:

(in thousands of euros)	Current	Deferred tax liabilities	Deferred tax assets	Total
IRES	-	1,186	28,191	29,377
IRAP	(30,700)	914	(228)	(30,014)
	<b>(30,700)</b>	<b>2,100</b>	<b>27,963</b>	<b>(637)</b>

The following table shows the origin and effects of deferred tax items during the year.

(in thousands of euros)	Amount of IRES timing differences	IRAP 27.5%	Amount of IRAP timing differences	IRAP 4.873% (average)	Total
<b>Deferred tax assets</b>					
<b>Changes in the year:</b>					
- Adjustment of prior year taxable loss	(1,649)	(454)	==	==	(454)
- Taxable loss	80,000	22,000	==	==	22,000
- Writedown of programmes	15,254	4,195	158	5	4,200
- Statutory/fiscal difference on amortisation of programmes	8,909	2,450	==	==	2,450
- Other timing differences	0	0	(4,717)	(233)	(233)
<b>Total</b>	<b>102,514</b>	<b>28,191</b>	<b>(4,559)</b>	<b>(228)</b>	<b>27,963</b>

(in thousands of euros)	Amount of IRES timing differences	IRAP 27.5%	Amount of IRAP timing differences	IRAP 4.873% (average)	Total
<b>Deferred tax liabilities</b>					
<b>Changes in the year:</b>					
- Tax charge for long-term loan	150	41	==	==	41
- Neutralisation of foreign exchange valuations	0	0	==	==	0
- Tax-purpose accelerated amortisation on fixed assets programmes	0	0	11,420	558	558
- Accelerated depreciation for tax purposes non-current tangible assets	4,162	1,145	7,292	356	1,501
<b>Total</b>	<b>4,312</b>	<b>1,186</b>	<b>18,712</b>	<b>914</b>	<b>2,100</b>

## Notes to the Parent Company Financial Statements

The following table presents the estimated reconciliation between the statutory result for the year and the taxable amount for IRES and IRAP purposes.

(in thousands of euros)	IRES 27.5%	(in thousands of euros)	IRAP 4.873%
<b>Result before taxes</b>	<b>4,953</b>	<b>Production value</b>	<b>2,625,622</b>
Reversal of depreciation on tangible assets from EC framework	4,162	Raw materials, supplies, consumables and merchandise,	(19,179)
Non-deductible portion of IMU	5,629	Service costs	(719,933)
Non-deductible vehicle costs	6,200	Cost of use of third-party assets	(615,815)
Non-deductible portion of telephone expenses	1,496	Amortisation of intangible assets	(222,375)
Non-deductible portions of depreciation on tangible assets	1,750	Depreciation of tangible assets	(58,160)
Non-deductible portions of amortisation on programmes	15,253	Changes in inventories of raw materials, supplies, consumables and merchandise	(64)
Writedown on programmes – non-deductible	8,909	Other operating costs	(82,373)
Non-deductible allocations	35,098	Costs similar to employee costs	10,218
5% dividends collected	1,357	Reversal of amortisation from EC framework	18,712
Other changes - increases	4,935	Provision for pension fund of former employees	4,883
Utilisation and transfers from provisions	(153,610)	IMU	8,041
Portion deductible for IRAP on personnel costs for the year	(25,205)	Other changes - increases	169
Revaluation of investments	(62,166)	Prior years' personnel costs	(4,060)
Deductible portions of depreciation on tangible assets	(983)	Income from staff secondment and reimbursement of emoluments	(8,877)
Other changes - decreased	(2,457)	Recovery of writedowns on programmes	(21,665)
<b>Loss for the year</b>	<b>(154,677)</b>	Utilisation/release of taxed provisions	(31,718)
		Deductible portions of depreciation on tangible assets	(983)
		Tax wedge	(251,983)
		Other changes – decreases	(467)
Prior losses	(215,932)	<b>Taxable amount</b>	<b>629,992</b>

On the taxable amount for IRAP, current taxes of 30,700 thousand euros have been calculated.

## 7) Result for the year

The year closed with a profit of 4,317,063.75 euros.

## 8) Other information

As regards related party disclosures, no significant transactions took place outside the normal market conditions. For details on relations with Group companies, see the Report on Operations.

For important events occurring after the closing date, see the Report on Operations.

# Parent Company supplementary schedules

Parent Company supplementary schedules

**Balance Sheet reclassified in vertical form**

(thousands of euros)		<b>12.31.2013</b>	12.31.2012
A.- NON-CURRENT ASSETS			
Intangible assets		397,091	419,107
Tangible assets		365,796	359,412
Financial assets		485,730	447,001
		<b>1,248,617</b>	<b>1,225,520</b>
B.- WORKING CAPITAL			
Inventories		1,388	1,653
Trade receivables		556,109	535,376
Other assets		245,665	211,983
Trade payables		(562,219)	(612,231)
Provisions for risks and charges		(340,434)	(466,446)
Other liabilities		(218,253)	(190,250)
		<b>(317,744)</b>	<b>(519,915)</b>
C.- INVESTED CAPITAL			
net of current liabilities	(A+B)	<b>930,873</b>	<b>705,605</b>
D.- PROVISION FOR STAFF SEVERANCE PAY		<b>257,789</b>	<b>288,759</b>
E.- INVESTED CAPITAL			
net of current liabilities and provision for staff severance pay	(C-D)	<b>673,084</b>	<b>416,846</b>
financed by:			
F.- EQUITY			
Share capital paid up		242,518	242,518
Reserves and results brought forward		51,630	297,293
Profit (loss) for the year		4,317	(245,663)
		<b>298,465</b>	<b>294,148</b>
G.- TOTAL NET MID-TERM/LONG-TERM FINANCIAL DEBT		<b>295,833</b>	<b>295,000</b>
H.- NET SHORT-TERM DEBT (NET CASH FUNDS)			
. net short-term financial debt		225,312	104,035
. Cash and short-term financial receivables		(146,526)	(276,337)
		<b>78,786</b>	<b>(172,302)</b>
I.- TOTAL NET FINANCIAL DEBT	(G+H)	<b>374,619</b>	<b>122,698</b>
L.- TOTAL, AS IN E	(F+I)	<b>673,084</b>	<b>416,846</b>

***Income Statement reclassified in vertical form***

(thousands of euros)	<b>Year 2013</b>	Year 2012
A.- REVENUES	2,561,737	2,625,551
Change in inventories of work in progress, semifinished and finished goods	(201)	263
Internal cost capitalisations	14,253	16,321
B.- 'TYPICAL' PRODUCTION VALUE	2,575,789	2,642,135
Cost of materials and external services	(1,436,703)	(1,612,662)
C.- VALUE ADDED	1,139,086	1,029,473
Personnel costs	(905,753)	(922,623)
D.- GROSS OPERATING MARGIN	233,333	106,850
Amortisation of programmes	(198,948)	(217,371)
Other amortisation/depreciation	(69,227)	(68,769)
Other value adjustments	(26,920)	(32,852)
Provisions for risks and charges	(13,537)	(20,992)
Miscellaneous income and charges - net	36,699	17,427
E.- OPERATING RESULT	(38,600)	(215,707)
Financial income and expense	(9,532)	(3,861)
Income from equity investments	61,944	24,387
F.- RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	13,812	(195,181)
Exceptional income and expense - net	(8,859)	(48,779)
G.- RESULT BEFORE TAXES	4,953	(243,960)
Income taxes for the year	(636)	(1,703)
H.- NET PROFIT (LOSS) FOR THE YEAR	4,317	(245,663)

Parent Company supplementary schedules

**Cash Flow statement**

(thousands of euros)	<b>12.31.2013</b>	12.31.2012
A.- NET OPENING CASH FUNDS (NET OPENING SHORT- TERM FINANCIAL DEBT)	172,302	210,829
B.- CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) for the year	4,317	(245,663)
Amortisation and depreciation	268,175	286,140
(Gains) losses on disposal of non-current assets	247	1,466
(Revaluations) writedowns of non-current assets	(34,990)	4,251
Change in working capital	(202,171)	134,630
Net change in staff severance pay provision	(30,970)	(7,355)
	<b>4,608</b>	<b>173,469</b>
C.- CASH FLOW FROM INVESTING ACTIVITIES IN NON-CURRENT ASSETS		
Investment in non-current assets:		
. intangible assets	(214,387)	(241,227)
. tangible assets	(64,859)	(57,548)
. financial assets	(9,346)	(5,404)
Sale proceeds, or reimbursement value, of non-current assets and other changes	32,063	7,183
	<b>(256,529)</b>	<b>(296,996)</b>
D.- CASH FLOW FROM FINANCING ACTIVITIES		
New loans	50,000	85,000
Contributions by shareholders	-	-
Capital grants	-	-
Loan repayments	(49,167)	0
Equity repayments	-	-
	<b>833</b>	<b>85,000</b>
E.- PROFIT DISTRIBUTION	-	-
F.- CASH FLOW FOR THE YEAR (B+C+D+E)	<b>(251,088)</b>	<b>(38,527)</b>
G.- NET CLOSING CASH FUNDS (NET CLOSING SHORT- TERM FINANCIAL DEBT) (A+F)	<b>(78,786)</b>	<b>172,302</b>



# Report of the Board of Statutory Auditors

## Report to the Shareholders on Parent Company Financial Statements in accordance with article 2429, paragraph 2 of the Italian Civil Code

### *Shareholders,*

during the year which ended 31 December 2013, as regards **the activity of the Board of Statutory Auditors**, we performed our duties in compliance with the laws in force, observing the principles of conduct recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

The statutory audit activities were assigned to the Independent Auditors, PricewaterhouseCoopers SpA (hereinafter 'PwC'), whose three-year mandate (2011-2013) was resolved by the Shareholders' Meeting held on 3 August 2011.

Our activities consisted of the following.

We carried out monitoring activities to ensure compliance with the principles of correct administration, with the provisions of Law and the Company's Bylaws. The Board held specific meetings with the company executives in charge of certain Corporate Divisions to obtain the information required to evaluate the adequacy and the operation of the organisational structure, the internal control system and the administrative-accounting system, as well as the reliability of the latter to correctly represent the company's operations.

Various meetings were also held:

- a) with PwC, during which no "censurable actions" were reported to us and extensive information on the audit of the accounts was provided by them;
- b) with the Internal Auditing Management, analysing – also on the basis of information received from PwC – the status of the procedures and internal audits, with reference to Rai SpA and to the Group;
- c) with the Supervisory Board which presides over the functioning of the Parent Company's Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter the Model).

The Board met on 13 June 2013 and approved the text of the new Model, updated in order to take into consideration the latest legislative changes and the jurisprudential evolution, as well as the numerous organisational changes recently introduced within the Company and the results of the monitoring activities. A new text of the Code of Ethics was approved on the same date.

No reports pursuant to article 2408 of the Civil Code were made during the year.

The Board of Statutory Auditors met 44 times during the year; the meetings were minuted and were also attended by the Magistrate of the State Court of Auditors. The minutes, when deemed necessary, were brought to the attention of the Chairman of the Board of Directors and the General Manager.

The Statutory Auditors attended all the meetings of the Board of Directors (27 meetings on 28 days) during which they obtained information from the Directors on the general performance of the business and its outlook, as well as on Company operations of greater economic and financial significance. On the basis of the information available, there were no breaches of the law or of the Bylaws, nor were there any manifestly imprudent or rash operations in potential contrast with interests, or such as to compromise the integrity of the company assets.

During the year, two Shareholders' Meetings were held, all of which were attended by the Statutory Auditors.

Moving on to the **Rai SpA Financial Statements as at 31 December 2013** – the draft of which was approved by the Board on 10 April 2014 and now submitted for your approval – consist of the Balance Sheet, Income Statement and Notes to the Financial Statements and are accompanied by the Directors' Report on the operations.

As we were not assigned the statutory audit of the financial statements, we monitored their general layout, their general conformity to the provisions of articles 2424 and 2425 of the Civil Code in terms of formation and structure and, to this end – also, as mentioned earlier, on the basis of our meetings with PwC – we have nothing of significance to report.

As regards the competence of the **Board of Statutory Auditors**, we would like to add the following.

The **Notes to the Parent Company Financial Statements** indicate the valuation methods reported for the individual financial statement items, which have remained unchanged from the previous financial statements. The financial statements are in accordance with the general principles set out in article 2423 bis of the Civil Code and with the more specific provisions of the following article 2426 of the Civil Code.

They provide, also through supplementary schedules, the other disclosures required under article 2427 of the Civil Code; in accordance with the various applicable regulations, information is given on revaluations made to tangible fixed assets still carried in the balance sheet.

All the Balance Sheet and Income Statement items are presented in comparison, pursuant to article 2423 ter (5) of the Civil Code, to those of the Financial Statements as at 31 December 2012.

There have been no 'exceptional cases' during the year which would entail making derogations as permitted under article 2423 (4) of the Civil Code.

Pursuant to article 2429 (paragraph 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 examination of these documents has not revealed any criticalities or reservations.

In addition, we wish to report that:

- on the face of the balance sheet there are no formation, start-up and expansion costs, nor deferred costs for research, development or advertising, carried under intangible assets;
- deferred tax liabilities are largely related to accelerated depreciation of tangible assets, disclosed solely in the Tax Return;
- deferred tax assets have been booked considering the reasonable certainty of their future recovery.

The **Report on Operations** – which should be referred to for further details – is drawn up in accordance with article 2428 of the Civil Code. It is divided into various chapters dedicated to specific matters in order to provide a thorough picture of the Company's activities, also with regard to the single sectors presided over through its structures and with regard to subsidiaries.

The details provided concern: the television market setting, resources from licence fees and advertising; the regulatory framework; Rai's offering and the performances of the TV product; implementation of health, safety and environmental measures; relations with subsidiaries and associated companies, indications on the outlook of operations and the evolution of the Model pursuant to Legislative Decree 231; significant post-period events and objectives and policies regarding the management of financial risk and the exposure to the interest rate, credit and liquidity risks, thus fulfilling the reporting obligations regarding the major risks affecting the company and the Group.

The Report is completed by a commented review of the balance sheet, income statement and financial position, stating the reasons for the differences compared to the previous year.

The Report shows that the financial statements of Rai SpA at 31 December 2013 close with a profit of 4.3 million euros against a loss of 245.7 million euros in the previous year, while the Group consolidated financial statements close with a profit of 5.3 million euros against a loss of 244.6 million euros at 31 December 2012.

The Group's debt has risen from 366.2 million euros to 440.9 million euros in 2013.

The positive result is consequential to the 250.0 million improvement obtained during the year. This is the balance between the decline in revenues and the reduction in costs.

Specifically:

- in terms of revenues, the further reduction in advertising (-77.3 million), which continues to decline, is only partly offset by higher receipts from licence fees and other revenues (+ 3.5 million);
- in terms of costs, the benefit due to the absence of costs for big sports events (-143.0 million), which occur in even years only, and to staff resignation incentives sustained in 2012, was joined by savings on operating costs, including those relating to payroll, totalling approximately 50 million euros. These savings are largely due to actions to improve efficiency pursued in recent years and, particularly, to measures introduced during the year in implementation of the 2013-2015 business plan.

The Board notes that, as a consequence of the previous negative economic results, 491 million euros of reserves has been used in recent years to cover losses. This means that, at the moment, after allocating the

profit for the year (4.3 million euros) to reserves, the remaining reserves amount to just 56 million euros; the Shareholders' Equity amounts to approximately 299 million euros, of which 243 million euros relating to the share capital.

As regards the economic performance, during the year the Statutory Auditors did invite the Company to assess all actions aimed at improving revenues and consolidating and increasing cost savings, taking steps to rationalise the organisation in the various areas of business, such as the production of TV fiction and programmes, and the purchase of external products.

On this matter, we ought to share the strategy implemented by the management consisting in a revision of the productive choices that lead to insource processes/productions currently outsourced, in order to saturate existing production capacities. Likewise, in terms of staff policies, it would be appropriate to continue devoting attention to the enhancement of all in-house resources, in line with the targets underlying the staff leaving incentive scheme completed in 2013.

Looking again at revenues and the financial performance, we have to highlight the on-going adverse effect deriving from the high rate of evasion of payment of the ordinary licence-fee estimated at around 27% (almost 19 percentage point higher than the European average), with lower annual proceeds for Rai of about 500/600 million euros.

Within this framework, 'Separate accounting' – the mechanism introduced by the Legislator to ascertain the absence of overcompensation of public resources, on one hand, and to determine the costs sustained for the Public Service activities, which have to be covered using resources from licence fees, on the other – shows, as certified by an independent auditor, a negative imbalance for year 2012 between public resources and the costs sustained by Rai in pursuit of its mandate of 346 million euros.

From 2005, the year in which separate accounting was introduced, until 2012, the total imbalance is over 2.3 billion euros.

In the meantime, it is hoped that, when the service contract for 2013/2015 (which is still being analysed by the competent Authorities) is renewed, clauses will be included to prevent the formation of the above-mentioned imbalances to the detriment of the Concession Holder.

In the light of all the matters described and considered above, within the scope of our competence and also considering the results of the activity carried out by the independent auditors of the accounts set out in the auditors' report on the financial statements, we express our favour for the approval of the Parent Company financial statements at 31 December 2013, drawn up by the Board of Directors and consisting of the Balance Sheet, Income Statements and Notes to the Financial Statements, closing with a profit of 4,317,063.75 euros, accompanied by the Report on Operations. We also agree with the Board's further request, contained in the same proposal, to assign the above-mentioned profit of 4,317,063.75 euros as follows:

- 5% of the net result to the legal reserve 215,853.19 euros;
- the remainder to the non-distributable investment revaluation reserve 4,101,210.56 euros.

We wish to remind you that the audit mandate, as assigned by the Shareholders on 3 August 2011 to PricewaterhouseCoopers, ends with the approval of these financial statements.

Consequently, the Shareholders will be required to pass resolution on the assignment of the new mandate for 2014-2016 on the basis of a reasoned proposal presented by the Board of Statutory Auditors as envisaged by article 13 of Legislative Decree 39/2010.

Rome, 29 April 2014

THE STATUTORY AUDITORS  
Mr Carlo GATTO  
Ms Maria Giovanna BASILE  
Mr. Domenico MASTROIANNI

# Independent Auditors' Report



**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE  
No.39 OF 27 JANUARY 2010**

To the Shareholders of  
RAI – Radiotelevisione italiana SpA

- 1 We have audited the financial statements of RAI – Radiotelevisione italiana SpA as of 31 December 2013. 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 their preparation. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. 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 13 May 2013.

- 3 In our opinion, the financial statements of RAI – Radiotelevisione italiana SpA as of 31 December 2013 comply with the laws governing the criteria for their preparation; accordingly, they have been prepared clearly and give a true and fair view of the financial position and result of operations of the Company.
- 4 The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of a report on operations in compliance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard No. 001 issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili and recommended by Consob. In our opinion the report on operations is

**PricewaterhouseCoopers SpA**

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.812.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Dante 7 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001





consistent with the financial statements of RAI – Radiotelevisione italiana SpA as of 31 December 2013.

Rome, 29 April 2014

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.*

## Shareholders' Meeting resolutions

The **Rai Shareholders' Meeting**, held on 20 May 2014, unanimously resolved:

- to approve the Statutory Financial Statements of RAI Radiotelevisione italiana Spa as at 31 December 2013, consisting of the balance sheet, income statement and the notes to the financial statements, which show a net profit after taxes of 4,317,063.75 euros (four million three hundred seventeen thousand sixty-three euros and seventy-five cents), as well as the report on operations;
- to allocate the net profit amounting to €4,317,063.75 (four million three hundred seventeen thousand sixty-three euros and seventy-five cents) as follows:
  - 215,853.19 euros (two hundred fifteen thousand eight hundred fifty-three euros and nineteen cents), equal to 5% (five per cent) of the net result, to the Legal Reserve Legale;
  - the remainder, equal to 4,101,210.56 euros (four million one hundred one thousand two hundred ten euros and fifty-six cents), to the Non-distributable Reserve from revaluation of investments;
- to take cognizance of the Consolidated Financial Statements of the Group for 2013 – consisting of the balance sheet, income statements and notes to the consolidated financial statements – which show a net profit equal to 5.3 (five point three) million euros.



# Consolidated financial statements of the Rai Group as at 31 December 2013

Report on Operations of the Board of Directors	129
Consolidated Financial Statements as at 31 December 2013	145
Notes to the Consolidated Financial Statements	153
Consolidated supplementary schedules	191
Report of the Board of Statutory Auditors	195
Independent Auditors' Report	197



## Report on Operations of the Board of Directors

For information regarding the activity of the Rai Group, the Human Resources, the Research and Development activity, the Events occurred during the financial year and the Operating Outlook, reference is made to the Board of Directors' Report accompanying the Parent Company's financial statements, which all together form the Annual Report.

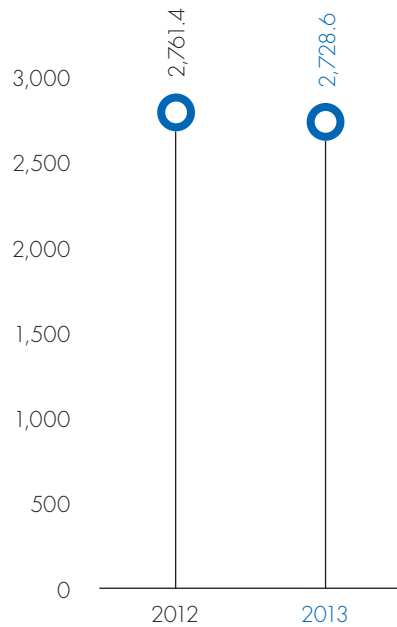
## Review of Balance Sheet, Income Statement and Financial Situation of the Rai Group

Highlights	130
Reclassified Financial Statements	132
Review of Balance Sheet, Income Statement and Financial Situation	133
Income Statement	133
Balance Sheet	141

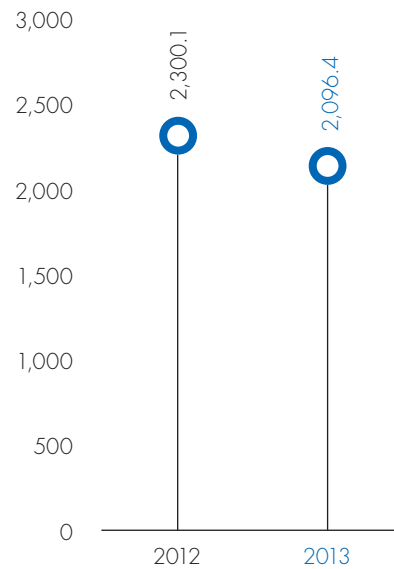
# Highlights

(millions of Euro)

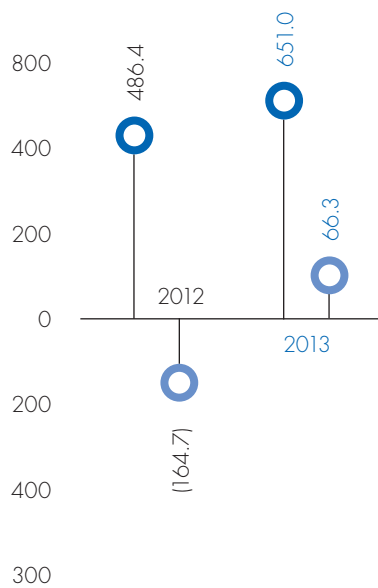
## Revenues



## Operating costs

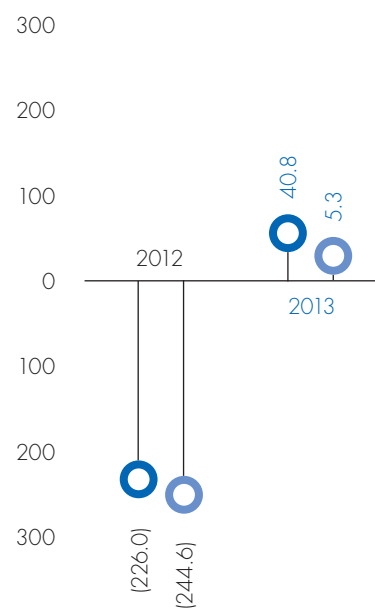


## GOM - Operating result

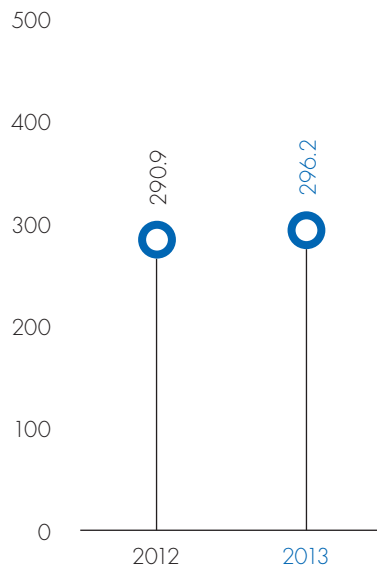


## Profit before taxes

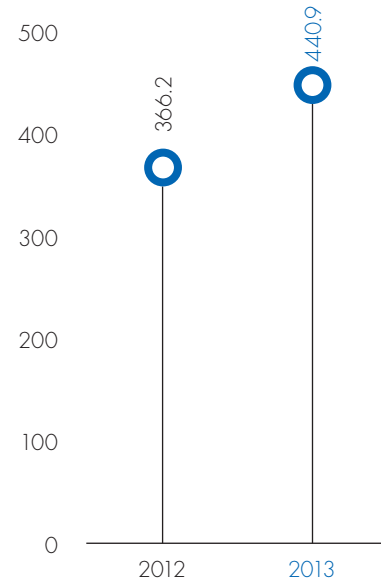
Profit (Loss) for the year



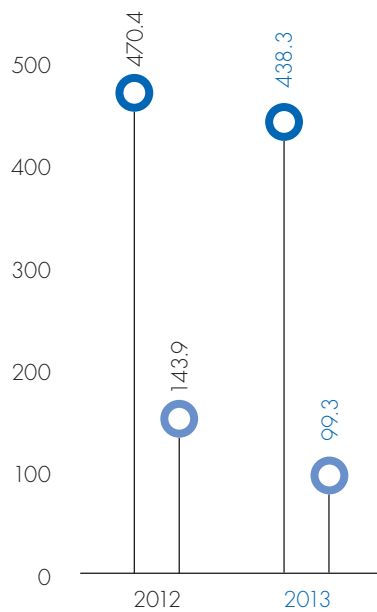
### Net equity



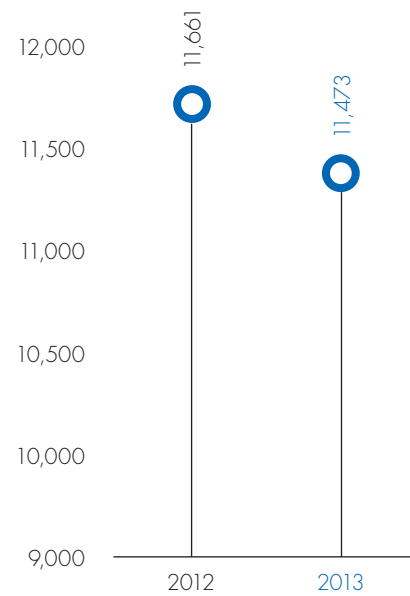
### Net Financial Position



### Investments in programmes and other



### Workforce at 31 December (in units)



## Reclassified Financial Statements

### Consolidated Income Statement

(millions of Euro)	Year 2013	Year 2012	Change	Change %
Revenues from sales and services	2,728.6	2,761.4	(32.8)	-1.2
Change in inventories of products in progress, semi-finished and finished products	(0.3)	0.0	(0.3)	===
Internal cost capitalisations	19.1	25.1	(6.0)	-23.9
<b>Total revenues</b>	<b>2,747.4</b>	<b>2,786.5</b>	<b>(39.1)</b>	<b>-1.4</b>
External costs for major sporting events	-	(143.0)	143.0	-100.0
External goods and services	(1,101.7)	(1,141.8)	40.1	-3.5
Personnel costs	(994.7)	(1,015.3)	20.6	-2.0
<b>Total operating costs</b>	<b>(2,096.4)</b>	<b>(2,300.1)</b>	<b>203.7</b>	<b>-8.9</b>
<b>Gross operating margin</b>	<b>651.0</b>	<b>486.4</b>	<b>164.6</b>	<b>33.8</b>
Amortisation of programmes	(447.9)	(463.2)	15.3	-3.3
Other amortisation and depreciation	(132.7)	(140.6)	7.9	-5.6
Other net charges	(4.1)	(47.3)	43.2	-91.3
<b>Operating result</b>	<b>66.3</b>	<b>(164.7)</b>	<b>231.0</b>	<b>===</b>
Other financial expense	(14.9)	(11.0)	(3.9)	35.5
Income from equity investments	1.7	0.6	1.1	183.3
<b>Result before exceptional items</b>	<b>53.1</b>	<b>(175.1)</b>	<b>228.2</b>	<b>===</b>
Net exceptional expense	(12.3)	(50.9)	38.6	-75.8
<b>Result before taxes</b>	<b>40.8</b>	<b>(226.0)</b>	<b>266.8</b>	<b>===</b>
Income taxes for the year	(35.5)	(18.6)	(16.9)	90.9
<b>Profit (loss) for the year</b>	<b>5.3</b>	<b>(244.6)</b>	<b>249.9</b>	<b>===</b>
<i>of which portion pertaining to minority interests</i>	0.0	0.0	0.0	===

### Consolidated Balance Sheet

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Non-current assets	1,542.4	1,610.7	(68.3)	-4.2
Working capital	(521.4)	(635.0)	113.6	-17.9
Staff severance pay provision	(283.9)	(318.6)	34.7	-10.9
<b>Net invested capital</b>	<b>737.1</b>	<b>657.1</b>	<b>80.0</b>	<b>12.2</b>
Net equity	296.2	290.9	5.3	1.8
Net financial debt	440.9	366.2	74.7	20.4
	<b>737.1</b>	<b>657.1</b>	<b>80.0</b>	<b>12.2</b>

## Review of Balance Sheet, Income Statement and Financial Situation

### Income Statement

The Income Statement of the Rai Group for the 2013 financial year recorded a **net profit of 5.3 million euros**, against a net loss of 244.6 million euros for the 2012 financial year. The difference from the result of the Parent Company Rai SpA, which has a net profit of 4.3 million euros for the year, is related to adjustments of intercompany transactions.

