Financials Rai 2014

Consolidated Financials as at 31 December 2014

as approved by Rai's Board of Directors

Consolidated Financial Statements of the Rai Group

Consolidated Balance Sheet and Income Statement
(Statutory form)

Consolidated Balance Sheet - Assets

(millions of Euro)	**12.31.2014**	12.31.2013
A) SUBSCRIBED CAPITAL UNPAID	-	-
B) NON-CURRENT ASSETS		
I. INTANGIBLE ASSETS		
3.- Industrial patents and intellectual property rights	570.1	547.9
4.- Concessions, licences, trademarks and similar rights	4.5	7.9
6.- Intangible assets under development and payments on account	277.7	293.9
7.- Others	11.8	12.4
TOTAL INTANGIBLE ASSETS	864.1	862.1
II. TANGIBLE ASSETS		
1.- Land and buildings	206.3	213.9
2.- Systems and machinery	319.1	319.8
3.- Industrial and commercial equipment	7.2	8.3
4.- Other assets	28.3	28.7
5.- Tangible assets under construction and payments on account	57.4	80.0
TOTAL TANGIBLE ASSETS	618.3	650.7
III. FINANCIAL ASSETS		
1.- Equity investments in		
a) non consolidated subsidiaries	3.3	2.9
b) associated companies	8.4	10.2
d) other companies	0.8	0.7
	12.5	13.8
2.- Receivables		
d) other		
. amounts due within 12 months	0.2	0.2
. amounts due after 12 months	2.3	2.2
	2.5	2.4
3.- Other securities	2.3	2.4
TOTAL NON-CURRENT FINANCIAL ASSETS	17.3	18.6
TOTAL NON-CURRENT ASSETS	**1,499.7**	**1,531.4**

follows

Consolidated Balance Sheet - Assets

(millions of Euro)	12.31.2014	12.31.2013
C) CURRENT ASSETS		
I. INVENTORIES		
1.- Raw materials, supplies and consumables	1.0	1.2
3.- Contract work in progress	0.2	0.2
4.- Finished products and merchandise	1.4	1.4
TOTAL INVENTORIES	2.6	2.8
II. RECEIVABLES		
1.- customers		
. due within 12 months	479.6	486.5
. due after 12 months	5.9	3.0
3.- associated companies	0.4	0.3
4.bis - tax receivables		
. due within 12 months	78.0	43.0
. due after 12 months	17.2	17.3
4.ter - deferred tax assets	54.9	40.9
5.- other		
. due within 12 months	70.5	109.4
. due after 12 months	59.8	37.2
TOTAL RECEIVABLES	766.3	737.6
III. CURRENT FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1.- Bank and post office deposits	128.3	6.7
3.- Cash and cash equivalents on hand	0.3	0.4
TOTAL CASH AND CASH EQUIVALENTS	128.6	7.1
TOTAL CURRENT ASSETS	897.5	747.5
D) ACCRUED INCOME AND PREPAID EXPENSES	29.7	28.5
TOTAL ASSETS	**2,426.9**	**2,307.4**

Consolidated Balance Sheet - Liabilities

(millions of Euro)	**12.31.2014**	12.31.2013
A) SHAREHOLDERS' EQUITY		
I. PARENT COMPANY EQUITY		
I. Share Capital	242.5	242.5
IV. Legal reserve	9.2	9.0
VII. Other reserves	44.5	39.4
IX. Group profit (loss) for the year	47.3	5.3
TOTAL GROUP SHAREHOLDERS' EQUITY	343.5	296.2
II. THIRD-PARTY EQUITY		
Third-party capital and reserves	44.0	-
Profit (loss) for the year pertaining to minority interests	10.6	-
TOTAL THIRD-PARTY EQUITY	54.6	-
TOTAL SHAREHOLDERS' EQUITY	398.1	296.2
B) PROVISIONS FOR RISKS AND CHARGES		
1.- for pension and similar liabilities	143.7	145.9
2.- current and deferred taxes	5.8	6.2
3.- other	226.6	211.2
TOTAL PROVISIONS FOR RISKS AND CHARGES	376.1	363.3
C) PROVISION FOR STAFF SEVERANCE PAY	275.6	283.9
D) PAYABLES		
4.- Due to banks		
. due within 12 months	109.4	245.6
. due after 12 months	327.2	198.1
5.- Due to other landers		
. due within 12 months	2.8	0.1
. due after 12 months	0.5	0.6
6.- Advances	37.2	7.5
7.- Suppliers	660.9	660.4
9.- Non consolidated subsidiaries	3.5	3.1
10.- Associated companies	4.0	4.1
12.- Tax payables	72.8	69.1
13.- Welfare and social security institutions	80.4	79.8
14.- Other payables	57.2	65.4
TOTAL PAYABLES	1,355.9	1,333.8
E) ACCRUED EXPENSES AND DEFERRED INCOME	21.2	30.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,426.9**	**2,307.4**