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 income of a commercial nature. They totalled 2,728.6 million euros, falling by 32.8 million euros (-1.2%) compared to 2012. The breakdown of the revenues from sales and services for each company, net of intercompany transactions, is provided in the table below.

**Licence fees** (1,755.6 million euros). These include licence fees for the current year as well as those for previous years, collected through coercive payment following legal registration. The overall increase (+0.4%) is determined by the

### Revenues

(millions of Euro)	2013	2012	Change	Change %
Licence fees	1,755.6	1,747.8	7.8	0.4
Advertising	682.2	745.3	(63.1)	-8.5
Other revenues	290.8	268.3	22.5	8.4
<b>Total</b>	<b>2,728.6</b>	<b>2,761.4</b>	<b>(32.8)</b>	<b>-1.2</b>

### Revenues - by company

(millions of Euro)	2013	%	2012	%
Rai	1,926.5	70.6	1,915.5	69.4
Rai Cinema	80.4	2.9	60.1	2.2
RaiNet	0.8	0.0	0.9	0.0
Rai Pubblicità	683.7	25.1	749.2	27.1
Rai Way	37.2	1.4	35.7	1.3
<b>Total</b>	<b>2,728.6</b>	<b>100.0</b>	<b>2,761.4</b>	<b>100.0</b>

### Licence fees

(millions of Euro)	2013	2012	Change	Change %
Fees for the year – ordinary subscribers	1,662.7	1,656.3	6.4	0.4
Fees for the year – special subscribers	74.4	72.9	1.5	2.1
Fees from coercive payment	18.5	18.6	(0.1)	-0.5
<b>Total</b>	<b>1,755.6</b>	<b>1,747.8</b>	<b>7.8</b>	<b>0.4</b>

increase in the per-unit licence fee from 112.00 euros to 113.50 euros (+1.3%), largely offset by the reduction in the number of paying subscribers, which fell below 16 million (-0.8% compared to 2012), due to the reduction in new subscribers (-29.8%) and the rise in arrears (+13.3%), both of which can be correlated to the economic crisis underway in Italy.

Once again in 2013 the licence fee paid in Italy continues to be one of the lowest in Europe. By way of example, the table shows the annual licence fee in force in selected European countries.

### Licence fee in Europe

(euros)	
Switzerland	376.67
Denmark	324.00
Austria	282.15
Sweden	225.00
Germany	215.76
United Kingdom	174.52
Ireland	160.00
France	131.00
Italy	113.50

**Advertising** (682.2 million euros). For the third year running, the advertising market showed a considerable decline, losing almost 900 million euros (-12.4%) compared to the previous year. The first part of 2013 was characterised by a sharp drop in values (-17% compared to the first half of 2012), while the second half, despite continuing the negative performance, was slightly better than the first (-6.3% compared to the second half of 2012).

TV advertising in particular showed a less 'recessive' trend (-10%) compared to the market average, such as Radio (-9.3%) and the Internet (-1.8%) although the web presented a negative figure for the first time (net of Searches and Social Networks). The worst situation was in the press, in which the severe crisis continues.

In this context, Rai Group's **advertising revenues** (682.2 million euros) highlight a reduction of 63.1 million euros (-8.5%) compared with 2012, as shown in the table at the bottom of the page.

The growth in advertising revenues on the specialised channels (+10.2 million euros, +18.0%) is to be noted.

### Tv subscriptions – changes

	2013	2012	2011	Change % 2013/2012
New	355,376	506,486	401,958	-29.8
Renewals	15,636,145	15,614,136	15,629,150	0.1
<b>Paying subscribers</b>	<b>15,991,521</b>	<b>16,120,622</b>	<b>16,031,108</b>	<b>-0.8</b>
Delinquent subscribers	1,091,104	963,091	903,856	13.3
<b>Registered subscribed</b>	<b>17,082,625</b>	<b>17,083,713</b>	<b>16,934,964</b>	<b>0.0</b>
<b>Delinquent subscribers %</b>	<b>6.51%</b>	<b>5.79%</b>	<b>5.45%</b>	
Cancellations	356,464	357,737	328,118	-0.4
Cancellations + delinquent positions	1,447,568	1,320,828	1,231,974	9.6

### Advertising

(millions of Euro)	2013	2012	Change	Change %
TV advertising on general interest channels:				
- commercials	493.6	561.2	(67.6)	-12.0
- promotions, sponsorship and special events	68.9	63.1	5.8	9.2
- product placement	2.4	1.7	0.7	41.2
	<b>564.9</b>	<b>626.0</b>	<b>(61.1)</b>	<b>-9.8</b>
On specialist channels	67.0	56.8	10.2	18.0
Radio advertising	29.0	35.3	(6.3)	-17.8
Web advertising	7.7	6.6	1.1	16.7
Cinema advertising	12.7	18.2	(5.5)	-30.2
Other advertising	0.9	2.4	(1.5)	-62.5
<b>Total</b>	<b>682.2</b>	<b>745.3</b>	<b>(63.1)</b>	<b>-8.5</b>



**Other revenues** (290,8 million euros) present a growth of 22.5 million euros (+8.4%) as highlighted in the relative table.

With reference to the main changes compared to 2012, there was an increase in revenues from the Parent Company for Special services under agreement in relation to the renewal of agreements with the Presidency of the Council of Ministers at higher prices (+17.4 million euros), which recovered most of the reductions endured in 2012, and the Sale of rights to utilise material held by Teche to football clubs (+9.9 million euros) as a consequence of numerous agreements entered into during the year. Equally positive was the performance of film and home video distribution (+11.3 million euros), determined by the positive

results achieved by the cinematographic products distributed by Rai Cinema.

As regards the main negative changes, the reduction in the Sale of rights and musical publications (-10.8 million euros), refers partly to lower income from the sale of certain sports events for which, unlike during the previous year, no commercial exploitation rights were acquired, consequently reducing charges for sports rights.

The breakdown of other revenues, per individual company and net of intercompany transactions, is shown in the reference table.

Due to the advertising crisis, revenues from licence fees were about 64% of the Group's overall income, as highlighted in the table below.

### Other revenues

(millions of Euro)	2013	2012	Change	Change %
Sale of rights and musical publications	57.3	68.1	(10.8)	-15.9
Special services under agreement	49.9	32.6	17.3	53.1
Film and home video distribution	43.0	31.7	11.3	35.6
Fees for hosting systems and equipment	33.4	32.0	1.4	4.4
Signal broadcasting, circuit hire, radio bridge and link services	6.9	8.3	(1.4)	-16.9
Sale of rights to the utilise archive materials to football clubs	47.3	37.4	9.9	26.5
Different services, performed mainly for public entities	8.1	12.5	(4.4)	-35.2
Telephone services	2.5	3.5	(1.0)	-28.6
Repayment of programme production costs	1.2	1.9	(0.7)	-36.8
Other	41.2	40.3	0.9	2.2
<b>Total</b>	<b>290.8</b>	<b>268.3</b>	<b>22.5</b>	<b>8.4</b>

### Other revenues – by company

(millions of Euro)	2013	%	2012	%
Rai	169.2	58.2	167.1	62.3
Rai Cinema	80.4	27.6	60.1	22.4
RaiNet	0.1	0.0	0.2	0.1
Rai Pubblicità	3.9	1.3	5.2	1.9
Rai Way	37.2	12.8	35.7	13.3
<b>Total</b>	<b>290.8</b>	<b>100.0</b>	<b>268.3</b>	<b>100.0</b>

### % of revenues

	2013	2012
Licence fees	64.3	63.3
Advertising revenues	25.0	27.0
Other revenues	10.7	9.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Operating costs

Operating costs total 2,096.4 million euros and present a drop of 203.7 million euros, -8.9% compared to 2012, the reasons for which are explained below.

This item includes internal and external costs (for labour), regarding ordinary business activities, according to the following classification.

### Consumption of goods and external services

– This item includes purchases of goods and services required to make programmes of immediate use (purchases of consumables, external services, artistic collaborations etc.), filming rights for sports events, copyright, services from subsidiaries, running costs (rental and hire fees, telephone and postage costs, cleaning, maintenance etc.) and other operating costs (direct and indirect taxes, contribution to the Authorities, the public broadcasting concession fee etc.). Compared with the previous year, the item shows

a drop of 183.1 million euros (-14.3%), due to the presence during the year of costs related to four-yearly sporting events (European Football Championship and Summer Olympic Games) for 143.0 million euros (including costs for the production of these events amounting to 8.1 million euros). Net of this component, there was a reduction of external costs of about 40 million euros compared to 2012, determined largely by initiatives implemented during the year to contain spending.

The following table shows details of savings in most items, apart from the cost of the item Other external services, which increased (+16.2 million euros, +16.0%) mainly in relation to the higher shares acknowledged to commercial partners for the increase in proceeds from Film and Home Video Distribution, already mentioned in the Other revenues item.

## Consumption of goods and external services

(millions of Euro)	2013	2012	Change	Change %
<b>Materials purchased</b>	<b>22.2</b>	<b>27.1</b>	<b>(4.9)</b>	<b>-18.1</b>
<b>External services:</b>				
Freelance services	125.2	132.4	(7.2)	-5.4
Services for acquisition and production of programmes	191.5	197.7	(6.2)	-3.1
Staff allowances, travel and accessory costs	38.6	40.5	(1.9)	-4.7
General services (postage, telephones, transport, maintenance, cleaning, archive services etc.)	174.6	176.1	(1.5)	-0.9
Other	117.6	101.4	16.2	16.0
	<b>647.5</b>	<b>648.1</b>	<b>(0.6)</b>	<b>-0.1</b>
<b>Use of third-party assets:</b>				
Leases and rentals	92.3	103.1	(10.8)	-10.5
Filming rights (mainly for sports events and the Sanremo Festival)	145.2	310.1	(164.9)	-53.2
Utilisation rights	107.3	106.3	1.0	0.9
	<b>344.8</b>	<b>519.5</b>	<b>(174.7)</b>	<b>-33.6</b>
<b>Change in inventories</b>	<b>0.1</b>	<b>0.3</b>	<b>(0.2)</b>	<b>-66.7</b>
<b>Concession fee</b>	<b>26.3</b>	<b>27.9</b>	<b>(1.6)</b>	<b>-5.7</b>
<b>Other operating costs:</b>				
Prizes and winnings	12.7	12.0	0.7	5.8
Authority for Communication Guarantees contribution	6.3	6.4	(0.1)	-1.6
Municipal property tax	9.8	9.1	0.7	7.7
Other indirect taxes, duties and levies	10.8	12.6	(1.8)	-14.3
Newspapers, magazines, books and publications	2.0	2.2	(0.2)	-9.1
Membership fees	3.3	3.5	(0.2)	-5.7
Other	3.4	3.7	(0.3)	-8.1
	<b>48.3</b>	<b>49.5</b>	<b>(1.2)</b>	<b>-2.4</b>
<b>Other</b>	<b>12.5</b>	<b>12.4</b>	<b>0.1</b>	<b>0.8</b>
<b>Total</b>	<b>1,101.7</b>	<b>1,284.8</b>	<b>(183.1)</b>	<b>-14.3</b>

The breakdown of purchase costs for goods and services, for each company and net of intergroup transactions, is provided in the relative table.

**Personnel costs** – Personnel costs amount to 994.7 million euros, down 20.6 million euros on the total at 31 December 2012 (-2.0%), according to the breakdown shown in the reference table. This consistent reduction stems mainly from the effect of incentives to encourage staff to resign, resolved in December 2012 and implemented throughout the year. Savings deriving from these incentivised resignations more than offset the effects on personnel costs generated by transforming fixed-term contracts into permanent ones, by renewing the contracts of middle management, white and blue collars and

orchestral staff, and due to automatic contractual pay increases.

Lower inflation also positively influenced the trend of personnel costs, having a positive impact on the revaluation of the provision for staff severance pay, as did the continuation, in 2013, of the limitation of payment policies and a more general control of all exceptional items.

Lastly, the 4.4 million euros increase in expenses allocated to cover disputes with staff is worth noting.

The breakdown of personnel costs by individual company is shown in the table below.

### *Consumption of goods and external services by company*

(millions of Euro)	<b>2013</b>	%	2012	%
Rai	920.0	83.5	1,122.9	87.4
Rai Cinema	69.4	6.3	51.3	4.0
RaiNet	6.3	0.6	5.7	0.4
Rai Pubblicità	36.1	3.3	33.0	2.6
Rai Way	68.5	6.2	71.5	5.6
Rai World	1.4	0.1	0.4	0.0
<b>Total</b>	<b>1,101.7</b>	<b>100.0</b>	<b>1,284.8</b>	<b>100.0</b>

### *Personnel costs*

(millions of Euro)	<b>2013</b>	2012	Change	Change %
Wages and salaries	712.2	726.8	(14.6)	-2.0
Social security contributions	202.4	204.0	(1.6)	-0.8
Staff severance pay	48.8	53.8	(5.0)	-9.3
Pension and similar costs	13.4	13.4	0.0	0.0
Other	17.9	17.3	0.6	3.5
<b>Total</b>	<b>994.7</b>	<b>1,015.3</b>	<b>(20.6)</b>	<b>-2.0</b>

### *Personnel costs – by company*

(millions of Euro)	<b>2013</b>	%	2012	%
Rai	905.7	91.1	922.7	90.9
Rai Cinema	9.5	1.0	9.2	0.9
RaiNet	3.8	0.4	4.1	0.4
Rai Pubblicità	27.8	2.8	29.2	2.9
Rai Way	47.7	4.8	50.0	4.9
Rai World	0.2	0.0	0.1	0.0
<b>Total</b>	<b>994.7</b>	<b>100.0</b>	<b>1,015.3</b>	<b>100.0</b>

**Personnel on payroll** at 31 December 2013 (including 58 introduction and apprenticeship contracts) amounted to 11,473 units, down 188 units compared to the same date in the previous year. In detail, 655 people left the Group companies, 549 of these took resignation incentives, while 467 new contracts were issued, 389 of which regarded the transformation of fixed-term contracts into permanent contracts, following trade union agreements, and 32 were returns following legal disputes.

**Average number of employees**, including those on fixed-term contracts, amount to 12,965, falling by 193 units compared to last year. This was determined by a drop of 99 members of staff on fixed-term contracts and of 94 members of staff on permanent contracts.

## Gross Operating Margin

The Gross Operating Margin, as a consequence of the above, is positive by 651.0 million euros, with an increase of 164.6 million euros (33.8%) compared to the previous year.

## Amortisation of programmes

This item in question is related to **investments in programmes** which, during 2013 amounted to 438.3 million euros, down 32.1 million euros (-6.8%), as highlighted in detail in the dedicated table.

The breakdown by individual company of investments in programmes is shown in the specific table.

**Amortisation** charged to the above items for the year, amounts to 447.9 million euros, and shows a reduction of 15.3 million euros compared to the previous year (-3.3%) related to the above trend in investments.

## Investments in programmes

(millions of Euro)	2013	2012	Change	Change %
Tv Fiction Series	274.6	292.2	(17.6)	-6.0
Film	107.7	116.1	(8.4)	-7.2
Other programmes	56.0	62.1	(6.1)	-9.8
<b>Total</b>	<b>438.3</b>	<b>470.4</b>	<b>(32.1)</b>	<b>-6.8</b>

## Investments in programmes by company

(millions of Euro)	2013	%	2012	%
Rai	205.1	46.8	233.1	49.6
Rai Cinema	233.2	53.2	237.3	50.4
<b>Total</b>	<b>438.3</b>	<b>100.0</b>	<b>470.4</b>	<b>100.0</b>

## Amortisation of programmes

(millions of Euro)	2013	2012	Change	Change %
Tv Fiction Series	276.0	273.6	2.4	0.9
Film	128.0	135.3	(7.3)	-5.4
Other programmes	43.9	54.3	(10.4)	-19.2
<b>Total</b>	<b>447.9</b>	<b>463.2</b>	<b>(15.3)</b>	<b>-3.3</b>

## Other amortisation and depreciation

This item is related to **investments in tangible non-current assets and other investments**, the performance of which in 2013, highlighted in the 'Other investments' statement, presents an overall reduction of 44.6 million euros (-31.0%).

A relevant contribution to this result came from the considerable reduction in investments by Rai Way which, in 2012, was occupied with the completion of the switch over to DTT, partly offset by higher investments by the Parent Company for the development of the digitalisation process for the conversion of recording studios and systems.

The tables below show the breakdown by type and company.

**Amortisation and depreciation** for the period referring to the items mentioned above amount to 132.7 million euros, with a drop of 7.9 million euros compared to 2012.

## Other net expenses

The item comprises income/expenses that are not directly related to the Company's core business and, in 2013, highlights net expenses of 4.1

million euros (47.3 million euros in the previous year). In detail, the item includes expenses for repeat-usage programmes which are not expected to be used, repeated or commercially exploited, 27.5 million euros (31.3 million euros at 31 December 2012), provisions for risks and charges, 11.6 million euros (26.7 million euros at 31 December 2012), provision for bad debts, 8.8 million euros (6.6 million euros at 31 December 2012), provision for the company supplementary pension fund for former employees 4.9 million euros (12.1 million euros at 31 December 2012), partially offset by net contingent assets, 24.9 million euros (21.8 million euros at 31 December 2012) and the release of funds allocated in previous years, 24.5 million euros (11.5 million euros at 31 December 2012).

## Operating Result

The performance described above for operating income and expenses determined an improvement of 231.0 million euros in the operating result, from last year's -164.7 million euros to the current +66.3 million euros.

## Other investments

(millions of Euro)	2013	2012	Change	Change %
Tangible assets	88.1	133.6	(45.5)	-34.1
Other intangible assets	11.2	10.3	0.9	8.7
	<b>99.3</b>	<b>143.9</b>	<b>(44.6)</b>	<b>-31.0</b>
including, for the development of the digital network	17.4	70.0	(52.6)	-75.1

## Other investments – by company

(millions of Euro)	2013	%	2012	%
Rai	74.1	74.6	65.0	45.2
Rai Cinema	0.2	0.2	0.2	0.1
RaiNet	0.6	0.6	0.7	0.5
Rai Pubblicità	1.4	1.4	2.1	1.5
Rai Way	23.0	23.2	75.9	52.7
<b>Total</b>	<b>99.3</b>	<b>100.0</b>	<b>143.9</b>	<b>100.0</b>

## Depreciation and amortisation of other non-current assets

(millions of Euro)	2013	2012	Change	Change %
Tangible assets	119.4	127.8	(8.4)	-6.6
Other intangible assets	13.3	12.8	0.5	3.9
<b>Total</b>	<b>132.7</b>	<b>140.6</b>	<b>(7.9)</b>	<b>-5.6</b>

## Net financial expense

**Net financial expense** shows a loss of 14.9 million euros, deteriorating compared to 2012 (-11.0 million euros). The item shows the economic effects of typical financial operations and comprises bank interest income and expense as well as net gains/expenses in relation to exchange rates.

In detail there has been:

- a saving of approximately 1 million euros – compared to the previous year – in net interest payable to banks, due to the reduction in the average interest rates on loans;
- a deterioration in the management of foreign currencies, mainly due to exposures on US dollars subject to hedge, which determined significant income last year;
- higher net financial expenses originating from commissions on stand-by loans taken out during the year.

The average cost of loans, consisting of current account credit lines, "hot money", stand-by and medium-term loans and factoring lines, settled at 2.9% (3.4% in the previous year) in relation to the reduction in the monetary reference rates.

## Net exceptional expense

This item amounts to 12.3 million euros (50.9 million euros in 2012) and refers mainly to expenses to incentivise early staff resignation (12.0 million; 68.4 million euros in 2012).

## Net financial expense

(millions of Euro)	2013	2012	Change	Change %
Net interest expense from banks and other lenders	(11.5)	(12.6)	1.1	-8.7
Net exchange gains (losses)	(0.7)	3.1	(3.8)	-122.6
Other net financial expense	(2.7)	(1.5)	(1.2)	80.0
<b>Total</b>	<b>(14.9)</b>	<b>(11.0)</b>	<b>(3.9)</b>	<b>35.5</b>

## Income taxes

(millions of Euro)	2013	2012	Change	Change %
IRES	(22.2)	(13.4)	(8.8)	65.7
IRAP	(38.5)	(30.6)	(7.9)	25.8
Deferred tax liabilities:				
- from Group company financial statements	2.9	3.2	(0.3)	-9.4
- from consolidation adjustments	0.1	0.1	0.0	0.0
Deferred tax assets:				
- from Group company financial statements	22.3	22.2	0.1	0.5
- from consolidation adjustments	(0.1)	(0.1)	0.0	0.0
<b>Total</b>	<b>(35.5)</b>	<b>(18.6)</b>	<b>(16.9)</b>	<b>90.9</b>

## Income taxes

This item amounts to 35.5 million euros and represents the balance between current and deferred taxes, as indicated in detail in the table below.

IRES, amounting to 22.2 million euros, presents an increase of 8.8 million euros compared to the figure for the previous year and refers to the better economic results achieved by the Group companies.

As regards the Parent Company, no amount was booked as IRES as the year's result for tax purposes was negative

IRAP, amounting to 38.5 million euros, shows an increase compared to the previous year, due to the year's better economic results.

Deferred tax liabilities determine a positive effect of 2.9 million euros (3.2 million euros in 2012), mainly due to the reversal of the temporary differences of income deriving from the higher amortisation applied in previous years for tax purposes only.

Deferred tax assets (22.3 million euros) originated from the booking of IRES credit deriving mainly from:

- the negative taxable amount of the Parent Company, which was offset by the positive taxable amounts of the subsidiaries, included within the scope of consolidation for the 2013 tax year, with a positive tax effect of 22.0 million euros;
- newly booked temporary differences of the Parent Company for programme assets,

which will certainly be recovered as they are transformable into tax credits, with a positive tax effect of 6.6 million euros;

- other deferred tax assets, mainly resulting from the re-entry of provisions for risks, allocated in the previous year, to the Group companies, with a negative tax effect of 6.3 million euros.

## Balance sheet

### Non-current assets

**Tangible non-current assets**, which fell compared to the previous year, are shown in the dedicated statement.

Details of **investments in programmes** are provided in the table at the bottom of the page.

**Equity investments** increased by 1.4 million euros to 13.8 million euros, determined by the results of the company.

**Other non-current assets** are indicated in detail in the statement at the bottom of the page.

### Non-current assets

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Tangible assets	650.7	683.6	(32.9)	-4.8
Programmes	829.2	868.1	(38.9)	-4.5
Equity investments	13.8	12.4	1.4	11.3
Other non-current assets	48.7	46.6	2.1	4.5
<b>Total</b>	<b>1.542.4</b>	<b>1.610.7</b>	<b>(68.3)</b>	<b>-4.2</b>

### Tangible assets

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Land and buildings	213.9	221.4	(7.5)	-3.4
Plant and machinery	319.8	339.6	(19.8)	-5.8
Industrial and sales equipment	8.3	8.4	(0.1)	-1.2
Other assets	28.7	29.9	(1.2)	-4.0
Tangible assets under construction and payments on account	80.0	84.3	(4.3)	-5.1
<b>Total</b>	<b>650.7</b>	<b>683.6</b>	<b>(32.9)</b>	<b>-4.8</b>

### Investments in programmes

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Tv Fiction Series	430.3	458.6	(28.3)	-6.2
Film	268.2	290.5	(22.3)	-7.7
Other programmes	130.7	119.0	11.7	9.8
<b>Total</b>	<b>829.2</b>	<b>868.1</b>	<b>(38.9)</b>	<b>-4.5</b>

### Other non-current assets

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Digital terrestrial frequencies	7.8	11.2	(3.4)	-30.4
Alterations and improv. to leased properties	7.4	9.2	(1.8)	-19.6
Non-current receivables	13.4	9.9	3.5	35.4
Securities	2.4	1.5	0.9	60.0
Other	17.7	14.8	2.9	19.6
<b>Total</b>	<b>48.7</b>	<b>46.6</b>	<b>2.1</b>	<b>4.5%</b>

## Working capital

The working capital is shown in the dedicated table where the various components of the item are highlighted.

The change compared to 2012 (+113.6 million euros) is due mainly to normal development in the business.

The most important change regards Provisions for risks and charges, which presented a reduction of 139.9 million euros during the year, determined mainly by the use of the funds allocated during the previous year. These include the Provision for incentivised resignation (-66.7 million euros compared to 31 December 2012) allocated in the 2012 financial statements to cover the incentivised resignation initiative resolved in December 2012 and implemented during the year.

## Net financial position

The year-end **net financial position** is negative by 440.9 million euros, deteriorating compared to the previous year (-366.2 million euros) and is made up as indicated in the table below.

In detail, there was an increase in short-term bank debt (74.3 million euros) and a consolidation of the sources of medium/long-financing thanks to the extension of the repayment terms.

In relation to cash flows for the year:

- the negative flows are due to the reduction in advertising revenues and greater outlay for the renewal of white and blue collar employment contracts, as well as for the payment of funds and staff severance pay as a consequence of the incentivised resignation plan;
- the positive flows relate to the limitation of outlays for asset management and investments of Rai and Rai Way (in relation to the completion of the DTT project), lower payments for direct taxes and the cashing of VAT credit.

The **average net financial position** is negative by 365 million euros (-388 million euros in 2012), with a deterioration of 27 million euros, which is further limited than the final figure, thanks to the more favourable breakdown of the fee instalments collected during the year.

The analysis carried out on the basis of the **balance sheet and income statement ratios** highlighted that:

- the **net invested capital coverage ratio**, determined by the ratio between net invested capital and own means, is 2.49 (2.26 at 31 December 2012);
- the **financial debt hedging ratio**, determined by the ratio between financial payables and own means, is 1.49 (1.26 at 31 December 2012);
- 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

## Working capital

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Inventories	2.8	3.2	(0.4)	-12.5
Trade receivables	490.8	523.5	(32.7)	-6.2
Other assets	264.3	239.8	24.5	10.2
Trade payables	(671.7)	(685.5)	13.8	-2.0
Provisions for risks and charges	(363.3)	(503.2)	139.9	-27.8
Other liabilities	(244.3)	(212.8)	(31.5)	14.8
<b>Total</b>	<b>(521.4)</b>	<b>(635.0)</b>	<b>113.6</b>	<b>-17.9</b>

## Net financial position of the Group

(millions of Euro)	12.31.2013	12.31.2012	Change	Change %
Net amounts due from (to) banks and other lenders				
- in the medium/long term	(297.2)	(296.5)	(0.7)	0.2
- in the short term - net	(140.1)	(65.8)	(74.3)	112.9
	(437.3)	(362.3)	(75.0)	20.7
Other financial payables	(3.6)	(3.9)	0.3	-7.7
<b>Net financial position</b>	<b>(440.9)</b>	<b>(366.2)</b>	<b>(74.7)</b>	<b>20.4</b>



financial debts), is 0.72 (0.79 at 31 December 2012);

- the **self coverage ratio** of non-current assets, calculated as the ratio of shareholders' equity to non-current assets, is 0.19 (0.18 at 31 December 2012).

The unsecured pool loan (246 million euros) and the loan of the European Investment Bank (50 million euros) envisage the compliance, at 31 December 2013, with the following parametric/equity ratios:

- Net Financial Debt (adjusted) net of accounts receivable from the State for fees/Shareholders' Equity  $\leq 2.9$
- Net Financial Debt (adjusted) net of accounts receivable from the State for fees /Gross Operating Margin  $\leq 1.2$

At 31 December, these ratios were fully respected, settling at 1.60 and 0.73 respectively.

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 practices, 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, applied at central level by the Parent Company, also acting on behalf of the subsidiaries.

In particular:

- the **exchange risk** is related to the exposure in US dollars generated by the acquisition of sports events rights entered into by Rai in foreign currency and by film and television broadcasting rights by Rai Cinema. These commitments generated payments of approximately 146 million dollars during 2013. The operation begins on 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 Group establishes 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. In relation to the medium-term loan with

the pool of lending banks (Unicredit, Intesa Sanpaolo, Banca Nazionale del Lavoro, UBI Banca, Banca di Credito Cooperativo di Roma), hedges were entered into during 2011 for 137 million euros, with the aim of transforming the cost of the loan, issued at floating rate and therefore subject to market volatility, to fixed rate.

- The **credit risk** on cash deployment is limited in that the company policy envisages the use, for limited periods of cash surpluses, of low-risk financial instruments with parties with high ratings. Only tied deposits or sight deposits were used during 2013.
- As regards the **liquidity risk**, in order to increase medium/long-term availability, the following actions were taken during the year:
  - collection of a portion of the loan from the European Investment Bank for the development of DTT (expiring in June 2021) for a total of 50 million euros;
  - change to the pool loan referred to above, with a six-month extension to the initial repayment plan (the new expiry being June 2016), as well as the availability of a new tranche of loan totalling 147,5 million euros (repayable in a single payment in June 2017).

The levels of the financial covenants have been raised for both loans.

Relative to the banking system, short-term and reversible credit lines were opened for a maximum amount of about 360 million euros. Stand-by loans are also in place for a total of 115 million euros, maturing in August 2014 and there is a factoring line held against accounts receivable in relation to advertising, for approximately 50 million euros. The existing loans allow coverage of overdrafts during the year, on condition that payment of the fees by the Ministry of the Economy and Finance takes place in observance of the contractual quarter-end deadlines.



# Consolidated Financial Statements of the Rai Group

## Consolidated Balance Sheet and Income Statement (Statutory form)

## Consolidated Financial Statements of the Rai Group

**Consolidated Balance Sheet - Assets**

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	547.9	568.7
4.- Concessions, licences, trademarks and similar rights	7.9	11.3
6.- Intangible assets under development and payments on account	293.9	311.6
7.- Others	12.4	11.7
<b>TOTAL INTANGIBLE ASSETS</b>	<b>862.1</b>	<b>903.3</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	213.9	221.4
2.- Systems and machinery	319.8	339.6
3.- Industrial and commercial equipment	8.3	8.4
4.- Other assets	28.7	29.9
5.- Tangible assets under construction and payments on account	80.0	84.3
<b>TOTAL TANGIBLE ASSETS</b>	<b>650.7</b>	<b>683.6</b>
III. FINANCIAL ASSETS		
1.- Equity investments in		
a) non consolidated subsidiaries	2.9	1.9
b) associated companies	10.2	9.7
d) other companies	0.7	0.8
	<b>13.8</b>	<b>12.4</b>
2.- Receivables		
d) other		
. amounts due within 12 months	0.5	0.7
. amounts due after 12 months	12.9	9.2
	<b>13.4</b>	<b>9.9</b>
3.- Other securities	2.4	1.5
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>29.6</b>	<b>23.8</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,542.4</b>	<b>1,610.7</b>

follows

**Consolidated Balance Sheet - Assets**

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	1.2	1.3
3.- Contract work in progress	0.2	0.2
4.- Finished products and merchandise	1.4	1.7
<b>TOTAL INVENTORIES</b>	<b>2.8</b>	<b>3.2</b>
II. RECEIVABLES		
1.- customers		
. due within 12 months	486.5	518.3
. due after 12 months	3.0	4.1
2.- non consolidated subsidiaries	..	..
3.- associated companies	0.3	0.2
4.bis - tax receivables		
. due within 12 months	43.0	87.9
. due after 12 months	17.3	17.2
4.ter - deferred tax assets		
. due within 12 months	38.4	38.1
. due after 12 months	2.5	5.5
5.- other		
. due within 12 months	109.1	60.5
. due after 12 months	26.5	9.0
<b>TOTAL RECEIVABLES</b>	<b>726.6</b>	<b>740.8</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	6.7	10.4
2.- Cheques	..	0.1
3.- Cash and cash equivalents on hand	0.4	0.4
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>7.1</b>	<b>10.9</b>
<b>TOTAL CURRENT ASSETS</b>	<b>736.5</b>	<b>754.9</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	28.5	22.5
<b>TOTAL ASSETS</b>	<b>2,307.4</b>	<b>2,388.1</b>

## Consolidated Financial Statements of the Rai Group

**Consolidated Balance Sheet - Liabilities**

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. PARENT COMPANY EQUITY		
I. Share Capital	242.5	242.5
IV. Legal reserve	9.0	9.0
VII. Other reserves	39.4	284.0
IX. Group Profit (loss) for the year	5.3	(244.6)
TOTAL GROUP SHAREHOLDERS' EQUITY	<b>296.2</b>	<b>290.9</b>
II. THIRD-PARTY EQUITY	-	-
TOTAL SHAREHOLDERS' EQUITY	<b>296.2</b>	<b>290.9</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- for pension and similar liabilities	143.3	154.6
2.- current and deferred taxes	6.2	8.2
3.- other	213.8	340.4
TOTAL PROVISIONS FOR RISKS AND CHARGES	<b>363.3</b>	<b>503.2</b>
C) PROVISION FOR STAFF SEVERANCE PAY	283.9	318.6
D) PAYABLES		
4.- Due to banks		
. due within 12 months	245.6	175.0
. due after 12 months	198.1	197.4
5.- Due to other lenders		
. due within 12 months	0.1	0.1
. due after 12 months	0.6	0.7
6.- Advances	7.5	5.0
7.- Suppliers	660.6	676.5
9.- Non consolidated subsidiaries	3.1	3.6
10.- Associated companies	4.1	4.3
12.- Tax payables	69.1	49.6
13.- Welfare and social security institutions	56.8	51.4
14.- Other payables	88.2	73.7
TOTAL PAYABLES	<b>1,333.8</b>	<b>1,237.3</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	30.2	38.1
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,307.4</b>	<b>2,388.1</b>

**Consolidated Memorandum Accounts**

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
1.- Unsecured guarantees granted		
a) Sureties:		
- for associated companies	2.6	2.6
- for others	45.2	39.5
<b>Total unsecured guarantees granted</b>	<b>47.8</b>	<b>42.1</b>
2.- Secured guarantees granted		
b) for own commitments other than payables	2.3	1.4
<b>Total secured guarantees granted</b>	<b>2.3</b>	<b>1.4</b>
3.- Purchase and sale commitments	0.3	1.0
4.- Other memorandum accounts	486.9	390.9
	<b>537.3</b>	<b>435.4</b>

## Consolidated Financial Statements of the Rai Group

**Consolidated Income Statement**

(in millions of Euro)	Year 2013	Year 2012
A) PRODUCTION VALUE		
1.- Revenues from sales and services	2,672.7	2,704.9
2.- Changes in inventories of work in progress, semifinished and finished products	(0.3)	..
3.- Changes in contracts work in progress	..	..
4.- Internal cost capitalisations	19.1	25.1
5.- Other production-related income		
a) operating grants	11.0	11.1
b) gains on disposal of assets	..	0.1
c) miscellaneous	104.2	92.9
	115.2	104.1
<b>TOTAL PRODUCTION VALUE</b>	<b>2,806.7</b>	<b>2,834.1</b>
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(22.2)	(27.1)
7.- Services	(647.5)	(648.1)
8.- Use of third-party assets	(344.8)	(519.5)
9.- Personnel		
a) wages and salaries	(712.2)	(726.8)
b) social security contributions	(202.4)	(204.0)
c) staff severance pay	(48.8)	(53.8)
d) pension and similar costs	(13.4)	(13.4)
e) other costs	(17.9)	(17.3)
	(994.7)	(1,015.3)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(473.5)	(488.2)
b) depreciation of tangible assets	(119.4)	(127.8)
c) other non-current asset writedowns	(27.9)	(31.3)
d) writedowns of current receivables, cash and cash equivalents	(8.2)	(6.3)
	(629.0)	(653.6)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(0.1)	(0.3)
12.- Provisions for risks	(9.6)	(16.6)
13.- Other provisions	(2.1)	(10.3)
14.- Other operating costs		
a) capital losses on disposals	(0.3)	(4.0)
b) concession fee	(26.3)	(27.9)
c) other	(63.2)	(75.8)
	(89.8)	(107.7)
<b>TOTAL PRODUCTION COSTS</b>	<b>(2,739.8)</b>	<b>(2,998.5)</b>
<b>Difference between production value and costs</b>	<b>66.9</b>	<b>(164.4)</b>

follows



## Consolidated Income Statement

(in millions of Euro)	Year 2013	Year 2012
C) FINANCIAL INCOME AND EXPENSES		
15.- Income from equity investments		
c) from other companies	..	-
16.- Other financial income.		
a) from non-current receivables		
. other	..	..
b) from non-current securities other than equity investments	0.1	0.1
d) financial income other than the above		
. interest and commissions from associated companies	..	..
. interest and commissions from others and miscellaneous income	1.3	1.3
	1.4	1.4
17.- Interest and other financial expenses		
a) interest and commissions payable to non consolidated subsidiaries	-	..
b) interest and commissions payable to associated companies	..	..
d) interest and commissions payable to others and miscellaneous charges	(15.6)	(15.5)
	(15.6)	(15.5)
17 bis.- Foreign exchange gains and losses - net	(0.7)	3.1
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>(14.9)</b>	<b>(11.0)</b>
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18.- Revaluations		
a) of equity investments	1.9	1.2
b) of non-current securities other than equity investments	-	..
	1.9	1.2
19.- Writedowns		
a) of equity investments	(0.2)	(0.6)
b) of non-current securities other than equity investments	(0.6)	(0.3)
	(0.8)	(0.9)
<b>TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>1.1</b>	<b>0.3</b>
E) EXCEPTIONAL INCOME AND EXPENSE		
20.- Exceptional income		
b) contingent assets and reversal of non-existent liabilities	1.1	18.0
	1.1	18.0
21.- Exceptional expense		
b) prior years' taxes	(1.4)	(0.1)
c) contingent liabilities and reversal of non-existent assets	-	..
d) other	(12.0)	(68.8)
	(13.4)	(68.9)
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>(12.3)</b>	<b>(50.9)</b>
Result before taxes	40.8	(226.0)
22.- Current income taxes for the year, and deferred tax assets and liabilities	(35.5)	(18.6)
23.- Profit (loss) for the year	5.3	(244.6)
of which:		
- pertaining to the Parent Company	5.3	(244.6)
- pertaining to minority interests	-	-



# 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. Reclassified statements including a reclassified balance sheet and income statement and cash flow statement are attached as supplementary schedules to the consolidated financial statements

The consolidated balance sheet, income statement, notes and related schedules are expressed in millions of Euro.

The consolidated financial statements are prepared as at 31 December 2013, the year-end date for all consolidated companies.

The financial statements of consolidated companies are those approved by their relevant corporate bodies.

The consolidated financial statements and the financial statements of the individual consolidated companies have been audited by PricewaterhouseCoopers S.p.A.

The reconciliation between Rai's separate and consolidated Group results and equity for 2013 and 2012 is presented on page 189.

## 2) Scope of consolidation

The scope of consolidation includes Rai and all companies in which the Parent Company Rai holds - directly or indirectly - the majority of voting rights at ordinary Shareholders' meetings.

The following companies are consolidated on a line-by-line basis (figures for share capital are at 31 December 2013):

- *Rai Cinema SpA*; registered office in Rome, Piazza Adriana 12, share capital Euro 200,000,000.40; shareholders: Rai 100%.
- *RaiNet SpA*; registered office in Rome, Via Teulada 66, share capital Euro 5,160,000; shareholders: Rai 100%.
- *Rai Pubblicità SpA* (until 27 May 2013: *Sipra SpA*); registered office in Turin, Corso Bernardino Telesio 25, share capital Euro 10,000,000; shareholders: Rai 100%.
- *Rai Way SpA*; registered office in Rome, Via Teulada 66, share capital Euro 70,176,000; shareholders Rai 100%.
- *Rai World SpA*; registered office in Rome, Viale Mazzini 14, share capital Euro 1,300,000; shareholders: Rai 100%.

Investments in the following companies are valued using the equity method:

- *Audiradio Srl in liquidation*; registered office in Milan, Largo Toscanini 1, share capital Euro 258,000; shareholders: Rai 27%, others 73%.
- *Auditel Srl*; registered office in Milan, Largo Toscanini 1, share capital Euro 300,000; shareholders: Rai 33%, others 67%.
- *Euronews - Société Anonyme*; registered office in Lyon Ecully (France), 60 Chemin des Mouilles; share capital Euro 4,032,840; shareholders: Rai 20.56%, others 79.44%.
- *Rai Corporation - Italian Radio TV System in liquidation*; registered office c/o GC Consultants in New York, 444 Madison Avenue suite 1206; share capital US\$ 500,000; 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%.
- *Tivù Srl*; registered office in Rome, Via di Villa Patrizi 8, share capital Euro 1,001,886; shareholders: Rai 48.16%, others 51.84%.

### 3) Consolidation principles

Consolidation principles may be summarised as follows:

- a) Investments in consolidated companies are accounted for through line by line consolidation of the total (regardless of percentage of ownership) assets and liabilities, costs and income of the entities to be consolidated, identifying separately within equity and net results for the period the shares due to any non-controlling interests, with any differences being taken directly to consolidated equity.
- b) Payables and receivables, income and expenditure, dividends and any other transactions between consolidated companies are eliminated.
- c) For consolidation purposes, the financial statements of consolidated companies have been brought into line with the accounting policies and methods described below.

### 4) Accounting policies

The following paragraphs describe the principal accounting policies and criteria adopted. The consolidated financial statements have been prepared on a going-concern basis 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 and there are no exceptional cases requiring derogation from the requirements of Article 2423-bis et seq. of the Civil Code.

- a) Industrial patents and intellectual property rights:

Programme acquisition and production costs, which comprise the external costs that can be allocated directly to each production and the cost of the internal resources used in the creation of individual programmes, are accounted for as follows:

- 1) Costs for repeat-use television productions are capitalised and reported as intangible assets. If such productions are usable at year-end, the costs are reported as industrial patents and intellectual property rights and amortised on a straight-line basis over the period of their estimated useful life. If such productions are not yet usable at year-end, the costs are reported as intangible assets under development and payments on account.

In view of objective difficulties encountered in establishing an appropriate correlation between advertising revenues and licence fees and the amortisation of rights, (difficulties which are then further complicated by the many ways in which programmes can be used), the useful life of repeat-use programmes is estimated as follows:

- three years for television drama (fiction) productions or, more generally, 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 one-time-use television programmes are charged in the income statement in a single year, which is normally that in which they are used. More specifically:
  - *News, light entertainment and all radio programming.* Costs are charged in the year in which they are incurred, which is normally the year in which the programmes are broadcast.
  - *Sports events.* Costs are charged in the year in which the event takes place.
  - *Documentaries, classical music and theatre.* Costs are charged in a single amount at the time the programmes are ready for broadcasting or the rights are usable.
- b) Software licences are reported under industrial patents and intellectual property rights, net of amortisation, and are amortised over three years from the year they enter service.

## Notes to the Consolidated Financial Statements

- 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 estimated period of use from the date the service is activated.
- d) Trademarks are amortised over ten years from the year they enter service.
- e) Long term costs relating to third party property are reported under other intangible assets, net of accumulated amortisation. They relate to improvements to leased or licensed property and accessory charges on loans. Amortisation of such improvements is determined on the basis of the shorter of the residual duration of the related contracts and the estimated period that the improvements will provide benefit, calculated using amortisation rates which reflect the rate of economic deterioration of the relative assets. Accessory charges on loans are amortised in relation to the duration of the loan.
- f) Tangible assets – reported net of accumulated depreciation – are recorded at cost as increased by any internal personnel costs incurred in preparing them to enter service and the effects of any revaluations carried out in accordance with relevant legislation. The costs of tangible assets, so determined, 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) Investments in non-consolidated subsidiaries and associated companies are valued using the equity method. Under this method investments are reported at a value equal to the corresponding share of the shareholders' equity resulting from the last financial statements, minus any dividends and after any adjustments required by the principles used in the preparation of the consolidated financial statements. The profit or loss for the year of the non-consolidated subsidiary or associated company, duly adjusted, is booked to the income statement in the year to which the result refers, on line D18 Revaluation a) of equity investments or on line D19 Writedowns a) of equity investments. For companies with negative shareholders' equity, the cost of the investment is set at zero and Rai's share of the deficit is specifically provided for under the provisions for risks and charges. Any net profit is posted to a specific non-distributable reserve until its realisation.
- h) Investments in other companies and shares in consortia are reported in the consolidated financial statements at cost, adjusted as appropriate for permanent losses in value. For companies with negative shareholders' equity, the cost of the investment 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 losses in value are reversed in the event that such losses are subsequently recovered through operating earnings by the investee company.
- i) Fixed-income securities are reported as non-current financial assets and 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 reported 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 included within 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, determined on a weighted average cost basis, written down as appropriate to reflect market trends and any estimated non-use due to obsolescence and/or slow turnover. Inventories of finished products and merchandise intended for resale (books, DVDs, etc.) are reported at the lower of purchase cost, determined on a weighted average cost basis, and estimated realisable value as determined by market prices.
- m) Receivables are shown at their expected 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 individual debtors.
- n) Accrued income and prepaid expenses, and accrued expenses and deferred income, are recorded on an accruals basis with reference to the individual cases.

- o) Provisions for pension and similar liabilities, which comprise the provision for supplementary seniority benefits, the retirement fund and the supplementary company pension fund, are made in accordance with collective bargaining agreements. The Company supplementary pension fund is valued on the basis of an actuarial appraisal.
- p) The provision for taxes includes probable tax liabilities arising from the settlement of tax disputes and also includes deferred tax liabilities to reflect temporary timing differences which have resulted in lower current taxes. Where there is reasonable certainty that they will be recovered in the future, deferred tax assets relating to charges which are tax-deductible on a deferred basis and to tax losses carried forward are reported under Current Assets ("Deferred tax assets").
- q) 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.
- r) The provision for staff severance pay is determined in conformity with relevant legislation and labour contracts. It reflects the accrued entitlement of all employees at the balance-sheet date, net of advances already paid.
- s) Payables are shown at nominal value.
- t) 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.
- u) Payments on account include advances paid by customers for services that have not yet been performed.
- v) Costs and revenues are taken to the income statement on a consistently applied accruals basis.
- 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 reported under tax payables, 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 have opted to be taxed on a Group consolidated basis and have transferred to the Parent Company the duty of attending to all requirements regarding the settlement and payment of IRES tax. The procedure for the consolidation of the Group's taxable amounts is regulated by a specific agreement between the Parent Company and the subsidiaries. The fundamental standards that regulate this agreement are neutrality (absence of negative effects on the single companies), proportionality in the use of losses and their integral remuneration on the basis of the rate of IRES in force at the time of effective use, offsetting the incomes booked.
- x) During the consolidation process, the tax effects of consolidation adjustments resulting in temporary timing differences on the Group's result have been recorded as deferred tax assets and liabilities.
- y) In order to hedge interest rate and exchange rate risk, the Company uses derivative contracts to hedge specific transactions. Interest differentials to be collected or paid on interest rate swaps are taken to the income statement on an accruals basis over the duration of the contract. Accrued interest differentials that have not been settled at the end of the year or which have been settled before they actually accrue are taken to accrued income and prepaid expenses, or accrued expenses and deferred income, as the case may be. Derivative contracts hedging exchange rate risks are used to cover contractual commitments in foreign currencies and entail adjusting the value of the underlying item. Gains and losses arising from differences between the spot and future exchange rates for hedging transactions carried out through forward purchases of foreign currency and premiums paid in relation to options are taken to the income statement over the duration of the contract.

If the market value of contracts that do not fully qualify for hedge accounting is negative, a specific risk provision is set up for this value.

- z) Collections are recorded by bank transaction date; payments are accounted for on the basis of the payment instruction date.

## 5) Balance Sheet

### Assets

#### Non-current assets

##### Intangible assets

Intangible assets include 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 total Euro 862.1 million, a net reduction of Euro 41.2 million with respect to the previous year representing the sum of new investment (Euro 461.8 million), the amortisation charge for the year (Euro 473.5 million), write-downs and eliminations (Euro 27.9 million), disposals (Euro 1.7 million) and other increases (Euro 0.1 million).

As shown in schedule no. 1, intangible assets include the following:



**Intangible assets****Schedule 1**

(in millions of Euro)	12.31.2012 (a)				Changes during the year					12.31.2013			
	Cost	Writedowns	Amortisat.	Book value	Increases and capit.	Disposals (b)	Reclassif.	Writedowns/ Amortisat. Eliminations	Cost	Writedowns	Amortisat.	Book value	
Industrial patents and intellectual property rights:													
programmes (c)	1,278.0	(35.2)	(677.8)	565.0	292.3	-	168.5	(23.1)	(460.2) (d)	1,738.9	(34.0)	(1,162.4)	542.5
software (e)	7.6	-	(3.9)	3.7	4.4	-	1.8	-	(4.5)	13.8	-	(8.4)	5.4
	<b>1,285.6</b>	<b>(35.2)</b>	<b>(681.7)</b>	<b>568.7</b>	<b>296.7</b>	<b>-</b>	<b>170.3</b>	<b>(23.1)</b>	<b>(464.7)</b>	<b>1,752.7</b>	<b>(34.0)</b>	<b>(1,170.8)</b>	<b>547.9</b>
Concessions, licences, trademarks and similar rights													
digital terrestrial	40.5	-	(29.3)	11.2	-	-	-	-	(3.4)	40.5	-	(32.7)	7.8
other	0.2	-	(0.1)	0.1	-	-	-	-	..	0.2	-	(0.1)	0.1
	<b>40.7</b>	<b>-</b>	<b>(29.4)</b>	<b>11.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.4)</b>	<b>40.7</b>	<b>-</b>	<b>(32.8)</b>	<b>7.9</b>
Intangible assets under development and payments on account:													
programmes (f)	303.1	-	-	303.1	158.3	(1.7)	(168.6)	(4.4)	-	286.7	-	-	286.7
software	2.0	-	-	2.0	0.5	-	(1.9)	-	-	0.6	-	-	0.6
long-term costs relating to third-party property	1.0	-	-	1.0	0.2	-	(1.0)	-	-	0.2	-	-	0.2
other	5.5	-	-	5.5	1.6	-	(0.3)	(0.4)	-	6.4	-	-	6.4
	<b>311.6</b>	<b>-</b>	<b>-</b>	<b>311.6</b>	<b>160.6</b>	<b>(1.7)</b>	<b>(171.8)</b>	<b>(4.8)</b>	<b>-</b>	<b>293.9</b>	<b>-</b>	<b>-</b>	<b>293.9</b>
Other:													
long-term costs relating to third-party property	40.0	-	(31.8)	8.2	1.0	-	1.1	-	(3.1)	41.9	-	(34.7)	7.2
accessory charges on loansi (g)	2.6	-	(0.8)	1.8	2.3	-	-	-	(0.6)	4.9	-	(1.4)	3.5
other (h)	3.2	-	(1.5)	1.7	1.2	-	0.5	-	(1.7)	4.9	-	(3.2)	1.7
	<b>45.8</b>	<b>-</b>	<b>(34.1)</b>	<b>11.7</b>	<b>4.5</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>(5.4)</b>	<b>51.7</b>	<b>-</b>	<b>(39.3)</b>	<b>12.4</b>
<b>Total</b>	<b>1,683.7</b>	<b>(35.2)</b>	<b>(745.2)</b>	<b>903.3</b>	<b>461.8</b>	<b>(1.7)</b>	<b>0.1</b>	<b>(27.9)</b>	<b>(473.5)</b>	<b>2,139.0</b>	<b>(34.0)</b>	<b>(1,242.9)</b>	<b>862.1</b>

(a) Discloses only values which, at 31 December 2012, are not fully amortised apart from the Other item, which includes long-term charges on third-party assets fully amortised with leasing agreement in progress

(b) Of which:

Cost	(1.9)
Amortisation	0.2
	(1.7)

(c) Programmes, with book values:

. not fully amortised	1,278.0	(35.2)	(677.8)	565.0						1,186.5	(34.0)	(610.0)	542.5
. fully amortised	531.0	-	(531.0)	-						552.4	-	(552.4)	-
	<b>1,809.0</b>	<b>(35.2)</b>	<b>(1,208.8)</b>	<b>565.0</b>						<b>1,738.9</b>	<b>(34.0)</b>	<b>(1,162.4)</b>	<b>542.5</b>

(d) Net of the use of the provision for impairment of programmes for 24.3 million euros

(e) Book values:

. not fully amortised	7.6	-	(3.9)	3.7						9.9	-	(4.5)	5.4
. fully amortised	6.7	-	(6.7)	-						3.9	-	(3.9)	-
	<b>14.3</b>	<b>-</b>	<b>(10.6)</b>	<b>3.7</b>						<b>13.8</b>	<b>-</b>	<b>(8.4)</b>	<b>5.4</b>

(f) Costs for the right to use intellectual property under production at 31.12.13 and not yet transferred by the end of December 2013 to non-current assets under amortisation, refer to rights becoming valid after 31.12.13 or still to be defined, as well as internal productions of programmes still to be completed on such date. In any case, these are costs referring to programmes which are expected to be used in the future.