Consolidated Memorandum Accounts

(millions of Euro)	**12.31.2014**	12.31.2013
1.- Unsecured guarantees granted		
a) Sureties:		
- for associated companies	2.6	2.6
- for others	37.0	45.2
Total unsecured guarantees granted	39.6	47.8
2.- Secured guarantees granted		
b) for own commitments other than payables	2.3	2.3
Total secured guarantees granted	2.3	2.3
3.- Purchase and sale commitments	0.2	0.3
4.- Other memorandum accounts	342.0	486.9
	384.1	**537.3**

Consolidated Income Statement

(millions of Euro)	12.31.2014	31.12.2013
A) PRODUCTION VALUE		
1.- Revenues from sales and services	2,474.8	2,673.1
2.- Changes in inventories of work in progress, semifinished and finished products	-	(0.3)
4.- Internal cost capitalisations	21.8	19.1
5.- Other production-related income		
a) operating grants	12.4	11.0
c) miscellaneous	85.8	104.5
	98.2	115.5
TOTAL PRODUCTION VALUE	2,594.8	2,807.4
B) PRODUCTION COSTS		
6.- Raw materials, supplies, consumables and merchandise	(18.6)	(22.2)
7.- Services	(632.5)	(648.2)
8.- Use of third-party assets	(407.4)	(344.9)
9.- Personnel		
a) wages and salaries	(713.8)	(712.2)
b) social security contributions	(202.5)	(201.8)
c) staff severance pay	(47.4)	(48.8)
d) pension and similar costs	(13.7)	(14.0)
e) other costs	(15.5)	(17.9)
	(992.9)	(994.7)
10.- Amortisation, depreciation and writedowns		
a) amortisation of intangible assets	(415.5)	(473.5)
b) depreciation of tangible assets	(116.7)	(119.4)
c) other non-current asset writedowns	(25.3)	(27.9)
d) writedowns of current receivables, cash and cash equivalents	(4.7)	(8.7)
	(562.2)	(629.5)
11.- Changes in inventories of raw materials, supplies, consumables and merchandise	(0.2)	(0.1)
12.- Provisions for risks	(14.4)	(9.6)
13.- Other provisions	(27.2)	(2.0)
14.- Other operating costs		
a) capital losses on disposals	(0.4)	(0.3)
b) concession fee	-	(26.3)
c) other	(67.1)	(63.2)
	(67.5)	(89.8)
TOTAL PRODUCTION COSTS	(2,722.9)	(2,741.0)
Difference between production value and costs	(128.1)	66.4