(g) Book values:

. not fully amortised	2.6	-	(0.8)	1.8						4.9	-	(1.4)	3.5
. fully amortised	1.5	-	(1.5)	-						-	-	-	-
	<b>4.1</b>	<b>-</b>	<b>(2.3)</b>	<b>1.8</b>						<b>4.9</b>	<b>-</b>	<b>(1.4)</b>	<b>3.5</b>

(h) Book values:

. not fully amortised	3.2	-	(1.5)	1.7						3.4	-	(1.7)	1.7
. fully amortised	2.9	-	(2.9)	-						1.5	-	(1.5)	-
	<b>6.1</b>	<b>-</b>	<b>(4.4)</b>	<b>1.7</b>						<b>4.9</b>	<b>-</b>	<b>(3.2)</b>	<b>1.7</b>

**Industrial patents and intellectual property rights** amount to Euro 547.9 million and include:

- Euro 542.5 million for the cost of available-for-use television programmes and films, (reported in the financial statements of the Parent Company and Rai Cinema), representing a net reduction of Euro 22.5 million compared to the figure at 31 December 2012. Such reduction reflects the net effect of additions totalling Euro 460.8 million (of which Euro 168.5 million reclassified from intangible assets under development and payments on account for rights that became available during the year), write-downs to reflect the risk of non-transmission, repeatability and commercial exploitation of certain productions amounting to Euro 23.1 million and the amortisation charge for the year of Euro 460.2 million;
- Euro 5.4 million relating to software licences, a net increase of Euro 1.7 million compared to the figure at 31 December 2012. In particular, such increase reflects the net effect of additions totalling Euro 6.2 million and the amortisation charge for the year of Euro 4.5 million.

With regard to available-for-use television and film products, at 31 December 2013 the total value, gross of write-downs, may be split between:

- rights to television programmes, either owned or held under unlimited-term licences, amounting to Euro 213.1 million (Euro 216.9 million at 31 December 2012);
- rights to third-party television programmes held under fixed-term licences amounting to Euro 363.4 million (Euro 383.3 million at 31 December 2012).

Overall, investment in television programmes in 2013 amounts to Euro 450.6 million, including Euro 158.3 million in television programmes and films which were not yet available-for-use at 31 December 2013 and which are reported under *intangible assets under development and payments on account*.

Review of investments at 31 December 2013 by type shows that, during 2013, Euro 274.6 million had been invested in television drama (fiction) programmes (series, miniseries, TV movies, soap operas etc.), Euro 107.7 million in films, Euro 24.5 million in cartoons and comedy programmes, Euro 12.3 million in documentaries, Euro 22.4 million in football libraries, Euro 5.8 million in classical music and theatre and Euro 3.3 million in other genres.

**Concessions, licences, trademarks and similar rights**, which are stated net of accumulated amortisation, include costs incurred for the acquisition of licences for digital terrestrial frequencies and own trademarks. They amount to Euro 7.9 million (Euro 11.3 million at 31 December 2012) of which Euro 7.8 million refer to digital network frequencies (Euro 11.2 million at 31 December 2012).

**Intangible assets under development and payments on account** amount to Euro 293.9 million and include:

- Euro 286.7 million for the cost of television programmes and films which are not yet available-for-use and therefore not subject to amortisation, representing a net reduction of Euro 16.4 million compared to the figure at 31 December 2012. In particular, such reduction reflects the net effect of additions (Euro 158.3 million), reclassification of items to Industrial patents and intellectual property rights as they relate to productions and/or purchases that became usable during the year (Euro 168.6 million), eliminations of unmade or unusable programmes (Euro 4.4 million) and disposals (Euro 1.7 million);
- Euro 0.6 million relating to software licences, representing a net reduction of Euro 1.4 million compared with the figure at 31 December 2012;
- Euro 0.2 million relating to alterations and improvements to property held under leasehold or concession, representing a net reduction of Euro 0.8 million compared with the figure at 31 December 2012;
- Euro 6.4 million relating to the purchase cost (accounted for in the financial statements of the Parent Company) of options on agreements for the commercial exploitation of products held in football libraries, representing a net increase of Euro 0.9 million compared with the figure at 31 December 2012;

With regard to television programmes and films that have not yet become available-for-use, the total of Euro 286.7 million includes:

- Euro 125.1 million relating to television programmes owned by the Company that were not yet ready at 31 December 2013 or for which usage rights began later than 31 December 2013 (Euro 150.2 million at 31 December 2012). This amount includes costs of Euro 5.7 million relating to the production of a long-running television drama (fiction) series which has been momentarily interrupted following problems with the production company. It is noted, in this regard, that a similar amount has been prudently included in the provision for risks of non-usability of non-current assets;
- Euro 161.6 million relating to third-party television programmes held under fixed-term concession, with rights commencing after 31 December 2013 (Euro 152.9 million at 31 December 2012).

**Other intangible assets** amount to Euro 12.4 million and include:

- Euro 7.2 million for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (Euro 8.2 million at 31 December 2012);
- Euro 3.5 million, net of accumulated amortisation, relating to charges on long-term loan agreements to be amortised over the duration of the agreements (Euro 1.8 million at 31 December 2012);
- Euro 1.4 million relating to investments in software programs and analyses (Euro 1.5 million at 31 December 2012);
- Euro 0.3 million, net of accumulated amortisation based on the exploitation period, relating to the purchase cost (accounted for in the financial statements of the Parent Company) of options on agreements for the commercial exploitation of products held in football libraries (Euro 0.2 million at 31 December 2012).

### Tangible assets

Tangible assets comprise the costs and related revaluations of non-current tangible assets with a useful life of several years. They are reported net of standard depreciation and write-downs, as appropriate, for any lasting value impairments.

The standard depreciation rates applied are as follows:

- buildings and light structures from 3% to 10%
- systems and machinery from 9% to 33.3%
- industrial and sales equipment from 14.3% to 19%
- other assets from 12% to 30%

At 31 December 2013, tangible assets amount to Euro 650.7 million, representing a net reduction of Euro 32.9 million compared to the figure at 31 December 2012. Such reduction reflects the net effect of additions (Euro 88.1 million), depreciation (Euro 119.4 million) and disposals (Euro 1.6 million), as specified in Schedule 2.

### Tangible assets and accumulated depreciation

### Schedule 2

(in millions of Euro)	12.31.2012					Changes during the year				12.31.2013				
	Costs	Revaluations	Writedowns	Accumulated depreciation	Book value	Increases and capitals.	Reclassifications	Net eliminations (a)	Depreciation	Costs	Revaluations	Writedowns	Accumulated depreciation	Book value
Land and buildings	617.6	582.9	(36.5)	(942.6)	221.4	6.6	4.2	(0.3)	(18.0)	627.3	582.9	(36.5)	(959.8)	213.9
Systems and machinery	1,873.4	8.2	-	(1,542.0)	339.6	32.7	39.6	(0.5)	(91.6)	1,929.7	8.2	-	(1,618.1)	319.8
Industrial and sales equipment	100.2	2.9	-	(94.7)	8.4	2.1	1.3	(0.1)	(3.4)	97.2	2.8	-	(91.7)	8.3
Other assets	118.8	1.0	-	(89.9)	29.9	4.4	0.9	(0.1)	(6.4)	122.8	0.9	-	(95.0)	28.7
Assets under construction and advances	84.3	-	-	-	84.3	42.3	(46.0)	(0.6)	-	80.0	-	-	-	80.0
<b>Total</b>	<b>2,794.3</b>	<b>595.0</b>	<b>(36.5)</b>	<b>(2,669.2)</b>	<b>683.6</b>	<b>88.1</b>	<b>-</b>	<b>(1.6)</b>	<b>(119.4)</b>	<b>2,857.0</b>	<b>594.8</b>	<b>(36.5)</b>	<b>(2,764.6)</b>	<b>650.7</b>

(a) including:

. Costs	(25.4)
. Revaluations	(0.2)
. Depreciation	24.0
	(1.6)

## Notes to the Consolidated Financial Statements

It is noted that additions, which reflect investments made during the year, include Euro 7.3 million in relation to the capitalisation of the cost of internal personnel engaged in the construction of buildings, systems and machinery.

The gross value of tangible asset revaluations, analysed in terms of relevant legislation is as follows:

- Euro 0.2 million in implementation of Law 823 of 19 December 1973;
- Euro 37.9 million in implementation of Law 576 of 2 December 1975 and Law 72 of 19 March 1983;
- Euro 57.4 million in implementation of Law 413 of 30 December 1991; and
- Euro 499.3 million in implementation of Law 650 of 23 December 1996

### Financial assets

Financial assets represent the cost of long-term financial investments and related revaluations, net of any write-downs as described in the comments below on the individual items.

Financial assets amount to Euro 29.6 million and include:

**Equity investments in non-consolidated subsidiaries** amount to Euro 2.9 million (Euro 1.9 million at 31 December 2012) and represent the entire shareholders' equity of Rai Corporation at the exchange rate in force at 31 December 2013.

**Equity investments in associated companies** 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. They include:

(in millions of Euro)	Percentage holding		Book value	
	12.31.2013	12.31.2012	12.31.2013	12.31.2012
Audiradio	27%	27%	-	-
Auditel	33%	33%	0.5	0.3
Euronews	20.56%	20.56%	5.0	5.0
San Marino	50%	50%	2.2	2.4
Tivù	48.16%	48.16%	2.5	2.0
<b>Net value</b>			<b>10.2</b>	<b>9.7</b>

Equity investments in the associated companies are all held within the investment portfolio of Rai.

**Equity investments in other companies** amount to Euro 0.7 million and include:

(in millions of Euro)	12.31.2013	12.31.2012
Almaviva	0.3	0.3
Istituto Enciclopedia Treccani	0.5	0.5
Other	0.1	0.1
<b>Gross value</b>	<b>0.9</b>	<b>0.9</b>
Impairment provisions	(0.2)	(0.1)
<b>Net value</b>	<b>0.7</b>	<b>0.8</b>

**Receivables due from others** amount to Euro 13.4 million (Euro 9.9 million at 31 December 2012) and include:

- guaranteed minimums advanced in relation to mandates for the sale of rights and other commercial initiatives amounting to Euro 11.0 million (net of a provision for bad debts of Euro 10.7 million against the risk of non-recovery of advance payments;
- guarantee deposits of Euro 2.1 million;
- loans granted to employees for Euro 0.3 million, net of a provision for bad debts of Euro 0.2 million;
- other receivables booked for a gross value of Euro 0.2 million and fully provided against.

A breakdown of receivables due from others is provided in Schedule 3. Schedules 6 and 8 provide further details in relation to maturity, type and currency, and Schedule 7 provides a distribution by geographic area.

**Other securities** amount to Euro 2.4 million (Euro 1.5 million at 31 December 2012) and are entirely composed of collateral securities.

Further details are provided in Schedule 3.

### Financial assets - Receivables and other securities

### Schedule 3

(in millions of Euro)	12.31.2012				Changes during the year				12.31.2013			
	Costs	Revaluations	Writedowns	Book value	Acquisitions Subscriptions Disburse.	Disposals Refunds (a)	Reclassifications	Writedowns (-) Writebacks (+)	Costs	Revaluations	Writedowns	Book value
Receivables:												
Due from others:												
- guaranteed minimums on sales mandates	18.0	-	(10.3)	7.7	4.5	(0.7)	-	(0.5)	21.7	-	(10.7)	11.0
- guarantee deposits	1.9	-	-	1.9	0.2	-	-	-	2.1	-	-	2.1
- employees	0.5	-	(0.2)	0.3	0.1	(0.1)	-	-	0.5	-	(0.2)	0.3
- other	0.2	-	(0.2)	-	-	-	-	-	0.2	-	(0.2)	-
	<b>20.6</b>	-	<b>(10.7)</b>	<b>9.9</b>	<b>4.8</b>	<b>(0.8)</b>	-	<b>(0.5)</b>	<b>24.5</b>	-	<b>(11.1)</b>	<b>13.4</b>
Other securities	1.5	..	..	1.5	4.7	(3.8)	-	-	2.4	-	-	2.4
	<b>22.1</b>	<b>..</b>	<b>(10.7)</b>	<b>11.4</b>	<b>9.5</b>	<b>(4.6)</b>	-	<b>(0.5)</b>	<b>26.9</b>	-	<b>(11.1)</b>	<b>15.8</b>
(a) including:												
. Costs						(4.7)						
. Writedowns						0.1						
						<b>(4.6)</b>						

## Current Assets

### Inventories

Inventories amount to Euro 2.8 million net of the write-down provision (Euro 3.2 million at 31 December 2012). As shown in Schedule 4, inventories include:

- *Raw materials, supplies and consumables*: these amount to Euro 1.2 million net of the write-down provision for Euro 12.9 million. 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 Euro 0.2 million (in Rai Way's financial statements) and relates to costs incurred in the development of the Isoradio network.
- *Finished goods and merchandise*: these amount to Euro 1.4 million and relate mainly to inventories for the books and periodicals business, the home video distribution business and for inventories of items acquired in exchange for advertising.

### Inventories

### Schedule 4

(in millions of Euro)	12.31.2012	Changes during the year		12.31.2013
		Increases (+) Reductions (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	14.5	(0.4)	-	14.1
Writedown provision	(13.2)	-	0.3	(12.9)
	1.3	(0.4)	0.3	1.2
Contract work in progress	0.2	..	-	0.2
Finished products and merchandise	1.8	(0.4)	-	1.4
Writedown provision	(0.1)	-	0.1	-
	1.7	(0.4)	0.1	1.4
<b>Total</b>	<b>3.2</b>	<b>(0.8)</b>	<b>0.4</b>	<b>2.8</b>

## Receivables

Receivables amount to Euro 726.6 million, a decrease of Euro 14.2 million with respect to 31 December 2012. Schedule 5 provides a breakdown of receivables and Schedules 6 and 8 provide further details in relation to maturity, type and currency. Their distribution by geographic area is shown in Schedule 7.

### Receivables

### Schedule 5

(in millions of Euro)	12.31.2012	Changes during the year			12.31.2013
		Balance of entries (+) repayments (-)	Uses/Releases	Allocation to provisions	
<b>Customers</b>					
. government and other public entities for public broadcasting services	44.5	34.1	-	-	78.6
. net receivables for licence fees	9.5	0.9	-	-	10.4
. other receivables	526.1	(69.6)	-	-	456.5
<i>less</i>					
. bad debts provision	(57.7)	-	9.5	(7.8)	(56.0)
	<b>522.4</b>	<b>(34.6)</b>	<b>9.5</b>	<b>(7.8)</b>	<b>489.5</b>
<b>Non-consolidated subsidiaries</b>					
. Rai Corporation	..	..	-	-	..
<b>Associated companies</b>					
. Euronews	..	..	-	-	..
. San Marino RTV	0.1	..	-	-	0.1
. Tivù	0.1	0.1	-	-	0.2
	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>0.3</b>
<b>Tax receivables</b>	<b>105.1</b>	<b>(44.8)</b>	<b>-</b>	<b>-</b>	<b>60.3</b>
<b>Deferred tax assets</b>	<b>43.6</b>	<b>(2.7)</b>	<b>-</b>	<b>-</b>	<b>40.9</b>
<b>From others</b>					
. future sports events	11.6	66.2	-	-	77.8
. social security departments	18.8	1.0	-	-	19.8
. payments on account to suppliers, collaborators, agents	16.8	2.3	-	-	19.1
. personnel	8.5	0.7	-	-	9.2
. other	17.2	(3.7)	-	-	13.5
<i>less</i>					
. bad debts provision	(3.4)	-	..	(0.4)	(3.8)
	<b>69.5</b>	<b>66.5</b>	<b>..</b>	<b>(0.4)</b>	<b>135.6</b>
<b>Total</b>	<b>740.8</b>	<b>(15.5)</b>	<b>9.5</b>	<b>(8.2)</b>	<b>726.6</b>

Notes to the Consolidated Financial Statements

**Receivables, accrued income and prepaid expenses by maturity and type** *Schedule 6*

(in millions of Euro)	12.31.2013				12.31.2012			
	Amounts due				Amounts due			
	within following year	from 2 to 5 following year	after 5 years	Book value	within following year	from 2 to 5 following year	after 5 years	Book value
<b>Non-current financial receivables</b>								
from others	0.5	11.7	1.2	13.4	0.7	8.3	0.9	9.9
	<b>0.5</b>	<b>11.7</b>	<b>1.2</b>	<b>13.4</b>	<b>0.7</b>	<b>8.3</b>	<b>0.9</b>	<b>9.9</b>
<b>Current receivables</b>								
Financial receivables								
other	..	-	-	..	..	-	-	..
	<b>..</b>	<b>-</b>	<b>-</b>	<b>..</b>	<b>..</b>	<b>-</b>	<b>-</b>	<b>..</b>
<b>Trade and other receivables</b>								
Customers	486.5	3.0	-	489.5	518.3	4.1	-	522.4
Non-consolidated subsidiaries	..	-	-	..	..	-	-	..
Associated companies	0.3	-	-	0.3	0.2	-	-	0.2
Tax receivables	43.0	17.3	-	60.3	87.9	17.2	-	105.1
Deferred tax assets	38.4	2.5	-	40.9	38.1	5.5	-	43.6
Due from others:								
- future sports events	55.3	22.5	-	77.8	6.7	4.9	-	11.6
- other	53.8	4.0	-	57.8	53.8	4.1	-	57.9
	<b>677.3</b>	<b>49.3</b>	<b>-</b>	<b>726.6</b>	<b>705.0</b>	<b>35.8</b>	<b>-</b>	<b>740.8</b>
<b>Accrued income and prepaid expenses</b>								
Accrued income	..	-	-	..	..	-	-	..
Prepaid expenses	28.5	-	-	28.5	22.5	-	-	22.5
	<b>28.5</b>	<b>-</b>	<b>-</b>	<b>28.5</b>	<b>22.5</b>	<b>-</b>	<b>-</b>	<b>22.5</b>
<b>Total</b>	<b>706.3</b>	<b>61.0</b>	<b>1.2</b>	<b>768.5</b>	<b>728.2</b>	<b>44.1</b>	<b>0.9</b>	<b>773.2</b>

**Receivables - Distribution by geographical area***Schedule 7*

(in millions of Euro)	12.31.2013				12.31.2012			
	Italy	EU	Non-EU	Book value	Italy	EU	Non-EU	Book value
<b>Non-current financial receivables</b>								
other	13.3	0.1	..	13.4	9.8	0.1	..	9.9
	<b>13.3</b>	<b>0.1</b>	<b>..</b>	<b>13.4</b>	<b>9.8</b>	<b>0.1</b>	<b>..</b>	<b>9.9</b>
<b>Current receivables</b>								
customers	473.1	8.9	7.5	489.5	506.5	9.7	6.2	522.4
non-consolidated subsidiaries	-	-	..	..	-	-	..	..
associated companies	0.2	..	0.1	0.3	0.1	-	0.1	0.2
tax receivables	60.3	-	-	60.3	105.1	-	-	105.1
deferred tax assets	40.9	-	-	40.9	43.6	-	-	43.6
other:								
- future sports events	24.0	8.4	45.4	77.8	4.6	1.8	5.2	11.6
- other	53.7	3.6	0.5	57.8	55.3	2.1	0.5	57.9
	<b>652.2</b>	<b>20.9</b>	<b>53.5</b>	<b>726.6</b>	<b>715.2</b>	<b>13.6</b>	<b>12.0</b>	<b>740.8</b>
<b>Total</b>	<b>665.5</b>	<b>21.0</b>	<b>53.5</b>	<b>740.0</b>	<b>725.0</b>	<b>13.7</b>	<b>12.0</b>	<b>750.7</b>



**Receivables, cash and cash equivalents and accrued income  
in foreign currency or exposed to exchange rate risk**

Schedule 8

(in millions of Euro)	12.31.2013				12.31.2012			
	In euros	In foreign currency or exposed to exchange rate risk	Bad debt provision	Book value	In euros	In foreign currency or exposed to exchange rate risk	Bad debt provision	Book value
<b>Non-current financial receivables</b>								
other	24.5	..	(11.1)	13.4	20.6	..	(10.7)	9.9
	<b>24.5</b>	<b>..</b>	<b>(11.1)</b>	<b>13.4</b>	<b>20.6</b>	<b>..</b>	<b>(10.7)</b>	<b>9.9</b>
<b>Current receivables</b>								
customers	541.5	4.0	(56.0)	489.5	575.3	4.8	(57.7)	522.4
non-consolidated subsidiaries	-	..	-	..	-	..	-	..
associated companies	0.3	-	-	0.3	0.2	-	-	0.2
tax receivables	60.3	-	-	60.3	105.1	-	-	105.1
deferred tax assets	40.9	-	-	40.9	43.6	-	-	43.6
other:								
- future sports events	68.8	9.0	-	77.8	7.3	4.3	-	11.6
- miscellaneous	61.2	0.4	(3.8)	57.8	60.8	0.5	(3.4)	57.9
	<b>773.0</b>	<b>13.4</b>	<b>(59.8)</b>	<b>726.6</b>	<b>792.3</b>	<b>9.6</b>	<b>(61.1)</b>	<b>740.8</b>
<b>Cash and cash equivalents</b>								
Bank and post office deposits	3.5	3.2	-	6.7	8.1	2.3	-	10.4
Cheques	..	-	-	..	0.1	-	-	0.1
Cash and cash equivalents on hand	0.4	-	-	0.4	0.4	-	-	0.4
	<b>3.9</b>	<b>3.2</b>	<b>-</b>	<b>7.1</b>	<b>8.6</b>	<b>2.3</b>	<b>-</b>	<b>10.9</b>
<b>Accrued income</b>								
	..	-	-	..	..	-	-	..
<b>Total</b>	<b>801.4</b>	<b>16.6</b>	<b>(70.9)</b>	<b>747.1</b>	<b>821.5</b>	<b>11.9</b>	<b>(71.8)</b>	<b>761.6</b>

**Receivables due from customers** are trade receivables. They amount to Euro 489.5 million, representing a nominal value of Euro 545.5 million which has been written down by Euro 56.0 million to bring them to their estimated realisable value. Receivables from customers are Euro 32.9 million lower than at 31 December 2012.

Receivables due from customers may be further analysed as follows:

- *receivables due from Rai Pubblicità customers for sale of advertising services* amounting to Euro 225.0 million, a decrease of Euro 12.3 million with respect to 31 December 2012. This item includes some Euro 8.9 million, net of advances received of Euro 42.0 million, relating to receivables sold to factoring companies with recourse;
- *receivables due from government and other public entities for public broadcasting services*. As shown in the following table, these amount to a nominal value of Euro 78.6 million. The increase of Euro 34.1 million with respect to 31 December 2012 is explained by the combined effect of the increase in invoices issued and amounts accrued for 2013 and the reduction in receipts;

### ***Receivables due from government and other public entities for public broadcasting services***

(in millions of Euro)	2013	2012
<b>Prime Minister's Office:</b>		
- Operating grant to be transferred to San Marino RTV	3.1	3.1
- Radio, television and multimedia offering for the foreign market	13.0	6.1
- Broadcasting from Trieste in Slovenian	11.4	4.4
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	2.1	1.3
- Extension of the Rai 1 signal to Tunisia and subsequent maintenance	-	..
<b>Total Prime Minister's Office</b>	<b>29.6</b>	<b>14.9</b>
<b>Ministries:</b>		
- Economy and Finance: management of television licence fee collection	21.5	10.5
<b>Regions and Provinces:</b>		
- Autonomous province of Bolzano: Radio and television broadcasts in German and Ladin in the autonomous province of Bolzano	18.9	9.9
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	8.6	9.2
<b>Total</b>	<b>78.6</b>	<b>44.5</b>

- *net receivables for licence fees* amounting to Euro 10.4 million, an increase of Euro 0.9 million with respect to 31 December 2012. These represent licence fees not yet transferred to Rai and it is noted that, as in the previous year, steps will be taken to recover the receivables. Such steps will involve requesting the Ministry of the Economy and Finance to increase the relevant allotment during the 2014 Public Expenditure budget revision process in order to allow the amount outstanding to be recovered together with payment of the fourth instalment of the licence fee transfer, envisaged to take place in December 2014;
- *other receivables* amounting to Euro 231.5 million, a decrease of Euro 57.3 million with respect to 31 December 2012. The most significant of these include receivables due from customers of Rai for the sale of rights and various services totalling Euro 175.5 million, receivables due from customers of Rai Cinema totalling Euro 44.5 million, receivables due from customers of Rai Way totalling Euro 9.8 million and receivables due from customers of Rai World totalling Euro 1.6 million.

**Receivables due from non-consolidated subsidiaries** amounting to a non-significant value in millions of Euro. These represent non-financial receivables due from Rai Corporation.

**Receivables due from associated companies** amounting to Euro 0.3 million (Euro 0.2 million at 31 December 2012). These represent the sum of non-financial receivables due from Euronews, San Marino RTV and Tivù which are accounted for in the financial statements of the Parent Company.

**Tax receivables** amounting to Euro 60.3 million (Euro 105.1 million at 31 December 2012). These relate for the most part to tax receivables recorded in the financial statements of the Parent Company (Euro 59.5 million) for Group VAT (Euro 35.8 million, net of non-recourse factoring during the year of Euro 41.0 million), for IRES deriving from the deductibility of IRAP relating to personnel costs and similar (Euro 16.8 million) and for other tax reimbursements requested (Euro 6.9 million). The remainder relates to tax receivables included in the financial statements of the other group companies.

**Deferred tax assets** amounting to Euro 40.9 million (Euro 43.6 million at 31 December 2012). Such assets arise as a result of timing differences in the tax deductibility of certain costs and include deferred tax assets recorded in the financial statements of the individual companies (Euro 39.9 million) and deferred tax assets from consolidation adjustments (Euro 1.0 million). As detailed in Schedule 9, deferred tax assets decreased by Euro 2.7 million with respect to the previous year end. The most significant items are:

- Euro 36.5 million included in the financial statements of the Parent Company;
- Euro 2.1 million included in the financial statements of Rai Way;
- Euro 0.8 million included in the financial statements of Rai Pubblicità;
- Euro 0.5 million included in the financial statements of Rai Cinema.