follows

Consolidated Income Statement

(millions of Euro)	12.31.2014	12.31.2013
C) FINANCIAL INCOME AND EXPENSES		
16.- Other financial income.		
b) from non-current securities other than equity investments	0.1	0.1
d) financial income other than the above		
. interest and commissions from others and miscellaneous income	2.1	1.3
	2.2	1.4
17.- Interest and other financial expenses		
d) interest and commissions payable to others and miscellaneous charges	(19.8)	(15.6)
	(19.8)	(15.6)
17 bis.- Foreign exchange gains and losses - net	1.4	(0.7)
TOTAL FINANCIAL INCOME AND EXPENSES	(16.2)	(14.9)
D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
18.- Revaluations		
a) of equity investments	1.3	1.9
	1.3	1.9
19.- Writedowns		
a) of equity investments	(2.3)	(0.2)
	(2.3)	(0.2)
TOTAL VALUE ADJUSTMENTS TO FINANCIAL ASSETS	(1.0)	1.7
E) EXCEPTIONAL INCOME AND EXPENSE		
20.- Exceptional income		
a) capital gains relating to operations with significant effects on the structure of the company	236.4	-
e) income relating to prior years	0.7	1.0
	237.1	1.0
21.- Exceptional expense		
a) costs and capital losses relating to operations with significant effects on the structure of the company	(13.3)	(12.0)
g) prior years' taxes	(0.5)	(1.4)
	(13.8)	(13.4)
TOTAL EXCEPTIONAL INCOME AND EXPENSE	223.3	(12.4)
Result before taxes	78.0	40.8
22.- Current income taxes for the year, and deferred tax assets and liabilities	(20.1)	(35.5)
23.- Profit (loss) for the year	57.9	5.3
of which:		
- pertaining to the Parent Company	47.3	5.3
- pertaining to minority interests	10.6	-

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 2014, the year-end date for all consolidated companies.

The financial statements of consolidated companies are those approved by their relevant corporate bodies – modified as appropriate – to ensure consistency in the adoption of accounting policies.

In order to ensure consistency between the figures in the consolidated financial statements at 31 December 2014 and comparative figures for the prior year, certain line items have been reclassified.

The consolidated financial statements and the financial statements of the individual consolidated companies have been audited by PricewaterhouseCoopers SpA.

The reconciliation between Rai's separate and consolidated Group results and equity for 2014 and 2013 is presented on page 45.

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 2014):

- *Rai Cinema SpA*; registered office in Rome, Piazza Adriana 12, share capital Euro 200,000,000.40; shareholders: Rai 100%.
- *Rai Com SpA (ex RaiNet)*; registered office in Rome, Via Novaro 18, share capital Euro 10,320,000; shareholders: Rai 100%. As previously noted, following transfer of the "commercial" business from the Parent Company to the company and transfer of the "internet" business from the company to the Parent Company, the company changed both its corporate name and corporate objective.
- *Rai Pubblicità SpA*; registered office in Turin, Via Cavalli 6, 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 65.07353%, others 34.92647%. As previously noted, the Parent Company sold 34.92647% of its shareholding following admission for listing of the Company's shares on the Borsa Italiana (Italian Stock Exchange).

On 29 December 2014, with effect from 1 January 2014, the company Rai World SpA was merged through acquisition into Rai.

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, Viale 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.

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 investment*s 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 as well as the supplementary indemnity and merit indemnity reserves for agents, 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 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 864.1 million, a net increase of Euro 2.0 million with respect to the previous year representing the sum of new investment (Euro 443.9 million), the amortisation charge for the year (Euro 415.5 million), write-downs and eliminations (Euro 25.3 million) and disposals (Euro 1.1 million).