## Deferred tax assets

## Schedule 9

(in millions of Euro)	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	Tax (average) at 4.9% year 2012 4.8% year 2013	
<b>Balance at 13.31.2012:</b>					
Tax loss	48.3	13.3	0.0	0.0	13.3
Writedown of programmes	36.1	9.9	35.2	1.7	11.6
New accruals	23.9	6.6	51.5	2.5	9.1
Statutory/fiscal difference on amortisation of programmes	24.9	6.8	0.0	0.0	6.8
Statutory/fiscal difference on amortisation of non-current tangible assets	5.3	1.5	0.0	0.0	1.5
Deferred tax assets from consolidation adjustments	3.5	1.0	3.5	0.1	1.1
Other	0.8	0.2	0.6	0.0	0.2
<b>Total</b>	<b>142.8</b>	<b>39.3</b>	<b>90.8</b>	<b>4.3</b>	<b>43.6</b>
<b>Changes during the year:</b>					
Negative taxable amount: alignment with previous year	(1.7)	(0.5)	0.0	0.0	(0.5)
Negative taxable amount for the year	80.0	22.0	0.0	0.0	22.0
Writedown of programmes	15.3	4.1	(1.2)	0.0	4.1
New accruals	(15.0)	(4.1)	(8.1)	(0.4)	(4.5)
Statutory/fiscal difference on amortisation of programmes	8.4	2.4	0.0	0.0	2.4
Statutory/fiscal difference on amortisation of non-current tangible assets	(4.4)	(1.2)	0.0	0.0	(1.2)
Deferred tax assets from consolidation adjustments	(0.2)	(0.1)	(0.2)	0.0	(0.1)
Other	0.0	0.0	0.0	0.0	0.0
<b>Changes having effect on income</b>	<b>82.4</b>	<b>22.6</b>	<b>(9.5)</b>	<b>(0.4)</b>	<b>22.2</b>
Compensation of taxable amounts by effect of the consolidated taxation arrangement	(46.6)	(12.8)	0.0	0.0	(12.8)
Transformation into tax receivables:					
Writedown of programmes	(27.2)	(7.4)	0.0	0.0	(7.4)
Statutory/fiscal difference on amortisation of programmes	(17.0)	(4.7)	0.0	0.0	(4.7)
<b>Changes having effect on equity only</b>	<b>(90.8)</b>	<b>(24.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>(24.9)</b>
<b>Total changes</b>	<b>(8.4)</b>	<b>(2.3)</b>	<b>(9.5)</b>	<b>(0.4)</b>	<b>(2.7)</b>
<b>Balance at 12.31.2013:</b>					
Tax loss	80.0	22.0	0.0	0.0	22.0
Writedown of programmes	24.2	6.6	34.0	1.7	8.3
New accruals	8.9	2.5	43.4	2.1	4.6
Statutory/fiscal difference on amortisation of programmes	16.3	4.5	0.0	0.0	4.5
Statutory/fiscal difference on amortisation of non-current tangible assets	0.9	0.3	0.0	0.0	0.3
Deferred tax assets from consolidation adjustments	3.3	0.9	3.3	0.1	1.0
Other	0.8	0.2	0.6	0.0	0.2
<b>Total</b>	<b>134.4</b>	<b>37.0</b>	<b>81.3</b>	<b>3.9</b>	<b>40.9</b>

**Receivables due from others** amounting to Euro 135.6 million (69.5 million at 31 December 2012) net of a bad debt provision of Euro 3.8 million. These include:

- *receivables due from supplier* amounting to Euro 77.8 million. These relate to advance payments made for filming rights at future sports events;
- *receivables due from social security departments* amounting to Euro 19.8 million. These relate mainly to advance payments made against contributions payable in relation to artistic and other activities;
- *receivables due in relation to payments on account to suppliers, collaborators and agents* amounting to Euro 19.1 million;
- *receivables due from personnel* amounting to Euro 9.2 million. For the main part, these include amounts receivable in relation to employment disputes, travel advances and advances for production expenses;
- *receivables due from others* amounting to Euro 13.5 million.

### Cash and cash equivalents

Cash and cash equivalents amount to Euro 7.1 million (Euro 10.9 million at 31 December 2012) and relate mainly to the Parent Company which manages the central treasury service. They include:

- Bank and post office deposits amounting to Euro 6.7 million (Euro 10.4 million at 31 December 2012). These represent available balances on deposit or current accounts with banks, financial institutions and the Post Office.
- Cheques amounting to a non-significant value in millions of Euro (Euro 0.1 million at 31 December 2012).
- Cash and cash equivalents on hand amounting to Euro 0.4 million (Euro 0.4 million at 31 December 2012). These include liquid funds in the form of cash and equivalent instruments (tax stamps, cashier's cheques or bank-guaranteed cheques, etc.) held at 31 December 2013.

Sums held by banks or the post office which are unavailable to the Group as a result of seizure orders amount to Euro 9.4 million.

Schedule 8 provides a breakdown of cash and cash equivalents in Euro and other currencies.

### Accrued income and prepaid expenses

Accrued income and prepaid expenses total Euro 28.5 million (Euro 22.5 million at 31 December 2012) and consist of prepaid expenses for Euro 28.5 million and accrued income for an insignificant amount. Further details are provided in Schedule 10.

### Accrued income and prepaid expenses

*Schedule 10*

(in millions of Euro)	Changes during the year		
	12.31.2012	Balance of movements	12.31.2013
Prepaid expenses:			
. sporting events filming rights	15.0	5.3	20.3
. software licenses	2.1	2.0	4.1
. rent and hire costs	3.6	(1.3)	2.3
. maintenance and repairs	0.3	(0.1)	0.2
. insurance and accident prevention	0.1	0.2	0.3
. services for acquisition and production of programmes	.	0.2	0.2
. services for documentation and assistance for informative systems	0.1	(0.1)	..
. other	1.3	(0.2)	1.1
	<b>22.5</b>	<b>6.0</b>	<b>28.5</b>
Accrued income	..	..	..
<b>Total</b>	<b>22.5</b>	<b>6.0</b>	<b>28.5</b>

## Liabilities

### Shareholders' equity

Shareholders' equity amounts to Euro 296.2 million, an increase of Euro 5.3 million with respect to 31 December 2012, mainly due to profit for the year (Euro 5.3 million).

A breakdown of shareholders' equity and the effects of operations carried out in 2013 and in the previous year are shown in Schedule 11.

### Change in consolidated shareholder's equity

Schedule 11

(in millions of Euro)	Balance of 12.31.2011	Transfer result	Dividends	Other movements	Differences conversion	Result for year	Balance of 12.31.2012	Transfer result	Dividends	Other movements	Differences conversion	Result for year	Balance of 12.31.2013
<b>Equity:</b>													
<b>Group equity:</b>													
Share Capital	242.5						242.5						242.5
Legal reserve	7.0	2.0					9.0						9.0
Other reserves:													
- Non-distributable reserve from revaluation of investments	-			111.7			111.7	(111.7)					-
- Merger surplus	138.7						138.7	(133.4)					5.3
- Reserve for conversion differences	(0.8)						(0.8)						(0.8)
- Other reserves	143.8	2.1		(111.5)			34.4	0.5					34.9
Group profit (loss) for the year	4.1	(4.1)				(244.6)	(244.6)	244.6				5.3	5.3
<b>Total Group equity</b>	<b>535.3</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>(244.6)</b>	<b>290.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.3</b>	<b>296.2</b>
<b>Minority interests:</b>													
Minority interests - capital and reserves	-						-						-
Minority interests - profit (loss) for the year	-						-						-
<b>Total equity of minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholder's equity</b>	<b>535.3</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>(244.6)</b>	<b>290.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.3</b>	<b>296.2</b>

### Share Capital

At 31 December 2013, Rai's fully paid-in and subscribed share capital was represented by 242,518,100 ordinary shares with a par value of Euro 1 each, owned by the Ministry of the Economy and Finance (241,447,000 shares, equal to 99.5583% of total share capital) and SIAE, the Italian Association of Authors and Publishers (1,071,100 shares, equal to 0.4417% of total share capital).

### Legal reserve

A legal reserve amounting to Euro 9.0 million is included in the financial statements of the Parent Company.

### Other reserves

Other reserves total Euro 39.4 million and include:

- a merger surplus of Euro 5.3 million; and
- other reserves amounting to Euro 34.1 million.

### Group profit for the year

Group profit for the year amounts to Euro 5.3 million.

## Notes to the Consolidated Financial Statements

**Provisions for risks and charges**

Provisions for risks and charges amount to Euro 363.3 million, a net decrease of Euro 139.9 million with respect to 31 December 2012. Schedule 12 provides a breakdown of this item and details of the aforementioned net decrease. The notes which follow provide additional information on the individual provisions.

**Provisions for risks and charges****Schedule 12**

(in millions of Euro)	12.31.2012	Provisions	Direct utilisations	Absorptions to Income Statement	Other movements	12.31.2013
<b>Provision for pension and similar liabilities</b>						
- Provision for supplementary seniority benefits	1.1	..	(0.2)	(0.1)	-	0.8
- Retirement fund	0.1	..	..	-	..	0.1
- Supplementary company pension fund	153.4	4.9	(11.2)	(4.7)	..	142.4
	<b>154.6</b>	<b>4.9 (a)</b>	<b>(11.4)</b>	<b>(4.8)</b>	<b>..</b>	<b>143.3</b>
<b>Provision for taxes</b>	8.2	1.0 (b)	(3.0) (c)	-	-	6.2
<b>Other:</b>						
- litigation	116.2	15.2 (d)	(17.4)	(2.5)	-	111.5
- staff resignation incentives	68.4	1.6 (e)	(67.2)	-	(1.1)	1.7
- accrued costs	52.6	2.7 (f)	(45.3)	(6.9)	-	3.1
- renovation and restructuring of properties	18.8	-	(1.6)	-	-	17.2
- litigation with social security institutions	12.0	-	-	-	-	12.0
- risks of non-usability of non-current assets (*)	13.7	1.4 (g)	(1.2)	-	-	13.9
- lease disputes	3.5	0.1 (h)	(0.1)	-	-	3.5
- disputes with controlling bodies	1.5	0.2 (h)	(0.2)	-	-	1.5
- miscellaneous:						
. for risks	33.8	6.4 (i)	(0.9)	(6.9)	-	32.4
. for charges	19.9	0.7 (g)	(0.9)	(2.7)	-	17.0
	<b>340.4</b>	<b>28.3</b>	<b>(134.8)</b>	<b>(19.0)</b>	<b>(1.1)</b>	<b>213.8</b>
<b>Total</b>	<b>503.2</b>	<b>34.2</b>	<b>(149.2)</b>	<b>(23.8) (l)</b>	<b>(1.1)</b>	<b>363.3</b>
(*) including:						
- programmes under development	9.0					9.0
- technical	4.7					4.9
	<b>13.7</b>					<b>13.9</b>
(a) contra-account:	item B 14 c) other operating costs		(g) contra-account:	item B 13 other provisions		
(b) contra-account:	item E 21 b) taxes relating to previous years		(h) contra-account:	item B 12 provisions for risks		
(c) contra-account:	item E 22 income taxes for the year		(i) contra-accounts:	item B 12 provisions for risks		6.0
(d) contra-accounts:	item B 12 provisions for risks	3.3		item B 7 service costs		(0.5)
	item B 9 e) other personnel costs	11.9		item C 17 D) interest and commission pay. to other and various expenses		0.2
(e) contra-account:	item E 21 d) other exceptional expense			item A 1 revenues from sales and services		0.7
(f) contra-accounts:	item B 9 a) wages and salaries	2.2	(l) contra-account:	item A 5 c) other revenues and different income		
	item B 9 b) welfare and social security charges	0.5				

**Provision for pension and similar liabilities:** this amounts to Euro 143.3 million (Euro 154.6 million at 31 December 2012) 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 Euro 0.8 million (Euro 1.1 million at 31 December 2012). It represents sums owed in respect of indemnities in lieu of notice to 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 line with the consumer price inflation index applicable to the families of workers and employees. In the event of early termination of employment, or change in the nature of employment, the amounts accrued are released.

- The retirement fund amounts to Euro 0.1 million (Euro 0.1 million at 31 December 2012). It includes amounts accrued up to 31 December 1988 and related annual revaluations accounted for in subsequent periods to protect the real value of the provision for eligible Rai employees in accordance with the terms of the national collective labour agreement.
- The supplementary company pension fund amounts to Euro 142.4 million (Euro 153.4 million at 31 December 2012). Its function is to cover supplementary pension benefits being paid to those employees who, in the past, had opted for the supplementary pension plan under the relevant trade union agreements in force at the time. The fund is kept at an adequate level, with reference to an actuarial calculation, to ensure said benefits in future.

During 2013, following the company's withdrawal from the previously existing agreement, the share of the fund destined for supplementary pensions to be paid to eligible Rai executive staff still in service was released (Euro 7.4 million at 31 December 2012).

**Provision for taxes.** The provision for taxes amounts to Euro 6.2 million (Euro 8.2 million at 31 December 2012). It reflects provisions accounted for in the financial statements of the individual Group companies, in particular Rai (Euro 2.1 million), Rai Pubblicità (Euro 2.7 million) and Rai VWay (Euro 0.9 million) and provisions relating from consolidation adjustments (Euro 0.5 million). The provision for taxes is Euro 2.0 million lower than at the previous year-end as detailed in Schedule 13.

## Provision for taxes

## Schedule 13

(in millions of Euro)	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	tax at 4.9% (average)	
<b>Balance at 12.31.2012:</b>					
Disputes					1.9
Capital gains	1.7	0.5	0.0	0.0	0.5
Exchange rate valuations	0.2	0.0	0.0	0.0	0.0
Statutory/fiscal difference on amortisation/depreciation of non-current assets	13.4	3.7	18.7	0.9	4.6
Deferred taxes from consolidation adjustments	2.4	0.5	2.4	0.1	0.6
Other	2.1	0.6	0.0	0.0	0.6
<b>Total</b>	<b>19.8</b>	<b>5.3</b>	<b>21.1</b>	<b>1.0</b>	<b>8.2</b>
<b>Changes during the year:</b>					
Disputes					1.0
Capital gains	(0.6)	(0.2)	0.0	0.0	(0.2)
Exchange rate valuations	(0.2)	0.0	0.0	0.0	0.0
Statutory/fiscal difference on amortisation/depreciation of non-current assets	(5.3)	(1.5)	(18.7)	(0.9)	(2.4)
Deferred taxes from consolidation adjustments	(0.7)	(0.1)	(0.7)	0.0	(0.1)
Other	(1.3)	(0.3)	0.0	0.0	(0.3)
<b>Total</b>	<b>(8.1)</b>	<b>(2.1)</b>	<b>(19.4)</b>	<b>(0.9)</b>	<b>(2.0)</b>
<b>Balance at 12.31.2013:</b>					
Disputes					2.9
Capital gains	1.1	0.3	0.0	0.0	0.3
Exchange rate valuations	0.0	0.0	0.0	0.0	0.0
Statutory/fiscal difference on amortisation/depreciation of non-current assets	8.1	2.2	0.0	0.0	2.2
Deferred taxes from consolidation adjustments	1.7	0.4	1.7	0.1	0.5
Other	0.8	0.3	0.0	0.0	0.3
<b>Total</b>	<b>11.7</b>	<b>3.2</b>	<b>1.7</b>	<b>0.1</b>	<b>6.2</b>

**Other provisions.** Other provisions total Euro 213.8 million (Euro 340.4 million at 31 December 2012) and represent 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. Other provisions are Euro 126.6 million lower than at the previous year-end as detailed in Schedule 12.

As regards pending litigation with employees and third parties, the amount included in the provisions for risks and charges is considered to be the best estimate of the likely liability based on the most up-to-date information available.

### Provision for staff severance pay

The provision for staff severance pay amounts to Euro 283.9 million (Euro 318.6 thousand at 31 December 2012). The provision is determined at individual level in compliance with 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 of 1 January 2007.

In accordance with such legislation, amounts provided for staff severance pay are credited to pension funds outside the company, unless employees request that their severance pay continue to mature within the company. In this latter case, amounts provided are paid into a reserve managed by the INPS, which is then required, as provided by Article 2120 of the Civil Code, to refund the company for any benefits disbursed in advance or in the case of termination of the employment contract.

Schedule 14 provides a breakdown of the item and changes during the year.

### Provision for staff severance pay

Schedule 14

(in millions of Euro)		Changes during the year					
12.31.2012	Provisions	Severance pay disbursed	Advances	Staff transfers	Transfer to INPS supplementary retirement funds	Other movements	<b>12.31.2013</b>
318.6	48.8	(39.8)	..	-	(43.1)	(0.6)	283.9

### Payables

Payables amount to Euro 1,333.8 million, an increase of Euro 96.5 million overall with respect to 31 December 2012. In particular, financial payables due to banks total Euro 443.7 million, a net increase of Euro 71.3 million with respect to the figure in the 2012 financial statements. None of the payables are secured against company assets.

Schedule 15 provides a breakdown of payables, while Schedules 16 and 17 provide further details of payables by maturity, type and currency. In terms of geographic distribution, approximately 97% of total payables relate to parties resident in Italy, a further 2% to EU residents and a final 1% relates to non-EU residents.



**Payables****Schedule 15**

(in millions of Euro)	Changes during the year		<b>12.31.2013</b>
	12.31.2012	Balance of new positions (+) and repayments (-)	
Due to banks	372.4	71.3	443.7
Due to other lenders	0.8	(0.1)	0.7
Advances	5.0	2.5	7.5
Suppliers	676.5	(15.9)	660.6
Non-consolidated subsidiaries (a)	3.6	(0.5)	3.1
Associated companies (b)	4.3	(0.2)	4.1
Tax payables	49.6	19.5	69.1
Welfare and Social security institutions	51.4	5.4	56.8
Other payables	73.7	14.5	88.2
	<b>1,237.3</b>	<b>96.5</b>	<b>1,333.8</b>
(a) including:			
- Rai Corporation	3.6	(0.5)	3.1
(b) including:			
- San Marino RTV SpA	3.6	-	3.6
- Tivù Srl	0.7	(0.2)	0.5
	<b>4.3</b>	<b>(0.2)</b>	<b>4.1</b>

Notes to the Consolidated Financial Statements

**Payables and accrued expenses and deferred income, by maturity and type** *Schedule 16*

(in millions of Euro)	12.31.2013				12.31.2012			
	Amounts due				Amounts due			
	within 1 year	from 2 to 5 year	after 5 years	Book value	within 1 year	from 2 to 5 year	after 5 years	Book value
<b>M/L-term financial payables:</b>								
Due to banks	98.4	172.8	25.3	296.5	98.3	197.0	0.4	295.7
Due to other lenders	0.1	0.3	0.3	0.7	0.1	0.3	0.4	0.8
	<b>98.5</b>	<b>173.1</b>	<b>25.6</b>	<b>297.2</b>	<b>98.4</b>	<b>197.3</b>	<b>0.8</b>	<b>296.5</b>
<b>Short-term financial payables:</b>								
Due to banks	147.2	-	-	147.2	76.7	-	-	76.7
Non-consolidated subsidiaries	3.1	-	-	3.1	3.4	-	-	3.4
Associated companies	0.5	-	-	0.5	0.5	-	-	0.5
Other payables	..	-	-	..	..	-	-	..
	<b>150.8</b>	<b>-</b>	<b>-</b>	<b>150.8</b>	<b>80.6</b>	<b>-</b>	<b>-</b>	<b>80.6</b>
<b>Trade and other payables:</b>								
Advances	7.5	-	-	7.5	5.0	-	-	5.0
Suppliers	660.6	-	-	660.6	676.5	-	-	676.5
Non-consolidated subsidiaries	..	-	-	..	0.2	-	-	0.2
Associated companies	3.6	-	-	3.6	3.8	-	-	3.8
Tax payables	69.1	-	-	69.1	49.6	-	-	49.6
Welfare and social security institutions	56.8	-	-	56.8	51.4	-	-	51.4
Other payables	88.2	-	-	88.2	73.7	-	-	73.7
	<b>885.8</b>	<b>-</b>	<b>-</b>	<b>885.8</b>	<b>860.2</b>	<b>-</b>	<b>-</b>	<b>860.2</b>
<b>Total payables</b>	<b>1,135.1</b>	<b>173.1</b>	<b>25.6</b>	<b>1,333.8</b>	<b>1,039.2</b>	<b>197.3</b>	<b>0.8</b>	<b>1,237.3</b>
Accrued expenses	0.5	-	-	0.5	0.5	-	-	0.5
Deferred income	29.7	-	-	29.7	37.6	-	-	37.6
<b>Total</b>	<b>1,165.3</b>	<b>173.1</b>	<b>25.6</b>	<b>1,364.0</b>	<b>1,077.3</b>	<b>197.3</b>	<b>0.8</b>	<b>1,275.4</b>

**Payables and accrued exp. in foreign currency or exposed to exchange rate risk** *Schedule 17*

(in millions of Euro)	12.31.2013			12.31.2012		
	In euros	In foreign currency or exposed to exchange rate risk	Book value	In euros	In foreign currency or exposed to exchange rate risk	Book value
<b>Payables</b>						
Due to banks	443.7	-	443.7	372.4	-	372.4
Due to other lenders	0.7	-	0.7	0.8	-	0.8
Suppliers	625.1	35.5	660.6	648.8	27.7	676.5
Non-consolidated subsidiaries	-	3.1	3.1	-	3.6	3.6
Associated companies	4.1	-	4.1	4.3	-	4.3
Tax payables	69.1	-	69.1	49.6	-	49.6
Welfare and Social security institutions	56.8	-	56.8	51.4	-	51.4
Other payables	88.0	0.2	88.2	73.7	..	73.7
<b>Total payables (a)</b>	<b>1,287.5</b>	<b>38.8</b>	<b>1,326.3</b>	<b>1,201.0</b>	<b>31.3</b>	<b>1,232.3</b>
Accrued expenses	0.5	-	0.5	0.5	-	0.5
<b>Total</b>	<b>1,288.0</b>	<b>38.8</b>	<b>1,326.8</b>	<b>1,201.5</b>	<b>31.3</b>	<b>1,232.8</b>

(a) does not include Advances

The following notes provide further details in relations to the individual items.

**Due to banks.** Payables due to banks amount to Euro 443.7 million (Euro 372.4 million at 31 December 2012) and include:

- Euro 296.5 million in medium/long-term loans, split as follows:
  - Euro 245.8 million relating to an unsecured loan taken out by the Parent Company in May 2011 with a pool of banks. Following payment of the first June instalment, the terms of the loan were amended to extend the repayment plan by six months (new final repayment date of June 2016) and include two financial covenants to be calculated with respect to the consolidated financial statements. The terms of the loan were also amended to include a new credit line of Euro 147.5 million (not drawn down at 31.12.2013), to be repaid in a single amount in June 2017. Interest rate swaps totalling Euro 137 million have been entered into to hedge the original tranche;
  - Euro 50.0 million, relating to a loan agreement entered into by the Parent Company with the European Investment Bank. The loan is covered by a bank guarantee and will be used to finance investments in DTT. Repayment will commence in 2016 with the final instalment payable in June 2021;
  - Euro 0.7 million, relating to an ordinary business loan entered into by Rai Way, in connection with investments being financed by Law 488/92 – 31<sup>st</sup> tender.
- Euro 147.2 million in current account overdrafts with certain banks.

**Due to other lenders.** Payables due to other lenders amount to Euro 0.7 million (Euro 0.8 million at 31 December 2012) and relate to a subsidised loan obtained by Rai Way from the Cassa Depositi e Prestiti in connection with investments financed by Law 488/92 – 31<sup>st</sup> tender.

**Advances.** Advances total Euro 7.5 million (Euro 5.0 million at 31 December 2012) and relate entirely to miscellaneous advances.

**Suppliers.** Payables due to suppliers amount to Euro 660.6 million (Euro 676.5 million at 31 December 2012), a decrease of Euro 15.9 million with respect to the previous year. They relate entirely to non-financial payables.

**Non-consolidated subsidiaries.** Payables due to non-consolidated subsidiaries amount to Euro 3.1 million (Euro 3.6 million at 31 December 2012) and relate to payables due by the Parent Company to Rai Corporation. They consist of Euro 3.1 million of financial payables and an insignificant amount in millions of Euro of other debts.

**Associated companies.** Payables due to associated companies amount to Euro 4.1 million (Euro 4.3 million at 31 December 2012). They relate to amounts of Euro 3.6 million and Euro 0.5 million owed by the Parent Company to San Marino RTV and Tivù respectively and include Euro 0.5 million in financial payables (Euro 0.5 million at 31 December 2012) and other payables of Euro 3.6 million (Euro 3.8 million at 31 December 2012).

**Tax payables.** Tax payables amount to Euro 69.1 million (Euro 49.6 million at 31 December 2012), an increase of Euro 19.5 million with respect to the previous year. They comprise:

(in millions of euros)	2013	2012
- Tax withholdings on earnings of employees and free-lance workers	36.9	33.8
- IRES	20.9	10.0
- IRAP	7.6	0.1
- VAT	3.5	4.8
- Other withholdings and 'substitute' taxes	0.2	0.9
<b>Total</b>	<b>69.1</b>	<b>49.6</b>

## Notes to the Consolidated Financial Statements

**Welfare and Social security institutions.** Payables due to Welfare and Social security institutions amount to Euro 56.8 million (Euro 51.4 million at 31 December 2012). They relate to contributions due on remuneration paid to employees and free-lance workers and are due for payment on scheduled dates. They include:

(in millions of Euro)	2013	2012
- ENPALS	19.8	18.8
- INPGI	19.3	14.6
- Contributions on assessed remuneration	8.2	8.4
- INPS	7.4	7.4
- Other	2.1	2.2
<b>Total</b>	<b>56.8</b>	<b>51.4</b>

**Other payables.** Other payables amount to Euro 88.2 million (Euro 73.7 million at 31 December 2012), a net increase of Euro 14.5 million with respect to the previous year. They include:

(in millions of Euro)	2013	2012
- Employees for assessed remuneration	45.2	43.3
- Other for assessed remuneration	14.2	12.7
- CRAIPI	12.0	..
- FCPGI	9.0	9.8
- FIPDRAI	1.7	1.6
- Other	6.1	6.3
<b>Total</b>	<b>88.2</b>	<b>73.7</b>

### Accrued expenses and deferred income

Accrued expenses and deferred income amount to Euro 30.2 million (Euro 38.1 million at 31 December 2012). Further details of balances and changes during the year are provided in Schedule 18.

### Accrued expenses and deferred income

Schedule 18

(in millions of Euro)	Changes during the year		12.31.2013
	12.31.2012	Balance of movements	
<b>Deferred income:</b>			
. grant for switchover to digital terrestrial broadcasting	33.8	(7.8)	26.0
. special subscriptions	0.8	0.2	1.0
. broadcasting and related rights on own productions	0.9	(0.1)	0.8
. real estate investments	0.5	-	0.5
. Law 488/92 subsidised loans	0.2	-	0.2
. teletext services	0.1	(0.1)	-
. other	1.3	(0.1)	1.2
	<b>37.6</b>	<b>(7.9)</b>	<b>29.7</b>
<b>Accrued expenses:</b>			
. commissions	0.5	(0.2)	0.3
. interest	..	0.2	0.2
	<b>0.5</b>	<b>-</b>	<b>0.5</b>
<b>Total</b>	<b>38.1</b>	<b>(7.9)</b>	<b>30.2</b>

Deferred income includes grants totalling Euro 26.0 million (net of the amount already recognised as income) disbursed by the Ministry for Communications between 2007 and 2011 in support of activities performed to accelerate the switch-over to digital terrestrial broadcasting. Such activities have included operations on plant and systems and adaptation of site infrastructures to extend the areas covered by digital signal and improve reception and the quality of service provided to users.

The task of making the necessary investments is entrusted to the subsidiary company, Rai Way S.p.A., which is also responsible for the design, installation, construction, maintenance, implementation, development and operation of the telecommunications networks.

The contribution to income each year is accounted for on the basis of the experience of the subsidiary, taking into account both the level of grants received and total sums incurred in support of the related projects.

## 6) Memorandum accounts

Memorandum accounts amount to Euro 537.3 million (Euro 435.4 million at 31 December 2012), and are as presented in the consolidated balance sheet. Further details are provided in Schedules 19, 20, 21 and 22.

### *Memorandum accounts - unsecured guarantees*

*Schedule 19*

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
<b>Sureties:</b>		
- for associated companies	2.6	2.6
- for others:		
. Financial Administration for Group VAT	42.9	37.1
. other	2.3	2.4
	<b>45.2</b>	<b>39.5</b>
<b>Total</b>	<b>47.8</b>	<b>42.1</b>

## Notes to the Consolidated Financial Statements

**Memorandum accounts - secured guarantees**

Schedule 20

(in millions of Euro)	12.31.2013	12.31.2012
For own commitments other than payables		
Assets pledged as collateral:		
- fixed-income securities	2.3	1.4

**Memorandum accounts - purchase and sale commitments**

Schedule 21

(in millions of Euro)	12.31.2013	12.31.2012
- Purchase commitments	0.3	1.0
- Sales commitments	-	-
<b>Total</b>	<b>0.3</b>	<b>1.0</b>

**Memorandum accounts - other**

Schedule 22

(in millions of Euro)	12.31.2013	12.31.2012
Secured guarantees received	<b>1.0</b>	<b>1.0</b>
Unsecured guarantees received:		
Against receivables	2.7	2.7
To cover other obligations:		
- Miscellaneous banks and insurance companies to guarantee supplies of goods and services	119.8	89.3
- Miscellaneous banks and insurance companies covering full performance of contracts for the production of radio/television programmes and films	95.3	169.3
- Credito Bergamasco - guarantee for Sky Italia	54.7	21.8
- Other	8.8	8.7
	278.6	289.1
	<b>281.3</b>	<b>291.8</b>
Guarantees granted by other parties for Group obligations:		
Against debt:		
- Other banks for guarantee for BEI to cover loan	57.5	-
- Other	0.4	2.1
	57.9	2.1
To cover other obligations:		
- SanPaolo IMI for guarantee granted to FIFA covering payment of sporting rights relating to the 2014 World Football Championships	43.7	35.0
- SanPaolo IMI for guarantees granted to tax authorities covering prize competitions	23.7	23.7
- Other bodies for guarantee granted to Sky for Olympics	9.4	-
- Other	9.7	9.5
	86.5	68.2
	<b>144.4</b>	<b>70.3</b>
Leased assets received	-	-
Third-part assets held by the company	-	-
Company assets held by third parties	8.8	8.6
Other risks undertaken by the company		
- Receivables sold with recourse	42.0	-
Other cases	9.4	19.2
<b>Total</b>	<b>486.9</b>	<b>390.9</b>

Schedule 23 provides details of financial derivative hedge contracts entered into in relation to specific Group commitments and their related fair values. The fair value of these derivative financial instruments is based on the market value on the closing date of the period under assessment; in the case of unlisted instruments, fair value is determined using commonly used financial valuation techniques.

## Fair value of derivatives

## Schedule 23

	Notional 12.31.2013 millions of USD	Notional 12.31.2013 millions of CHF	Fair value at 12.31.2013 millions of Euro
<b>Derivative financial instruments for hedges</b>			
- on exchange rates (1):			
. forwards and swaps	21.8	-	(0.2)
. optional currency purchase strategies	56.7	0.4	(2.3)
	<b>78.5</b>	<b>0.4</b>	<b>(2.5)</b>
- on interest rates (2):			
. Interest Rate Swap	see note (3)	-	(3.5)
		-	<b>(3.5)</b>

(1) The transactions are carried out to hedge commercial agreements in US\$ and CHF, in observance of the Group policy.

(2) Irs transactions to hedge the Rai loan of 295 million euros.

(3) Reference notional 136.7 million euros.

In line with Group policy, the overall value of hedge contracts entered into is reasonable in relation to the full extent of commitments subject to such risks.

At 31 December 2013, other than as shown in the memorandum accounts, there were no particularly significant purchase or sale commitments (beyond those entered into in the normal course of business) that would require specific disclosure to provide a better understanding of the company's financial position.

Schedule 22 details the amount of company assets held by third parties.

## 7) Income Statement

### Production value

Revenues from sales and services amount to Euro 2,672.7 million, a decrease of Euro 32.2 million compared to 2012. They include revenues for the year, net of transactions between group companies, and relate mainly to licence fees and advertising. Schedule 24 provides a breakdown by major component. In terms of geographic distribution, almost all revenues are generated in Italy.

### Revenues from sales and services

Schedule 24

(in millions of Euro)	Year 2013	Year 2012
Revenues from sales	1.1	1.8
Revenues from services:		
- Licence fees:		
. private subscriptions	1,662.7	1,656.3
. special subscriptions	74.4	72.9
	1,737.1	1,729.2
- General-interest TV advertising		
. commercials	493.6	561.2
. TV promotions	15.8	27.2
. sponsorship and special initiatives	53.1	35.9
. product placement	2.4	1.7
	564.9	626.0
- Specialist channel TV advertising	67.0	56.8
- Radio advertising:		
. commercials	24.2	29.4
. radio promotions	0.7	0.7
. sponsorships	4.1	5.2
	29.0	35.3
- Web advertising	7.7	6.6
- Cinema advertising	12.7	18.2
- Other advertising	0.9	2.4
	682.2	745.3
- Special services under agreements	49.9	32.6
- Other services:		
. sale of rights, musical publications	104.6	105.5
. film and home video distribution	43.0	31.7
. fees for hosting plant and equipment	33.4	32.0
. income from broadcasting, circuit hire, bridge and link services	6.9	8.3
. agreements with telephone companies	2.5	3.5
. other	12.0	15.0
	202.4	196.0
	2,671.6	2,703.1
<b>Total</b>	<b>2,672.7</b>	<b>2,704.9</b>



With regard to licence fee revenues, it is noted that the “separate accounting”, mechanism (which is employed, as required by the consolidated broadcasting law, to determine the annual per-unit licence fee and thereby ensure alignment between licence fee revenues and the independently audited costs sustained by Rai in carrying out its public service remit) has shown an under provision of licence fee revenues amounting to over Euro 2.3 billion for the period 2005-2012, of which Euro 346 million refer to 2012 alone. In 2011, Rai issued warnings to such effect and demanded payment of all sums owing as determined by the “separate accounting” mechanism, plus interest.

“Separate accounting” figures for 2013 will be available, as required, within four months of the date on which the Shareholders’ Meeting approves the financial statements.

**Changes in inventories of work in progress, semi-finished and finished goods.** Such inventories decreased by Euro 0.3 million (at 31 December 2012, the change was not significant in terms of millions of Euro) reflecting the change in the value of inventories used in commercial activities.

**Changes in contracts work in progress.** The change was not significant in terms of millions of Euro (at 31 December 2012, the change was not significant in terms of millions of Euro). The change in value of work contracts in progress relates to progress in the construction of the Isoradio network and is reflected in the Rai Way financial statements.

**Internal cost capitalisations.** Internal cost capitalisations amount to Euro 19.1 million (Euro 25.1 million at 31 December 2012) and represent internal costs incurred in relation to fixed assets which have been capitalised together with the specific assets. Further details are provided in Schedule 25.

### *Internal cost capitalisations*

*Schedule 25*

(in millions of Euro)	Year 2013	Year 2012
Intangible assets	11.8	17.2
Tangible assets	7.3	7.9
<b>Total</b>	<b>19.1</b>	<b>25.1</b>

**Other production-related income.** Other production-related income totals Euro 115.2 million (Euro 104.1 million at 31 December 2012), as detailed in Schedule 26.

### *Other production-related income*

*Schedule 26*

(in millions of Euro)	Year 2013	Year 2012
Operating grants	11.0	11.1
Gains on disposals	..	0.1
Miscellaneous		
Recovery and reimbursement of expenses	23.2	21.0
Out-of-period gains from licence fees	18.5	18.6
Other out-of-period gains	34.8	36.0
Provisions released	24.5	11.5
Income from real estate investments	2.3	2.4
Miscellaneous	0.9	3.4
	104.2	92.9
<b>Total</b>	<b>115.2</b>	<b>104.1</b>

## Production costs

Production costs include costs and losses relating to ordinary activities, excluding financial operations. Such costs do not include those relating to fixed tangible and intangible assets, which have been capitalised together with the specific assets.

**Raw materials, supplies, consumables and merchandise.** Costs for raw materials, supplies, consumables and merchandise amount to Euro 22.2 million (Euro 27.1 million at 31 December 2012) and 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 27.

### *Production costs - raw materials, supplies, consumables and merchandise*

*Schedule 27*

(in millions of Euro)	Year 2013	Year 2012
Technical materials for inventory	3.2	4.2
Miscellaneous programme production materials	3.7	4.9
Other materials	15.3	18.0
Discounts, allowances and premiums on purchases of goods	..	..
<b>Total</b>	<b>22.2</b>	<b>27.1</b>

**Services.** Costs for services amount to Euro 647.5 million (Euro 648.1 million at 31 December 2012) and comprise costs for freelance workers and other external services, net of discounts and allowances, as shown in Schedule 28. They include, inter alia, emoluments and compensation paid by the Parent Company to Directors amounting to Euro 1.1 million (plus Euro 0.2 million for reimbursement of expenses) and to Statutory Auditors amounting to Euro 0.2 million. This item also includes external audit fees amounting to Euro 0.3 million and fees for other services provided by the external audit firm for a non-significant value in millions of Euro.

### *Production costs - services*

*Schedule 28*

(in millions of Euro)	Year 2013	Year 2012
Freelance services	125.2	132.4
Services for acquisition and production of programmes	191.5	197.7
Allowances, travel expenses and transfer of personnel	25.6	27.5
Ancillary personnel service costs	13.0	13.0
Maintenance and repairs	28.1	27.8
Services for documentation and assistance for informative systems	46.9	48.5
Insurance and accident prevention	17.3	18.1
Advertising and promotion	19.0	20.6
Promotion and distribution expenses	6.6	8.2
Supply services	41.3	37.1
General services	58.4	62.7
Third-party shares of sales figure	56.8	34.9
Other	17.8	19.6
<b>Total</b>	<b>647.5</b>	<b>648.1</b>

It is further noted that two statutory auditors of the Parent Company have also performed statutory auditor functions in other subsidiary companies for remuneration totalling Euro 0.1 million.

**Use of third-party assets.** Costs for Use of third-party assets amount to Euro 344.8 million (Euro 519.5 million at 31 December 2012), and include costs for rents, leases, usage rights and filming rights, as detailed in Schedule 29.

### *Production costs - use of third party assets*

*Schedule 29*

(in millions of Euro)	Year 2013	Year 2012
Rent and hire costs	92.3	103.1
Lease instalments	..	..
Usage rights	98.2	97.5
Filming rights	145.2	310.1
Other rights	9.1	8.8
<b>Total</b>	<b>344.8</b>	<b>519.5</b>

**Personnel.** Personnel costs amount to Euro 994.7 million (Euro 1,015.3 million at 31 December 2012), and may be analysed as set out in the income statement. The average number of employees in 2013 was 12,965, including employees on fixed-term contracts, placement contracts and apprenticeship contracts (13,158 at 31 December 2012). Schedule 30 provides further details including distribution by category and by company.

### *Average employment*

*Schedule 30*

(in units)	Year 2013			Year 2012		
	permanent (1)	fixed-term	Total	permanent	fixed-term	Total
<b>Per Company</b>						
Rai	10,343	1,360	11,703	10,406	1,445	11,851
Rai Cinema	92	37	129	91	35	126
RaiNet	42	24	66	42	27	69
Rai Pubblicità	414	5	419	434	9	443
Rai Wway	603	41	644	621	46	667
Rai World	3	1	4	2	0	2
	<b>11,497</b>	<b>1,468</b>	<b>12,965</b>	<b>11,596</b>	<b>1,562</b>	<b>13,158</b>
<b>Per category</b>						
Executives	326	-	326	311	-	311
Journalists	1,639	262	1,901	1,677	262	1,939
Supervisors	1,248	1	1,249	1,297	1	1,298
Office workers	7,234	1,039	8,273	7,232	1,116	8,348
Blue collars	924	158	1,082	948	177	1,125
Orchestra members and other artistic staff	115	8	123	120	6	126
Medical staff	11	-	11	11	-	11
	<b>11,497</b>	<b>1,468</b>	<b>12,965</b>	<b>11,596</b>	<b>1,562</b>	<b>13,158</b>

(1) of which placement contracts and apprenticeships

49

58

**Amortisation, depreciation and writedowns.** Costs relating to amortisation, depreciation and write-downs amount to Euro 629.0 million (Euro 653.6 million at 31 December 2012), of which Euro 473.5 million relates to amortisation of intangible assets (Euro 488.2 million at 31 December 2012), Euro 119.4 million relates to depreciation of tangible assets (Euro 127.8 million at 31 December 2012), Euro 27.9 million relates to other write-downs (Euro 31.3 million at 31 December 2012) and Euro 8.2 million (Euro 6.3 million at 31 December 2012) relates to the write-down of receivables as detailed in Schedules 1, 2 and 5.

This item includes the write-down in the value of programmes amounting to Euro 23.1 million, to recognise the risk that certain programmes may not be transmitted or re-broadcast and the risk of loss of opportunity for the commercial exploitation of certain rights (Euro 24.5 million at 31 December 2012).

## Notes to the Consolidated Financial Statements

It is noted that, following the introduction of new calculation procedures, commencing in 2013 depreciation of tangible assets is calculated from the month in which assets enter into operation..

**Changes in inventories of raw materials, supplies, consumables and merchandise.** Costs relating to changes in inventories amount to Euro 0.1 million (Euro 0.3 million at 31 December 2012) and represent the decrease in net inventories at 31 December 2013 with respect to the previous year.

**Provisions for risks.** Provisions for risks amount to Euro 9.6 million (Euro 16.6 million at 31 December 2012). They represent additional allocations to provisions for risks. The most significant items are detailed in Schedule 12 and relate mainly to provisions made by the Parent Company (Euro 7.8 million).

**Other provisions.** Other provisions amount to Euro 2.1 million (Euro 10.3 million at 31 December 2012). The most significant items are shown in Schedule 12 and relate mainly to provisions included the financial statements of Rai (Euro 0.6 million) and Rai Way (Euro 1.5 million).

**Other operating costs.** Other operating costs amount to Euro 89.8 million (Euro 107.7 million at 31 December 2012). They are split as reported in the income statement and further details are provided in Schedule 31. For the most part they refer to costs disclosed in the financial statements of the Parent Company (Euro 82.0 million).

**Other operating costs****Schedule. 31**

(in millions of Euro)	Year 2013	Year 2012
<b>Capital losses:</b>		
Tangible assets	0.3	3.6
Intangible assets	..	0.4
	<b>0.3</b>	<b>4.0</b>
<b>Concession fee</b>	<b>26.3</b>	<b>27.9</b>
<b>Other costs:</b>		
- gifts, prize contests and entertainment expenses	13.7	13.5
- association dues	3.3	3.5
- IMU (municipal property tax)	9.8	9.1
- other indirect taxes and contributions	10.8	12.6
- contributions to the Supervisory Authorities	6.3	6.4
- payment of uninsured damages, fines and penalties	0.6	0.3
- newspapers, books, periodicals, specific documentation and publications	2.0	2.2
- prior-year charges and reversal of non-existent assets	9.9	14.2
- provision for pension fund - former employees	4.9	12.1
- other	1.9	1.9
	<b>63.2</b>	<b>75.8</b>
<b>Total</b>	<b>89.8</b>	<b>107.7</b>

## Financial income and expense

**Income from equity investments.** Income from equity investments amounts to a non-significant sum in millions of Euro (no value at 31 December 2012).

**Other financial income.** Other financial income amounts to Euro 1.4 million (Euro 1.4 million at 31 December 2012). Details are provided in Schedule 32.

### Other financial income

*Schedule 32*

(in millions of Euro)	Year 2013	Year 2012
<b>Income from equity investments:</b>		
From other companies	..	-
<b>Other financial income:</b>		
From non-current receivables	..	..
From non-current securities other than equity investments	0.1	0.1
Financial income other than the above:		
- Interest and commissions from associated companies	..	..
- Interest and commissions receivable from others and misc. income:		
. interest from banks, post office current acc. and other fin. institut.	0.4	0.7
. interest on amount due from customers	0.3	0.4
. interest from others	0.6	0.2
	1.3	1.3
<b>Total</b>	<b>1.4</b>	<b>1.4</b>

**Interest and other financial charges.** Interest and other financial charges amounts to Euro 15.6 million (Euro 15.5 million at 31 December 2012) and includes interest charges, costs for commission on financial services and other costs as detailed in Schedule 33.

### Interest and other financial charges

*Schedule 33*

(in millions of Euro)	Year 2013	Year 2012
Interest and commissions to non-consolidated subsidiaries	-	..
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	10.6	12.4
- interest expense and charges on interest rate hedges	4.1	2.5
- interest on amounts payable to suppliers	0.2	0.1
- other costs	0.7	0.5
	15.6	15.5
<b>Total</b>	<b>15.6</b>	<b>15.5</b>

**Foreign exchange gains and losses** amount to Euro 0.7 million (a profit of Euro 3.1 million at 31 December 2012). As shown in Schedule 34, this item comprises both foreign exchange losses and premiums on foreign currency hedge transactions as well as the effect of translating the value of foreign currency denominated payables and receivables at year-end exchange rates, or at the rate in force at the time of the hedge in the case of exchange risk hedges.

### Foreign exchange gains and losses

*Schedule 34*

(in millions of Euro)	Year 2013	Year 2012
Foreign exchange gains (losses) from valuation	(0.5)	0.1
Other foreign exchange gains (losses)	(0.2)	3.0
<b>Total</b>	<b>(0.7)</b>	<b>3.1</b>

## Value adjustment of financial assets

**Revaluations.** Revaluations of financial assets amount to Euro 1.9 million (Euro 1.2 million at 31 December 2012) and relate solely to the equity value of investments in non-consolidated subsidiaries and associated companies.

**Writedowns.** Write-downs of financial assets amount to Euro 0.8 million (Euro 0.9 million at 31 December 2012) and relate to losses incurred by those companies non-consolidated on a line-by-line basis, (Euro 0.2 million) and adjustments to the value of non-current securities other than equity investments (Euro 0.6 million).

## Exceptional income and expense

Exceptional income amounting to Euro 1.1 million (Euro 18.0 million at 31 December 2012) and exceptional expense totalling Euro 13.4 million (Euro 68.9 million at 31 December 2012), are analysed in detail in Schedule 35.

### Exceptional income and expense

*Schedule 35*

(in millions of Euro)	Year 2013	Year 2012
<b>Exceptional income</b>		
Out-of-period gains and reversal of non-existent liabilities:		
– IRES refund requested for deductibility of IRAP relating to personnel costs and similar for 2007-2011	-	16.8
– Lower taxes for previous years	1.1	0.8
– Other out-of-period gains and reversal of non-existent liabilities	-	0.4
	<b>1.1</b>	<b>18.0</b>
<b>Exceptional expense</b>		
Prior years' taxes	(1.4)	(0.1)
Contingent liabilities and reversal of non-existent assets	-	..
Other:		
– Costs connected with the staff voluntary resignation incentives scheme	(12.0)	(68.4)
– Other	..	(0.4)
	<b>(13.4)</b>	<b>(68.9)</b>
<b>Total</b>	<b>(12.3)</b>	<b>(50.9)</b>

## Current income taxes for the year, and deferred tax assets and liabilities

The total tax charge of Euro 35.5 million (Euro 18.6 million at 31 December 2012) is composed of current and deferred taxes for the year as reported in the financial statements of the individual companies, and the tax effects of consolidation adjustments. The following table provides further details:

(in millions of Euro)	Charged in the accounts of individual companies	Deriving from consolidation adjustments	Total
Current taxes			
– IRES	(22.2)	-	(22.2)
– IRAP	(38.5)	-	(38.5)
Deferred tax assets	22.3	(0.1)	22.2
Deferred tax liabilities	2.9	0.1	3.0
<b>Total</b>	<b>(35.5)</b>	<b>-</b>	<b>(35.5)</b>

## 8) Result for the year

Profit for the year of Euro 5.3 million is wholly attributable to the Group.

## 9) Reconciliation between Rai's separate and consolidated financial statements at 31 December 2013 and 31 December 2012

The following table provides a reconciliation between the result for the year and shareholders' equity as reported in the financial statements of the Parent Company and as reported in the consolidated financial statements:

(in millions of Euro)	Result for the year		Shareholders' equity	
	2013	2012	2013	2012
Rai Financial Statements	4.3	(245.7)	298.4	294.1
Consolidation adjustments	0.9	1.0	(1.7)	(2.6)
Deferred tax assets/liabilities on consolidation adjustments	0.1	0.1	(0.5)	(0.6)
Consolidated Financial Statements	5.3	(244.6)	296.2	290.9

## 10) Other information

With regard to transactions with related parties, it is noted that there were no significant transactions between Group companies during the year other than under normal market conditions.

For details of significant subsequent events and the nature of the Group's activity, see the Report on Operations.





## Consolidated supplementary schedules

Consolidated supplementary schedules

**Consolidated Balance Sheet reclassified in vertical form**

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
A. NON-CURRENT ASSETS-NET		
Intangible assets	862.1	903.3
Tangible assets	650.7	683.6
Financial assets	29.6	23.8
	<b>1.542.4</b>	<b>1.610.7</b>
B. WORKING CAPITAL		
Inventories	2.8	3.2
Trade receivables	490.8	523.5
Other assets	264.3	239.8
Trade payables	(671.7)	(685.5)
Provisions for risks and charges	(363.3)	(503.2)
Other liabilities	(244.3)	(212.8)
	<b>(521.4)</b>	<b>(635.0)</b>
C. INVESTED CAPITAL		
net of current liabilities (A+B)	1.021.0	975.7
D. PROVISION FOR STAFF SEVERANCE PAY	283.9	318.6
E. INVESTED CAPITAL		
net of current liabilities and provision for staff severance pay (C-D)	737.1	657.1
financed by:		
F. EQUITY		
Parent Company equity	296.2	290.9
Minority interests	-	-
	<b>296.2</b>	<b>290.9</b>
G. TOTAL NET MID-TERM/LONG-TERM FINANCIAL DEBT	297.2	296.5
H. NET SHORT-TERM DEBT (NET CASH FUNDS)		
- net short-term financial debt	150.8	80.6
- cash and short-term financial receivables	(7.1)	(10.9)
	<b>143.7</b>	<b>69.7</b>
	<b>(G+H)</b>	<b>366.2</b>
I. TOTAL, AS IN E	<b>(F+G+H)</b>	<b>657.1</b>

**Consolidated Income Statement reclassified in vertical form**

(in millions of Euro)	<b>Year 2013</b>	Year 2012
A. REVENUES	2,728.6	2,761.4
Change in inventories of work in progress, semifinished and finished products	(0.3)	..
Internal cost capitalisations	19.1	25.1
B. 'TYPICAL' PRODUCTION VALUE	2,747.4	2,786.5
Cost of materials and external services	(1,101.7)	(1,284.8)
C. VALUE ADDED	1,645.7	1,501.7
Personnel costs	(994.7)	(1,015.3)
D. GROSS OPERATING MARGIN	651.0	486.4
Amortisation of programmes	(447.9)	(463.2)
Other amortisation/depreciation	(132.7)	(140.6)
Other value adjustments	(36.7)	(37.9)
Provisions for risks and charges	(11.6)	(26.7)
Miscellaneous income and charges - net	44.2	17.3
E. OPERATING RESULT	66.3	(164.7)
Financial income and expense	(14.9)	(11.0)
Income from equity investments	1.7	0.6
F. RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	53.1	(175.1)
Exceptional income and expense - net	(12.3)	(50.9)
G. RESULT BEFORE TAXES	40.8	(226.0)
Income taxes for the year	(35.5)	(18.6)
H. NET PROFIT (LOSS) FOR THE YEAR	5.3	(244.6)
including:		
- pertaining to the Parent Company	5.3	(244.6)
- pertaining to Minority interests	-	-

Consolidated supplementary schedules

**Consolidated Cash Flow statement**

(in millions of Euro)	<b>12.31.2013</b>	12.31.2012
A. NET OPENING CASH FUNDS (NET OPENING SHORT- TERM FINANCIAL DEBT)	(69.7)	(59.6)
B. CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) for the year	5.3	(244.6)
Amortisation and depreciation	580.6	603.8
(Gains) losses on disposal of non-current assets	0.3	3.9
(Revaluations) writedowns of non-current assets	27.1	31.0
Change in working capital	(113.6)	129.9
Net change in staff severance pay provision	(34.7)	(8.3)
	<b>465.0</b>	<b>515.7</b>
C. CASH FLOW FROM INVESTING ACTIVITIES IN NON-CURRENT ASSETS		
Investment in non-current assets:		
. intangible assets	(449.5)	(480.7)
. tangible assets	(88.1)	(133.6)
. financial assets	(9.5)	(5.3)
Sale proceeds, or reimbursement value, of non-current assets and other changes	7.4	10.1
	<b>(539.7)</b>	<b>(609.5)</b>
D. CASH FLOW FROM FINANCING ACTIVITIES		
New loans	50.0	85.0
Loan repayments	(49.3)	(1.3)
	<b>0.7</b>	<b>83.7</b>
E. PROFIT DISTRIBUTION	-	-
F. CASH FLOW FOR THE YEAR	(B+C+D+E)	(10.1)
G. NET CLOSING CASH FUNDS (NET CLOSING SHORT- TERM FINANCIAL DEBT)	(A+F)	(69.7)
	<b>(143.7)</b>	<b>(69.7)</b>

# Report of the Board of Statutory Auditors

## Report on the Consolidated Financial Statements

### *Shareholders,*

the **Consolidated Financial Statements of the Rai Group at 31 December 2013** – placed at your disposal for informative purposes – are drawn up in millions of Euro and consist of the Balance Sheet, Income Statement and Notes to the Consolidated Financial Statements and are accompanied by a Report on Operations, of the Board of Directors, who refer to the Parent Company's report for further information.

The Balance Sheet and the Income Statement present comparative figures with those for 2012.

The 2013 scope of consolidation is unchanged from 2012.

The financial statements under examination close with a profit of 5.3 million euros against a loss of 244.6 million in 2012.

In the **Report on Operations**, the Directors illustrate the overall Group performance, referring to the reclassified schedules of the Income Statement and Balance Sheet to facilitate the reader's understanding of the comments on these areas, with information on the breakdown and contents of the main income statement and balance sheet items, highlighting the reasons for the differences compared to the Financial Statements for 2012.

The **Notes to the Consolidated Financial Statements** highlight the scope and the principles of consolidation and the valuation methods applied and provide, also through the supplementary schedules, the other disclosures required under article 38 of Legislative Decree 127/1991.

A reconciliation between the Rai statutory financial statements and the Group Consolidated statements at 31 December 2013 is also provided, in relation to the Result for the year and the Shareholders' equity, compared with the corresponding figures of the Financial Statements at 31 December 2012.

**With regard to the competence of the Board of Statutory Auditors**, on the basis of our contacts with the Independent Auditors PwC – we would like to state that all the parts of the financial statements under examination have been drawn up in observance of the law and that they correspond to the Parent Company accounting entries and to the information supplied by the other companies included within the scope of consolidation.

In accounting terms, we should also note that:

- there have been no "exceptional cases" during the year which would entail making derogations as permitted under article 29, par. 4 of Legislative Decree 127/91;
- the assets and liabilities are valued using the same methods as in the previous financial statements.

In the light of all the matters described above, we are of the opinion that the Rai Group consolidated financial statements at 31 December 2013 and annexed Report on Operations have been drawn up in compliance with the provisions of the aforementioned Legislative Decree no. 127/1991.

Rome, 29 April 2014

THE STATUTORY AUDITORS  
Mr Carlo GATTO  
Ms Maria Giovanna BASILE  
Mr Domenico MASTROIANNI

# Independent Auditor's Report



**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 14 OF LEGISLATIVE DECREE  
No. 39 OF 27 JANUARY 2010**

To the shareholders of  
RAI – Radiotelevisione italiana SpA

- 1 We have audited the consolidated financial statements of the RAI – Radiotelevisione italiana SpA and its subsidiaries (“RAI Group”) as of 31 December 2013. The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of these consolidated financial statements in compliance with the laws governing the criteria for their preparation. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
  
- 2 We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. 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 13 May 2013.
  
- 3 In our opinion, the consolidated financial statements of the RAI Group as of 31 December 2013 comply with the laws governing the criteria for their preparation; accordingly, they have been prepared clearly and give a true and fair view of the financial position and result of operations of the Group.
  
- 4 The directors of RAI – Radiotelevisione italiana SpA are responsible for the preparation of a report on operations in compliance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard No. 001 issued by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili and recommended by Consob. In our opinion the

**PricewaterhouseCoopers SpA**

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.812.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhner 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Dante 7 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001





report on operations is consistent with the consolidated financial statements of RAI – Radiotelevisione italiana SpA as of 31 December 2013.

Rome, 29 April 2014

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.*



## Financial Statements of subsidiaries

Rai Cinema SpA	<b>203</b>
Rai Corporation - Italian Radio TV System in liquidation	<b>207</b>
Rai Corporation Canada - Italian Radio TV System in liquidation	<b>211</b>
RaiNet SpA	<b>215</b>
Rai Pubblicità SpA	<b>219</b>
Rai Way SpA	<b>223</b>
Rai World SpA	<b>227</b>



## Rai Cinema SpA

Company name:	Rai Cinema SpA	
Date of incorporation:	1 December 1999	
Object:	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:	200,000,000.40 euros 38,759,690 shares of par value 5.16 euros each Rai 100%	
Employees:	91 on permanent contracts 39 on fixed-term contracts	
<b>Board of Directors</b>	(until 11 April 2013)	(from 11 April 2013)
Chairman:	Franco Scaglia	Nicola Claudio
Managing Director:	Paolo Del Brocco	
Directors:	(until 11 April 2013) Angela Filipponio Tatarella Franco La Gioia Gloria Tassarolo	(from 11 April 2013) Costanza Esclapon Vincenzo Mollica Camillo Rossotto
Board Secretary	Massimiliano Orfei	
<b>General Manager</b>	Giuseppe Sturiale	
<b>Board of Statutory Auditors:</b>	(until 11 April 2013)	(from 11 April 2013)
Chairman:	Lanfranco Duo'	Leonardo Quagliata
Standing Statutory Auditors:	Orlando Fazzolari	
	(until 11 April 2013) Cesare Augusto Giannoni	(from 11 April 2013) Maria Giovanna Basile
Alternate Statutory Auditors:	(until 11 April 2013) Paolo Grassetti Leonardo Quagliata	(from 11 April 2013) Dorina Casadei Bernardo Bertoldi

Financial statements of subsidiaries

**Rai Cinema SpA****Balance Sheet - Assets**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	375,670,522	385,544,638
4.- Concessions, licences, trademarks and similar rights	600	900
6.- Intangible assets under development and payments on account	86,822,573	95,988,544
7.- Others	87,815	117,792
<b>TOTAL INTANGIBLE ASSETS</b>	<b>462,581,510</b>	<b>481,651,874</b>
II. TANGIBLE ASSETS		
2.- Plant and machinery	799	6,302
3.- Industrial and sales equipment	104	697
4.- Other assets	133,189	100,226
<b>TOTAL TANGIBLE ASSETS</b>	<b>134,092</b>	<b>107,225</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) From others		
- due within 12 months	-	251,178
- due after 12 months	256,125	-
Total receivables	256,125	251,178
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>256,125</b>	<b>251,178</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>462,971,727</b>	<b>482,010,277</b>
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished products and merchandise	539,714	606,643
<b>TOTAL INVENTORIES</b>	<b>539,714</b>	<b>606,643</b>
II. RECEIVABLES		
1.- From customers		
- due within 12 months	40,751,416	38,982,488
- due after 12 months	125,422	-
4.- From parent companies	11,758,337	4,582,475
4.bis - Tax credits	233,043	1,566,890
4.ter - Deferred tax assets	441,991	729,625
5.- Others		
- due within 12 months	4,712,656	6,024,530
- due after 12 months	121,494	446,963
<b>TOTAL RECEIVABLES</b>	<b>58,144,359</b>	<b>52,332,971</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	71,701	73,301
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>71,701</b>	<b>73,301</b>
<b>TOTAL CURRENT ASSETS</b>	<b>58,755,774</b>	<b>53,012,915</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	17,960	83,443
<b>TOTAL ASSETS</b>	<b>521,745,461</b>	<b>535,106,635</b>

**Rai Cinema SpA****Balance Sheet - Liabilities**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. Share capital	200,000,000	200,000,000
IV. Legal reserve	16,139,977	15,335,608
VII. Other reserves	1,553,767	1,400,388
VIII. Profit (losses) brought forward	12,993,416	24,995,566
IX. Profit (loss) for the year	37,160,885	16,087,383
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>267,848,045</b>	<b>257,818,945</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- Provision for pension and similar liabilities	6,824	6,696
2.- Current and deferred taxes	-	38,885
3.- Other	2,878,790	4,051,669
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>2,885,614</b>	<b>4,097,250</b>
C) PROVISION FOR STAFF SEVERANCE PAY	1,604,886	1,629,714
D) PAYABLES		
6.- Advances	3,929,300	1,569,700
7.- Suppliers	120,621,383	110,633,548
11.- Parent companies	117,167,460	153,406,835
12. Tax payables	1,940,754	547,663
13.- Welfare and social security institutions	454,548	413,221
14.- Other payables	5,292,527	4,989,759
<b>TOTAL PAYABLES</b>	<b>249,405,972</b>	<b>271,560,726</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	944	-
<b>TOTAL LIABILITIES</b>	<b>521,745,461</b>	<b>535,106,635</b>

**Rai Cinema SpA****Memorandum Accounts**

(in euros)	<b>12.31.2013</b>	12.31.2012
4.- Other	31,469,268	117,568,865
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>31,469,268</b>	<b>117,568,865</b>

## Financial statements of subsidiaries

**Rai Cinema SpA****Income Statement**

(in euros)	Year 2013	Year 2012
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	377,430,389	333,548,049
2.- Changes in inventories of work in progress, semifinished and finished goods	(66,929)	(301,541)
5.- Other production-related income		
a) operating grants	2,159,333	1,105,107
c) other	17,151,261	12,686,153
Total other production-related income	19,310,594	13,791,260
<b>TOTAL PRODUCTION VALUE</b>	<b>396,674,054</b>	<b>347,037,768</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(601,255)	(601,165)
7.- Services	(71,400,061)	(52,729,276)
8.- Use of third-party assets	(2,186,751)	(1,937,213)
9.- Personnel		
a) wages and salaries	(6,787,799)	(6,525,658)
b) social security contributions	(1,982,451)	(1,898,981)
c) staff severance pay	(474,978)	(472,588)
d) pension and similar costs	(139,142)	(140,015)
e) other costs	(80,829)	(180,062)
Total personnel costs	(9,465,199)	(9,217,304)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(249,201,895)	(246,038,926)
b) depreciation of tangible assets	(33,430)	(35,812)
c) other non-current asset writedowns	(1,539,677)	(2,987,157)
d) writedowns of current receivables, cash and cash equivalents	(1,633,353)	(1,763,574)
Total amortisation, depreciation and writedowns	(252,408,355)	(250,825,469)
12.- Provisions for risks	(248,000)	(216,500)
14.- Other operating costs		
a) capital losses on disposals	(41,025)	-
c) other	(1,477,779)	(3,272,586)
Total other operating costs	(1,518,804)	(3,272,586)
<b>TOTAL PRODUCTION COSTS</b>	<b>(337,828,425)</b>	<b>(318,799,513)</b>
<b>Difference between production values and costs</b>	<b>58,845,629</b>	<b>28,238,255</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16.- Other financial income		
a) from non-current receivables		
. other	1,529	6,214
Total income from non-current receivables	1,529	6,214
d) financial income other than the above		
. interest and commissions from holding companies	-	5
. interest and commissions from others and miscellaneous income	351	2,872
Total financial income other than the above	351	2,877
Total other financial income	1,880	9,091
17.- Interest and other financial expenses		
c) interest and commissions payable to parent companies	(3,319,262)	(4,340,114)
d) interest and commissions payable to others and miscellaneous charges	(152,838)	(143,032)
Total interest and other financial expenses	(3,472,100)	(4,483,146)
17bis.- Foreign exchange gains and losses	(126,697)	427,123
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>(3,596,917)</b>	<b>(4,046,932)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income		
b) contingent assets and reversal of non-existent liabilities	179,440	799,980
c) differences from round off to the nearest euro	1	-
Total income	179,441	799,980
21.- Expense		
b) prior years' taxes	(268,519)	-
e) other	-	(150,000)
Total expense	(268,519)	(150,000)
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>(89,078)</b>	<b>649,980</b>
<b>Result before taxes</b>	<b>55,159,634</b>	<b>24,841,303</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(17,998,749)	(8,753,920)
<b>23.- Profit (loss) for the year</b>	<b>37,160,885</b>	<b>16,087,383</b>



## Rai Corporation - Italian Radio TV System in liquidation

<b>Company name:</b>	Rai Corporation – Italian Radio TV System in liquidation
<b>Date of incorporation:</b>	20 January 1960
<b>Object:</b>	The Company operates in North America in the production, distribution and sale of radio and TV programmes. It is engaged in the development of international co-productions and provides support to Group companies.
<b>Share capital:</b>	500,000 US dollars 50,000 shares of par value 10 US dollars each Rai 100%
<b>Ownership:</b>	Rai Corporation Canada in liquidation 100%
<b>Employees:</b>	none
<b>Sole Director</b>	Alessandro Pagano
<b>Liquidator</b>	Luigi Bergomi

The financial statements presented below are drawn up in accordance with Italian GAAP.

Financial statements of subsidiaries

**Rai Corporation****Balance Sheet - Assets**

(in US dollars)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	-	-
II. TANGIBLE ASSETS		
4.- Other assets	-	23,000
<b>TOTAL TANGIBLE ASSETS</b>	<b>-</b>	<b>23,000</b>
III. FINANCIAL ASSETS		
1.- Equity investments in:		
a) subsidiaries	1,000	1,000
Total equity investments	1,000	1,000
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>1,000</b>	<b>1,000</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,000</b>	<b>24,000</b>
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
4.- From parent companies	4,313,139	4,752,828
<b>TOTAL RECEIVABLES</b>	<b>4,313,139</b>	<b>4,752,828</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	44,442	405,654
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>44,442</b>	<b>405,654</b>
<b>TOTAL CURRENT ASSETS</b>	<b>4,357,581</b>	<b>5,158,482</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
<b>TOTAL ASSETS</b>	<b>4,358,581</b>	<b>5,182,482</b>

**Rai Corporation****Balance Sheet - Liabilities**

(in US dollars)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. Share capital	500,000	500,000
VII. Other reserves	4,822,000	4,822,000
VIII. Profit (losses) brought forward	(2,826,498)	(3,179,507)
IX. Profit (loss) for the year	1,490,879	353,008
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,986,381</b>	<b>2,495,501</b>
B) PROVISIONS FOR RISKS AND CHARGES		
3.- other	329,406	2,147,781
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>329,406</b>	<b>2,147,781</b>
C) PROVISION FOR STAFF SEVERANCE PAY	-	226,666
D) PAYABLES		
7.- Suppliers	15,200	185,113
9.- Subsidiaries	1,000	1,000
11.- Parent companies	15,651	2,739
12.- Tax payables	10,943	15,000
14.- Other payables	-	108,682
<b>TOTAL PAYABLES</b>	<b>42,794</b>	<b>312,534</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>4,358,581</b>	<b>5,182,482</b>

**Rai Corporation****Memorandum Accounts**

(in US dollars)	<b>12.31.2013</b>	12.31.2012
4.- Other	-	25
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>-</b>	<b>25</b>

Financial statements of subsidiaries

**Rai Corporation****Income Statement**

(in US dollars)	Year 2013	Year 2012
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	42,303	3,584,939
5.- Other production-related income		
c) other	-	108,681
Total other production-related income	-	108,681
<b>TOTAL PRODUCTION VALUE</b>	<b>42,303</b>	<b>3,693,620</b>
Use of the Provision for liquidation charges and costs, for the revenues already booked to the Provision	-	(2,915,000)
<b>Balance between production value and use of the Provision</b>	<b>42,303</b>	<b>778,620</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	-	(5,913)
7. Services	(280,273)	(1,954,591)
8.- Use of third-party assets	(7,500)	(1,916,880)
9. Personnel		
a) wages and salaries	(66,032)	(1,453,450)
b) social security contributions	(5,051)	(129,074)
e) other costs	-	(746,540)
Total personnel costs	(71,083)	(2,329,064)
10.- Amortisation, depreciation and writedowns		
d) writedowns of current receivables, cash and cash equivalents	-	(13,048)
Total amortisation, depreciation and writedowns	-	(13,048)
12.- Provisions for risks	-	(42,373)
14.- Other operating costs		
c) other	-	(250,923)
Total other operating costs	-	(250,923)
<b>TOTAL PRODUCTION COSTS</b>	<b>(358,856)</b>	<b>(6,512,792)</b>
Use of the Provision for liquidation charges and costs	316,553	6,089,415
<b>Balance between production value and use of the Provision</b>	<b>(42,303)</b>	<b>(423,377)</b>
<b>Difference between production values and costs</b>	<b>-</b>	<b>355,243</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from holding companies	-	237
. interest and commissions from others and miscellaneous income	-	243
Total financial income other than the above	-	480
Total other financial income	-	480
17.- Interest and other financial expenses		
d) interest and commissions payable to others and miscellaneous charges	-	(2,715)
Total interest and other financial expenses	-	(2,715)
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>-</b>	<b>(2,235)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>-</b>	<b>-</b>
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income		
b) contingent assets and reversal of non-existent liabilities	1,501,822	-
Total income	1,501,822	-
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>1,501,822</b>	<b>-</b>
<b>Result before taxes</b>	<b>1,501,822</b>	<b>353,008</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(10,943)	-
<b>23.- Profit (loss) for the year</b>	<b>1,490,879</b>	<b>353,008</b>

## Rai Corporation Canada - Italian Radio TV System in liquidation

<b>Company name:</b>	Rai Corporation Canada – Italian Radio TV System in liquidation
<b>Date of incorporation:</b>	18 February 1987
<b>Object:</b>	The company is wholly owned by Rai Corporation and its objects are the distribution in Canada of the programmes produced by Rai for foreign viewing; it performs representation functions for Rai Corporation and assists this company in the production of radio and TV programmes in Canada.
<b>Shares capital:</b>	1,394 Canadian dollars 1,000 shares of par value 1.394 Canadian dollars each Rai Corporation in liquidation 100%
<b>Employees:</b>	none
<b>Sole Director</b>	Alessandro Pagano
<b>Liquidator</b>	Luigi Bergomi

The financial statements presented below are drawn up in accordance with Italian GAAP.

Financial statements of subsidiaries

**Rai Corporation Canada****Balance Sheet - Assets**

(in Canadian dollars)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	1,394	1,394
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS	-	-
II. TANGIBLE ASSETS	-	-
III. FINANCIAL ASSETS	-	-
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	-	-
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
D) ACCRUED INCOME AND PREPAID EXPENSES	-	-
<b>TOTAL ASSETS</b>	<b>1,394</b>	<b>1,394</b>

**Rai Corporation Canada****Balance Sheet - Liabilities**

(in Canadian dollars)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. Share capital	1,394	1,394
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,394</b>	<b>1,394</b>
B) PROVISIONS FOR RISKS AND CHARGES	-	-
C) PROVISION FOR STAFF SEVERANCE PAY	-	-
D) PAYABLES	-	-
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>1,394</b>	<b>1,394</b>

Financial statements of subsidiaries

***Rai Corporation Canada******Income Statement***

(in Canadian dollars)	Year 2013	Year 2012
A) PRODUCTION VALUE	-	
B) PRODUCTION COSTS	-	-
C) FINANCIAL INCOME AND EXPENSES	-	-
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-
E) EXCEPTIONAL INCOME AND EXPENSE	-	-
22.- Current income taxes for the year, and deferred tax assets and liabilities	-	-
<b>23.- Profit (loss) for the year</b>	-	-



## RaiNet SpA

Company name	RaiNet SpA	
Date of incorporation:	23 June 1999	
Object:	The company's object is 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:	5,160,000 euros 1,000,000 shares of par value 5.16 euros each Rai 100%	
Employees:	43 on permanent contracts 17 on fixed-term contracts	
<b>Board of Directors</b>	(until 23 March 2013)	(from 23 April 2013)
Chairman:	Giuseppe Biassoni	Carmen Lasorella
Managing Director:	Pietro Gaffuri	
Directors:	Fabio Belli Luca Balestrieri Marcello Giuseppe Ciannamea	
Board Secretary	Felice Ventura	
<b>Board of Statutory Auditors</b>		
Chairman:	Carlo Cesare Gatto	
Standing Statutory Auditors:	Giampiero Riccardi Angela Salvini	
Alternate Statutory Auditors:	Francesco Mariani Maria Eugenia Palombo	

Financial statements of subsidiaries

**RaiNet SpA****Balance Sheet - Assets**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	156,304	144,631
6.- Intangible assets under development and payments on account	28,373	151,623
7.- Others	271,929	146,609
<b>TOTAL INTANGIBLE ASSETS</b>	<b>456,606</b>	<b>442,863</b>
II. TANGIBLE ASSETS		
2.- Plant and machinery	45,824	47,318
3.- Industrial and sales equipment	2,663	365
4.- Other assets	767,225	890,562
5.- Tangible assets under construction and payments on account	-	17,212
<b>TOTAL TANGIBLE ASSETS</b>	<b>815,712</b>	<b>955,457</b>
III. FINANCIAL ASSETS	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,272,318</b>	<b>1,398,320</b>
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES		
1.- From customers	1,801,649	1,506,855
4.- From parent companies	18,152,688	16,468,357
4.bis- Tax receivables	20,412	107
5.- Other	114,110	103,875
<b>TOTAL RECEIVABLES</b>	<b>20,088,859</b>	<b>18,079,194</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>20,088,859</b>	<b>18,079,194</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	298,521	135,258
<b>TOTAL ASSETS</b>	<b>21,659,698</b>	<b>19,612,772</b>

**RaiNet SpA****Balance Sheet - Liabilities**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. Share capital	5,160,000	5,160,000
IV. Legal reserve	542,890	452,647
VII. Other reserves	1,391,242	1,391,244
VIII. Profit (losses) brought forward	4,962,245	3,247,623
IX. Profit (loss) for the year	984,058	1,804,865
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>13,040,435</b>	<b>12,056,379</b>
B) PROVISIONS FOR RISKS AND CHARGES		
3.-other	429,252	1,011,629
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>429,252</b>	<b>1,011,629</b>
C) PROVISION FOR STAFF SEVERANCE PAY	378,657	452,234
D) PAYABLES		
7.- Suppliers	2,427,820	2,237,791
11.- Parent companies	4,960,210	3,397,259
12.- Tax payables	121,446	126,655
13.- Welfare and social security institutions	158,370	158,901
14.- Other payables	139,508	125,674
<b>TOTAL PAYABLES</b>	<b>7,807,354</b>	<b>6,046,280</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	4,000	46,250
<b>TOTAL LIABILITIES</b>	<b>21,659,698</b>	<b>19,612,772</b>

**RaiNet SpA****Memorandum Accounts**

(in euros)	<b>12.31.2013</b>	12.31.2012
4.- Other	1,120,078	668,020
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>1,120,078</b>	<b>668,020</b>

## Financial statements of subsidiaries

**RaiNet SpA****Income Statement**

(in euros)	Year 2013	Year 2012
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	14,390,814	14,081,543
5.- Other production-related income		
c) other	551,658	462,178
Total other production-related income	551,658	462,178
<b>TOTAL PRODUCTION VALUE</b>	<b>14,942,472</b>	<b>14,543,721</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(18,697)	(38,196)
7.- Services	(8,948,079)	(7,480,445)
8.- Use of third-party assets	(268,178)	(219,805)
9.- Personnel		
a) wages and salaries	(2,756,813)	(2,969,345)
b) social security contributions	(796,577)	(841,900)
c) staff severance pay	(190,906)	(210,189)
d) pension and similar costs	(57,455)	(58,871)
e) other costs	(20,262)	(20,561)
Total personnel costs	(3,822,013)	(4,100,866)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(305,304)	(236,067)
b) depreciation of tangible assets	(387,462)	(428,697)
Total amortisation, depreciation and writedowns	(692,766)	(664,764)
14.- Other operating costs		
c) other	(89,082)	(85,950)
Total other operating costs	(89,082)	(85,950)
<b>TOTAL PRODUCTION COSTS</b>	<b>(13,838,815)</b>	<b>(12,590,026)</b>
<b>Difference between production values and costs</b>	<b>1,103,657</b>	<b>1,953,695</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16.- Other financial income		
d) financial income other than the above		
. interest and commissions from holding companies	116,252	85,498
Total financial income other than the above	116,252	85,498
Total other financial income	116,252	85,498
17.- Interest and other financial expenses		
d) interest and commissions payable to others and miscellaneous charges	(510)	(628)
Total interest and other financial expenses	(510)	(628)
17bis.- Foreign exchange gains and losses	(1,472)	(219)
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>114,270</b>	<b>84,651</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income		
b) contingent assets and reversal of non-existent liabilities	1,131	16,519
Total income	1,131	16,519
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>1,131</b>	<b>16,519</b>
<b>Result before taxes</b>	<b>1,219,058</b>	<b>2,054,865</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(235,000)	(250,000)
<b>23.- Profit (loss) for the year</b>	<b>984,058</b>	<b>1,804,865</b>

## Rai Pubblicità SpA

<b>Company name:</b>	Rai Pubblicità SpA (until 27 May 2013: Sipra SpA)	
<b>Date of incorporation:</b>	09 April 1926	
<b>Object:</b>	<p>The Company object is:</p> <ul style="list-style-type: none"> <li>- the acquisition, on the domestic and international markets, of advertising, sponsorships, commercial and social communications and every other form and kind of advertising, destined for radio and television broadcasting, whichever medium will be used in the present and in the future (airwaves, satellite, cable, free and/or pay channels/stations etc.);</li> <li>- the acquisition of advertising in the forms indicated above, destined for any other communication medium, present and future, such as the press, audio and video cassettes, posters, cinema, billboards, the Internet etc.</li> </ul>	
<b>Share capital:</b>	10,000,000 euros 100,000 shares of par value 100 euros each Rai 100%	
<b>Employees:</b>	390 on permanent contracts 3 on fixed-term contracts	
<b>Board of Directors</b>		
	(until 8 November 2013)	(from 8 November 2013)
<b>Chairman:</b>	Luigi Gubitosi	Lorenza Lei
<b>Managing Director:</b>	(until 8 November 2013)	(from 8 November 2013)
	Lorenza Lei	Fabrizio Salvatore Piscopo
<b>Directors:</b>	Giancarlo Leone Angelo Teodoli Andrea Vianello	
<b>Board Secretary:</b>	Laura Paschetto	
<b>General Manager</b>	(until 8 November 2013)	(from 8 November 2013)
	Fabrizio Salvatore Piscopo	Luciano Flussi
<b>Acting Deputy General Manager</b>	(until 8 November 2013)	
	Nicola Sinisi	
<b>Board of Statutory Auditors</b>	(until 30 April 2013)	(from 30 April 2013)
<b>Chairman:</b>	Carlo Maccallini	Flora De Filippis
<b>Standing Statutory Auditors:</b>	Antonino Parisi Marco Tani	Carlo Cesare Gatto Cesare Augusto Giannoni
<b>Alternate Statutory Auditors:</b>	Luigi Lausi Eugenio Quaglia	Bernardo Bertoldi Carmela Ermocida

Financial statements of subsidiaries

**Rai Pubblicità SpA****Balance Sheet - Assets**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
6.- Intangible assets under development and payments on account	39,400	-
7.- Others	1,135,213	1,381,390
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,174,613</b>	<b>1,381,390</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	21,791,330	23,030,565
2.- Plant and machinery	527,253	633,568
4.- Other assets	1,230,249	1,596,493
<b>TOTAL TANGIBLE ASSETS</b>	<b>23,548,832</b>	<b>25,260,626</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	33,733	40,169
Total receivables	33,733	40,169
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>33,733</b>	<b>40,169</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24,757,178</b>	<b>26,682,185</b>
C) CURRENT ASSETS		
I. INVENTORIES		
4.- Finished products and merchandise	19,852	57,477
<b>TOTAL INVENTORIES</b>	<b>19,852</b>	<b>57,477</b>
II. RECEIVABLES		
1.- From customers	217,121,079	228,151,967
4.- From parent companies		
. due within 12 months	50,781,444	14,790,085
. due after 12 months	1,128,104	1,128,104
4.bis- Tax receivables		
. due within 12 months	-	105,645
. due after 12 months	128,621	129,439
4.ter- Deferred tax assets		
. due within 12 months	299,133	583,808
. due after 12 months	511,481	2,499,153
5.- Other		
. due within 12 months	1,695,417	1,605,058
. due after 12 months	3,876,497	3,643,734
<b>TOTAL RECEIVABLES</b>	<b>275,541,776</b>	<b>252,636,993</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	111,066	87,903
3.- Cash and cash equivalents on hand	25,876	38,360
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>136,942</b>	<b>126,263</b>
<b>TOTAL CURRENT ASSETS</b>	<b>275,698,570</b>	<b>252,820,733</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	594,239	657,682
<b>TOTAL ASSETS</b>	<b>301,049,987</b>	<b>280,160,600</b>

**Rai Pubblicità SpA****Balance Sheet - Liabilities**

(in euros)	12.31.2013	12.31.2012
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	12,616,473	12,616,473
VIII. Profits (losses) brought forward	6,249,722	6,161,708
IX. Profit (loss) for the year	8,013,767	88,014
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>39,993,832</b>	<b>31,980,065</b>
B) PROVISIONS FOR RISKS AND CHARGES		
2.- current and deferred taxes	2,718,349	1,750,356
3.- other	9,529,580	14,127,486
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>12,247,929</b>	<b>15,877,842</b>
C) PROVISION FOR STAFF SEVERANCE PAY	5,283,564	6,546,772
D) PAYABLES		
6.- Advances	819,752	639,330
7.- Suppliers	18,270,318	11,033,786
11.- Parent companies	216,600,980	206,443,422
12.- Tax payables	2,045,847	957,328
13.- Welfare and social security institutions	2,096,691	2,247,785
14.- Other payables	3,200,783	3,943,984
<b>TOTAL PAYABLES</b>	<b>243,034,371</b>	<b>225,265,635</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	490,291	490,286
<b>TOTAL LIABILITIES</b>	<b>301,049,987</b>	<b>280,160,600</b>

**Rai Pubblicità SpA****Memorandum Accounts**

(in euros)	12.31.2013	12.31.2012
3.- Purchase and sale commitments	275,369	963,757
4.- Other	85,194,581	37,524,787
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>85,469,950</b>	<b>38,488,544</b>

## Financial statements of subsidiaries

**Rai Pubblicità SpA****Income Statement**

(in euros)	Year 2013	Year 2012
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	683,109,406	746,623,877
5.- Other production-related income		
a) operating grants	18,847	18,557
b) gains on disposal of assets	15,190	-
c) others	7,216,856	6,373,450
Total other production-related income	7,250,893	6,392,007
<b>TOTAL PRODUCTION VALUE</b>	<b>690,360,299</b>	<b>753,015,884</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(508,374)	(1,289,819)
7.- Services	(636,536,929)	(708,212,095)
8.- Use of third-party assets	(3,797,616)	(4,093,877)
9.- Personnel		
a) wages and salaries	(19,202,248)	(19,881,381)
b) social security contributions	(6,486,637)	(6,573,607)
c) staff severance pay	(1,533,405)	(2,184,633)
e) other costs	(527,342)	(516,489)
Total personnel costs	(27,749,632)	(29,156,110)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(1,269,588)	(1,395,373)
b) depreciation of tangible assets	(2,028,758)	(3,356,701)
Total amortisation, depreciation and writedowns	(3,298,346)	(4,752,074)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(37,625)	(208,857)
12.- Provisions for risks	-	(44,000)
13.- Other provisions	(120,161)	(102,584)
14.- Other operating costs		
a) capital losses on disposals	(127)	(9,135)
c) other	(1,377,645)	(1,857,726)
Total other operating costs	(1,377,772)	(1,866,861)
<b>TOTAL PRODUCTION COSTS</b>	<b>(673,426,455)</b>	<b>(749,726,277)</b>
<b>Difference between production values and costs</b>	<b>16,933,844</b>	<b>3,289,607</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16.- Other financial income		
a) from non-current receivables		
. other	12	242
Total incomece from non-current receivables	12	242
d) financial income other than the above		
. interest and commissions from holding companies	566,198	640,985
. interest and commissions from others and miscellaneous income	254,098	344,674
Total financial income other than the above	820,296	985,659
Total other financial income	820,308	985,901
17.- Interest and other financial expenses		
c) interest and commissions payable to parent companies	(10,344)	(25,469)
d) interest and commissions payable to others and miscellaneous charges	(371,071)	(365,900)
Total interest and other financial expenses	(381,415)	(391,369)
17bis.- Foreign exchange gains and losses	-	(2)
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>438,893</b>	<b>594,530</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>-</b>	<b>-</b>
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income		
b) contingent asset and reversal of non-existent liabilities	91,756	1,157,932
Total income	91,756	1,157,932
21.- Expense		
b) prior year's taxes	(1,069,250)	(18,380)
c) contingent liabilities and reversal of non-existent assets	-	(12,965)
e) other	(1,860,386)	(3,878,000)
Total expense	(2,929,636)	(3,909,345)
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>(2,837,880)</b>	<b>(2,751,413)</b>
<b>Result before taxes</b>	<b>14,534,857</b>	<b>1,132,724</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(6,521,090)	(1,044,710)
<b>23.- Profit (loss) for the year</b>	<b>8,013,767</b>	<b>88,014</b>



## Rai Way SpA

Company name:	Rai Way SpA
Date of incorporation:	29 July 1999
Object:	<p>The company's object is 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 dissemination, 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 and of telecommunications services of any kind.</p> <p>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 optical fibre transmission services.</p>
Share capital:	<p>70,176,000 euros  13,600,000 shares of par value 5.16 euros each  Rai 100%</p>
Employees:	<p>601 on permanent contracts  27 on fixed-term contracts</p>
<b>Board of Directors</b>	
Chairman:	Roberto Sergio
Managing Director:	Stefano Ciccotti
Directors:	<p>Luca Balestrieri  Luigi Rocchi</p> <p>(until 31 January 2014) (from 31 January 2014)</p> <p>Luigi Gubitosi Camillo Rossotto</p>
Board Secretary:	Corrado Bontempi
<b>General Manager</b>	Aldo Mancino
<b>Board of Statutory Auditors</b>	
Chairman:	Maria Giovanna Basile
Standing Statutory Auditors:	Giovanni Galoppi Agostino Malsegna
Alternate Statutory Auditors:	Roberto Munno Fernando Sbarbati

Financial statements of subsidiaries

**Rai Way SpA****Balance Sheet - Assets**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	226,439	252,271
6.- Intangible assets under development and payments on account	195,611	296,022
7.- Others	328,934	170,917
<b>TOTAL INTANGIBLE ASSETS</b>	<b>750,984</b>	<b>719,210</b>
II. TANGIBLE ASSETS		
1.- Land and buildings	40,196,304	43,356,507
2.- Plant and machinery	207,176,770	228,928,512
3.- Industrial and sales equipment	4,588,259	4,541,956
4.- Other assets	214,279	245,835
5.- Tangible assets under construction and payments on account	20,015,704	33,840,004
<b>TOTAL TANGIBLE ASSETS</b>	<b>272,191,316</b>	<b>310,912,814</b>
III. FINANCIAL ASSETS		
2.- Receivables		
d) from others	201,892	34,253
Total receivables	201,892	34,253
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	<b>201,892</b>	<b>34,253</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>273,144,192</b>	<b>311,666,277</b>
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	670,265	609,835
3.- Contract work in progress	226,068	236,240
<b>TOTAL INVENTORIES</b>	<b>896,333</b>	<b>846,075</b>
II. RECEIVABLES		
1.- From customers	6,336,052	7,421,261
4.- From parent companies		
. due within 12 months	44,093,568	68,447,471
. due after 12 months	2,718,036	2,718,036
4.bis- Tax receivables		
. due within 12 months	6,908	852,560
. due after 12 months	305,212	305,212
4.ter- Deferred tax assets		
. due within 12 months	920,161	3,609,675
. due after 12 months	1,124,058	1,559,017
5.- Other	514,948	763,383
<b>TOTAL RECEIVABLES</b>	<b>56,018,943</b>	<b>85,676,615</b>
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>56,915,276</b>	<b>86,522,690</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	1,261,552	1,106,985
<b>TOTAL ASSETS</b>	<b>331,321,020</b>	<b>399,295,952</b>

**Rai Way SpA****Balance Sheet - Liabilities**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. Share capital	70,176,000	70,176,000
IV. Legal reserve	6,298,612	6,128,612
VII. Other reserves	29,588,716	29,588,718
VIII. Profit (losses) brought forward	19,111,151	15,951,455
IX. Profit (loss) for the year	11,821,482	3,329,696
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>136,995,961</b>	<b>125,174,481</b>
B) PROVISIONS FOR RISKS AND CHARGES		
1.- for pension and similar liabilities	713,168	758,644
2.- current and deferred taxes	824,523	1,516,354
3.- other	18,397,827	24,626,204
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>19,935,518</b>	<b>26,901,202</b>
C) PROVISION FOR STAFF SEVERANCE PAY	18,807,527	21,160,277
D) PAYABLES		
4.- Due to banks		
. due within 12 months	67,186	63,948
. due after 12 months	625,065	692,251
5.- Due to other lenders		
. due within 12 months	75,226	74,852
. due after 12 months	576,335	651,561
7.- Suppliers	34,388,048	43,194,619
11.- Parent companies	109,798,822	172,774,234
12.- Tax payables	2,713,926	2,159,490
13.- Welfare and social security institutions	1,954,760	2,133,720
14.- Other payables	5,084,842	3,951,957
<b>TOTAL PAYABLES</b>	<b>155,284,210</b>	<b>225,696,632</b>
E) ACCRUED EXPENSES AND DEFERRED INCOME	297,804	363,360
<b>TOTAL LIABILITIES</b>	<b>331,321,020</b>	<b>399,295,952</b>

**Rai Way SpA****Memorandum Accounts**

(in euros)	<b>31.12.2013</b>	12.31.2012
4.- Other	61,506,554	56,242,388
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>61,506,554</b>	<b>56,242,388</b>

## Financial statements of subsidiaries

**Rai Way SpA****Income Statement**

(in euros)	Year 2013	Year 2012
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	218,360,701	224,073,178
3.- Changes in contract work in progress	(10,171)	40,109
4.- Internal cost capitalisations	923,764	2,223,854
5.- Other production-related income		
a) operating grants	683,739	181,172
b) gains on disposal of assets	2,306	104
c) other	8,786,398	4,513,145
Total other production-related income	9,472,443	4,694,421
<b>TOTAL PRODUCTION VALUE</b>	<b>228,746,737</b>	<b>231,031,562</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(1,912,173)	(2,235,189)
7.- Services	(44,399,016)	(42,755,729)
8.- Use of third-party assets	(36,730,288)	(40,030,828)
9.- Personnel		
a) wages and salaries	(34,466,271)	(36,191,316)
b) social security contributions	(9,628,514)	(9,965,005)
c) staff severance pay	(2,489,767)	(2,792,658)
d) pension and similar costs	(912,124)	(904,007)
e) other costs	(238,888)	(206,630)
Total personnel costs	(47,735,564)	(50,059,616)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(374,275)	(1,721,179)
b) depreciation of tangible assets	(60,122,951)	(65,669,785)
d) writedowns of current receivables, cash and cash equivalents	(1,300,000)	(223,000)
Total amortisation, depreciation and writedowns	(61,797,226)	(67,613,964)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	60,430	(158,062)
12.- Provisions for risks	(1,557,000)	(4,262,500)
13.- Other provisions	(1,460,000)	(1,232,000)
14.- Other operating costs		
a) capital losses on disposals	(13,824)	(2,440,118)
c) other	(9,290,740)	(7,053,611)
Total other operating costs	(9,304,564)	(9,493,729)
<b>TOTAL PRODUCTION COSTS</b>	<b>(204,835,401)</b>	<b>(217,841,617)</b>
<b>Difference between production values and costs</b>	<b>23,911,336</b>	<b>13,189,945</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16.- Other financial income		
a) from non-current receivables		
. other	1,361	85
Total income from non-current receivables	1,361	85
d) financial income other than the above		
. interest and commissions from others and miscellaneous income	53,279	3,199
Total financial income other than the above	53,279	3,199
Total other financial income	54,640	3,284
17.- Interest and other financial expenses		
c) interest and commissions payable to parent companies	(2,239,956)	(3,371,905)
d) interest and commissions payable to others and miscellaneous charges	(186,316)	(26,781)
Total interest and other financial expenses	(2,426,272)	(3,398,686)
17bis.- Foreign exchange gains and losses	(14,453)	(437,535)
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>(2,386,085)</b>	<b>(3,832,937)</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income		
b) contingent assets and reversal of non-existent liabilities	495,150	2,561,984
c) differences from round off to the nearest euro	1	3
Total income	495,151	2,561,987
21.- Expense		
b) prior years' taxes	(58,774)	-
e) other	(1,007,504)	(2,550,000)
Total expense	(1,066,278)	(2,550,000)
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>(571,127)</b>	<b>11,987</b>
<b>Result before taxes</b>	<b>20,954,124</b>	<b>9,368,995</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(9,132,642)	(6,039,299)
<b>23.- Profit (loss) for the year</b>	<b>11,821,482</b>	<b>3,329,696</b>

## Rai World SpA

Company name:	Rai World SpA	
Date of incorporation:	28 February 2003	
Object:	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:	1,300,000 euros 1,300,000 shares of par value 1.00 euro each Rai 100%	
Employees:	4 on permanent contract 2 on fixed term contracts	
<b>Board of Directors</b>	(until 20 December 2013)	(from 20 December 2013)
Chairman:	Claudio Cappon	Bruno Socillo
Managing Director:	Piero Alessandro Corsini	
Directors:	Costanza Esclapon Antonio Marano	
	(until 13 November 2013)	(from 20 December 2013)
	Fabio Belli	Claudio Cappon
<b>General Manager</b>	(from 20 December 2013)	
	Stefania Cinque	
<b>Board of Statutory Auditors</b>		
Chairman:	Marco Buttarelli	
Standing Statutory Auditors:	Giuseppe Ferrazza Luca Anselmi	
Alternate Statutory Auditors:	Antonio Falsetti Eugenio Quaglia	

Financial statements of subsidiaries

**Rai World SpA****Balance Sheet - Assets**

(in euros)	<b>12.31.2013</b>	12.31.2012
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
Values gross of amortisation and writedowns	395,000	2,839,245
Amortisation, depreciation and writedowns	(384,168)	(2,827,580)
<b>TOTAL INTANGIBLE ASSETS</b>	<b>10,832</b>	<b>11,665</b>
II. TANGIBLE ASSETS		
Values gross of depreciation and write downs	48,471	48,471
Amortisation, depreciation and writedowns	(39,515)	(30,419)
<b>TOTAL TANGIBLE ASSETS</b>	<b>8,956</b>	<b>18,052</b>
III. FINANCIAL ASSETS	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19,788</b>	<b>29,717</b>
C) CURRENT ASSETS		
I. INVENTORIES	-	-
II. RECEIVABLES	15,903,746	10,269,787
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>15,903,746</b>	<b>10,269,787</b>
D) ACCRUED INCOME AND PREPAID EXPENSES	529	1,526
<b>TOTAL ASSETS</b>	<b>15,924,063</b>	<b>10,301,030</b>

**Rai World SpA****Balance Sheet - Liabilities**

(in euros)	12.31.2013	12.31.2012
A) SHAREHOLDERS' EQUITY		
I. Share capital	1,300,000	1,300,000
IV. Legal reserve	132,761	47,031
VII. Other reserves	1,736,185	1,736,187
VIII. Profit (losses) brought forward	2,522,456	893,584
IX. Profit (loss) for the year	1,917,442	1,714,602
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,608,844</b>	<b>5,691,404</b>
B) PROVISIONS FOR RISKS AND CHARGES	1,361,740	1,462,355
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>1,361,740</b>	<b>1,462,355</b>
C) PROVISION FOR STAFF SEVERANCE PAY	33,508	24,490
D) PAYABLES	6,919,971	3,122,781
E) ACCRUED EXPENSES AND DEFERRED INCOME	-	-
<b>TOTAL LIABILITIES</b>	<b>15,924,063</b>	<b>10,301,030</b>

**Rai World SpA****Memorandum Accounts**

(in euros)	12.31.2013	12.31.2012
4.- Other	0	89,516
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>0</b>	<b>89,516</b>

## Financial statements of subsidiaries

**Rai World SpA****Income Statement**

(in euros)	Year 2013	Year 2012
<b>A) PRODUCTION VALUE</b>		
1.- Revenues from sales and services	10,023,760	5,840,000
5.- Other production-related income		
other	54,201	120,987
Total other production-related income	54,201	120,987
<b>TOTAL PRODUCTION VALUE</b>	<b>10,077,961</b>	<b>5,960,987</b>
<b>B) PRODUCTION COSTS</b>		
6.- Raw materials, supplies, consumables and merchandise	(13,925)	(3,960)
7.- Services	(6,862,174)	(3,200,433)
8.- Use of third-party assets	(63,289)	(27,546)
9.- Personnel		
a) wages and salaries	(129,893)	(101,347)
b) social security contributions	(38,731)	(28,556)
c) d) e) staff severance pay, pension and similar costs, other costs	(13,412)	(7,187)
Total personnel costs	(182,036)	(137,090)
10.- Amortisation, depreciation and writedowns		
a) b) c) amortisation of intangible assets, depreciation of tangible assets and other writedowns of non-current assets	(9,929)	(16,530)
Total amortisation, depreciation and writedowns	(9,929)	(16,530)
13.- Other provisions	-	(39,155)
14.- Other operating costs	(126,641)	(74,807)
<b>TOTAL PRODUCTION COSTS</b>	<b>(7,257,994)</b>	<b>(3,499,521)</b>
<b>Difference between production values and costs</b>	<b>2,819,967</b>	<b>2,461,466</b>
<b>C) FINANCIAL INCOME AND EXPENSES</b>		
16.- Other financial income		
d) financial income other than the above		
. from holding companies	84,411	60,951
Total financial income other than the above	84,411	60,951
Total other financial income	84,411	60,951
17.- Interest and other financial expenses		
. other	(60)	(20)
Total interest and other financial expenses	(60)	(20)
17bis.- Foreign exchange gains and losses	724	1
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>85,075</b>	<b>60,932</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</b>	-	-
<b>E) EXCEPTIONAL INCOME AND EXPENSE</b>		
20.- Income	17,400	22,369
21.- Expense	-	(15,165)
<b>TOTAL EXCEPTIONAL INCOME AND EXPENSE</b>	<b>17,400</b>	<b>7,204</b>
<b>Result before taxes</b>	<b>2,922,442</b>	<b>2,529,602</b>
22.- Current income taxes for the year, and deferred tax assets and liabilities	(1,005,000)	(815,000)
<b>23.- Profit (loss) for the year</b>	<b>1,917,442</b>	<b>1,714,602</b>



# Financial Statements of associated companies

## Audiradio Srl in liquidation

Date of incorporation:	22 March 1996
Object:	The objective and impartial measurement with the most appropriate, modern methodologies and the systematic dissemination of Italian radio audience data at national, regional and local levels for advertising purposes.
Share Capital:	258,000 euros
Held by:	Rai 27%; minorities 73%

## Auditel Srl

Date of incorporation:	03 July 1984
Object:	The objective and impartial measurement with the most appropriate, modern methodologies and the systematic dissemination of Italian television audience data at national, regional and local levels for advertising purposes.
Share Capital:	300,000 euros
Held by:	Rai 33%; minorities 67%

## Euronews - Société Anonyme

Date of incorporation:	30 June 1992
Object:	Multilingual satellite news broadcasting.
Share Capital:	4,032,840 euros 268,856 shares of par value 15.00 euros each
Held by:	Rai 20.56%; minorities 79.44%

## San Marino RTV SpA

<b>Date of incorporation:</b>	08 August 1991
<b>Object:</b>	The company operates the concession for radio and television broadcasting in the Republic of San Marino. More specifically, it engages in the installation and operation of radio and television broadcasting equipment; the exclusive operation of radio broadcasting in the Republic of San Marino, which is a public interest service; the production and sale of radio and television programmes, the organisation of shows, sports events and cultural events, including in cooperation with the government, other agencies and companies operating in these sectors; any other activity considered useful to ensuring the cost efficiency of the radio and television broadcaster, provided that such activity is connected or instrumental to the business.
<b>Share Capital:</b>	516,460 euros 1,000 shares of par value 516.46 euros each
<b>Held by:</b>	Rai 50%; ERAS 50%

## Tivù Srl

<b>Date of incorporation:</b>	24 September 2008
<b>Object::</b>	The company engages in the following activities: promotion of the 'Tivù' digital terrestrial platform; the promotion of the free digital terrestrial platform 'Tivù Sat'; 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 the digital terrestrial platform and the complementary satellite platform.
<b>Share Capital::</b>	1,001,886 euros
<b>Held by:</b>	Rai 48.16%; R.T.I. 48.16%; TI Media 3.5%; minorities 0.18%

Financial statements of associated companies

## Summary figures of the 2013 financial statements of associated companies

### Balance Sheet - Assets as at 12.31.2013

(in euros)	AUDIRADIO (*) in liquidation	AUDITEL	EURONEWS	SAN MARINO RTV	TIVÙ
SUBSCRIBED CAPITAL UNPAID	-	-	-	-	-
<b>NON-CURRENT ASSETS</b>					
Intangible assets	-	9,539	2,782,335	271,908	169,054
Tangible assets	-	38,881	7,932,250	162,744	180,682
Financial assets	1,307	31,417	2,045,644	3,649	1,000,000
<b>CURRENT ASSETS</b>					
Inventories	-	-	137,196	4,170	267,352
Receivables	87,293	4,834,166	45,571,479	4,451,739	2,571,302
Current financial assets	-	-	6,213,742	245,000	-
Cash and cash equivalents	495,782	5,485,365	33,460,704	917,813	3,293,687
ACCRUED INCOME AND PREPAID EXPENSES	7,610	52,137	1,107,529	66,416	245,697
<b>TOTAL ASSETS</b>	<b>591,992</b>	<b>10,451,505</b>	<b>99,250,879</b>	<b>6,123,439</b>	<b>7,727,774</b>

(\*) last figure available for 2012

### Balance Sheet - Liabilities as at 12.31.2013

(in euros)	AUDIRADIO (*) in liquidation	AUDITEL	EURONEWS	SAN MARINO RTV	TIVÙ
<b>SHAREHOLDERS' EQUITY</b>					
Share capital, reserves and shareholder contributions to capital	(126,125)	1,106,671	23,093,087	4,727,169	3,820,768
Profit (Loss) for the year	(2,234)	449,256	1,129,070	(298,265)	1,325,696
PROVISIONS FOR RISKS AND CHARGES	436,288	1,834,598	11,113,213	-	207,000
PROVISION FOR STAFF SEVERANCE PAY	48,077	751,818	-	186,773	23,007
PAYABLES	235,986	6,283,371	62,365,622	1,498,762	2,343,523
ACCRUED EXPENSES AND DEFERRED INCOME	-	25,791	1,549,887	9,000	7,780
<b>TOTAL LIABILITIES</b>	<b>591,992</b>	<b>10,451,505</b>	<b>99,250,879</b>	<b>6,123,439</b>	<b>7,727,774</b>
Memorandum Accounts	-	43,669,286	-	3,616,277	23,579

(\*) last figure available for 2012

**Year 2013 Income Statement**

(in euros)	AUDIRADIO (*) in liquidation	AUDITEL	EURONEWS	SAN MARINO RTV	TIVÙ
PRODUCTION VALUE	339,357	19,265,739	78,179,780	5,219,730	8,955,128
PRODUCTION COSTS	(305,855)	(18,642,894)	(77,680,952)	(5,558,152)	(7,019,733)
FINANCIAL INCOME AND EXPENSES	9,590	92,437	116,565	18,017	65,962
VALUE ADJUSTMENTS TO FINANCIAL ASSETS	-	-	-	-	-
EXCEPTIONAL INCOME AND EXPENSE	(45,326)	(1)	443,166	22,140	5,702
Income taxes for the year	-	(266,025)	70,511	-	(681,363)
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>(2,234)</b>	<b>449,256</b>	<b>1,129,070</b>	<b>(298,265)</b>	<b>1,325,696</b>

(\*) last figure available for 2012

## Corporate directory

### Management headquarters

Viale Mazzini, 14  
00195 Roma

t. +39 06 38781

[www.rai.it](http://www.rai.it)

Via Cernaia, 33  
10121 Torino

### Rai's branches

#### Research

Corso Giambone, 68  
10135 Torino

#### TV production

Largo Willi De Luca, 4  
00195 Torino

#### TV production

Via Verdi, 16  
10124 Torino

#### Radio production

Via Asiago, 10  
00195 Roma

#### TV production

Corso Sempione, 27  
20145 Milano

#### TV production

Via Marconi, 9  
80125 Napoli

### Subsidiaries

#### Rai Cinema SpA

Piazza Adriana, 12  
00193 Roma

t. +39 06 684701

[www.raicinema.it](http://www.raicinema.it)

#### Rai Corporation

c/o GC Consultants  
444 Madison Avenue - Suite 1206  
New York - NY 10022

#### RaiNet SpA

Via Teulada, 66  
00195 Roma

t. +39 06 36861

[rai-net@rai.it](mailto:rai-net@rai.it)

#### Rai Pubblicità SpA

Corso Bernardino Telesio, 25  
10146 Torino

t. +39 011 7441111

[www.raipubblicità.it](http://www.raipubblicità.it)

#### Rai Way SpA

Via Teulada, 66  
00195 Roma

t. 800 111 555

[www.raiway.it](http://www.raiway.it)

#### Rai World SpA

Viale Mazzini, 14  
00195 Roma

t. +39 06 36869584

[www.raeworld.it](http://www.raeworld.it)



## Local offices

### Abruzzo

Via de Amicis, 27  
65126 Pescara

### Marche

Scalo Vittorio Emanuele, 1  
60121 Ancona

### Provincia autonoma di Bolzano

Piazza Mazzini, 23  
39100 Bolzano

### Basilicata

Via dell'Edilizia, 2  
85100 Potenza

### Molise

Contrada Corte delle Api snc  
86100 Campobasso

### Provincia autonoma di Trento

Via f.lli Perini, 141  
38122 Trento

### Calabria

Via G. Marconi snc  
87100 Cosenza

### Puglia

Via Dalmazia, 104  
70121 Bari

### Umbria

Via Luigi Masi, 2  
06212 Perugia

### Emilia Romagna

Viale della Fiera, 13  
40127 Bologna

### Sardegna

Via Barone Rossi, 27  
09125 Cagliari

### Valle d'Aosta

Loc. Grande Charriere, 70  
11020 Saint Christophe (AO)

### Friuli Venezia Giulia

Via Fabio Severo, 7  
34133 Trieste

### Toscana

Largo Alcide De Gasperi, 1  
50136 Firenze

### Veneto

Palazzo Labia - Campo San Geremia  
Cannaregio, 275  
30121 Venezia

### Liguria

Corso Europa, 125  
16132 Genova

### Sicilia

Viale Strasburgo, 19  
90146 Palermo

## Rai - Radiotelevisione Italiana SpA

### Parent Company

Company name: Rai - Radiotelevisione italiana SpA  
Share capital: Euro 242.518.000,00 int. vers.  
Registered office: Viale Giuseppe Mazzini, 14  
00195 - Roma

Produced by: Direzione Finanza e Pianificazione

Consulting and editing: Ergon Comunicazione  
Graphic design: AchilliGhizzardiAssociati









2013. *A year with Rai.*