Intangible assets

Schedule 1

(millions of Euro)		12.31.2013 (a)				Changes during the year						12.31.2014			
		Cost	Writedowns	Amortisat.	Book value	Increases and capit.	Disposals (b)	Reclassif.	Writedowns/ Eliminations	Amortisat.		Cost	Writedowns	Amortisat.	Book value
Industrial patents and intellectual property rights:															
programmes	(c)	1,186.5	(34.0)	(610.0)	542.5	298.2	-	148.5	(22.5)	(401.7)	(d)	1,633.2	(31.2)	(1,037.0)	565.0
software	(e)	9.9	-	(4.5)	5.4	4.2	(0.2)	0.4	-	(4.7)		13.9	-	(8.8)	5.1
		1,196.4	**(34.0)**	**(614.5)**	**547.9**	**302.4**	**(0.2)**	**148.9**	**(22.5)**	**(406.4)**		**1,647.1**	**(31.2)**	**(1,045.8)**	**570.1**
Concessions, licences, trademarks and similar rights															
digital terrestrial		40.5	-	(32.7)	7.8	-	-	-	-	(3.4)		40.5	-	(36.1)	4.4
other		0.2	-	(0.1)	0.1	-	-	-	-	-		0.2	-	(0.1)	0.1
		40.7	**-**	**(32.8)**	**7.9**	**-**	**-**	**-**	**-**	**(3.4)**		**40.7**	**-**	**(36.2)**	**4.5**
Intangible assets under development and payments on account:															
programmes	(f)	286.7	-	-	286.7	133.9	(0.9)	(148.5)	(2.8)	-		268.4	-	-	268.4
software		0.6	-	-	0.6	2.7	-	(0.5)	-	-		2.8	-	-	2.8
long-term costs relating to third-party property		0.2	-	-	0.2	0.4	-	(0.1)	-	-		0.5	-	-	0.5
other		6.4	-	-	6.4	0.1	-	(0.5)	-	-		6.0	-	-	6.0
		293.9	**-**	**-**	**293.9**	**137.1**	**(0.9)**	**(149.6)**	**(2.8)**	**-**		**277.7**	**-**	**-**	**277.7**
Other:															
long-term costs relating to third-party property	(g)	41.8	-	(34.6)	7.2	1.0	-	0.1	-	(2.2)		42.9	-	(36.8)	6.1
accessory charges on loans		4.9	-	(1.4)	3.5	1.4	-	-	-	(1.4)		6.3	-	(2.8)	3.5
other	(h)	3.4	-	(1.7)	1.7	2.0	-	0.6	-	(2.1)		5.7	-	(3.5)	2.2
		50.1	**-**	**(37.7)**	**12.4**	**4.4**	**-**	**0.7**	**-**	**(5.7)**		**54.9**	**-**	**(43.1)**	**11.8**
Total		**1,581.1**	**(34.0)**	**(685.0)**	**862.1**	**443.9**	**(1.1)**	**-**	**(25.3)**	**(415.5)**		**2,020.4**	**(31.2)**	**(1,125.1)**	**864.1**

(a) Includes only values which, at 31 December 2013, are not fully amortised except "Other", which includes long-term charges on third-party assets which are fully amortised with leasing agreement in progress.

(b) Of which:	Cost	(1.3)
	Amortisation	0.2
		(1.1)

(c) Programmes, with book values:								
. not fully amortised	1,186.5	(34.0)	(610.0)	542.5	1,204.6	(31.2)	(608.4)	565.0
. fully amortised	552.4	-	(552.4)	-	428.6	-	(428.6)	-
	1,738.9	**(34.0)**	**(1,162.4)**	**542.5**	**1,633.2**	**(31.2)**	**(1,037.0)**	**565.0**

(d) net of the use of the provision for impairment of programmes in the amount of Euro 25.3 millions.

(e) With book values:								
. not fully amortised	9.9	-	(4.5)	5.4	10.6	-	(5.5)	5.1
. fully amortised	3.9	-	(3.9)	-	3.3	-	(3.3)	-
	13.8	**-**	**(8.4)**	**5.4**	**13.9**	**-**	**(8.8)**	**5.1**

(f) Costs for the right to use intellectual property under production at 31.12.14 and not yet transferred by the end of December 2014 to non-current assets under amortisation, refer to rights becoming valid after 31.12.14 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) With book values:								
. not fully amortised	41.8	-	(34.6)	7.2	42.1	-	(36.0)	6.1
. fully amortised	0.1	-	(0.1)	-	0.8	-	(0.8)	-
	41.9	**-**	**(34.7)**	**7.2**	**42.9**	**-**	**(36.8)**	**6.1**

(h) With book values:								
. not fully amortised	3.4	-	(1.7)	1.7	4.6	-	(2.4)	2.2
. fully amortised	1.5	-	(1.5)	-	1.1	-	(1.1)	-
	4.9	**-**	**(3.2)**	**1.7**	**5.7**	**-**	**(3.5)**	**2.2**

As shown in schedule no. 1, intangible assets include the following:

Industrial patents and intellectual property rights amount to Euro 570.1 million and include:
- Euro 565 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 increase of Euro 22.5 million compared to the figure at 31 December 2013. Such increase reflects the net effect of additions totalling Euro 446.7 million (of which Euro 148.5 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 22.5 million and the amortisation charge for the year of Euro 401.7 million;
- Euro 5.1 million relating to software licences, a net decrease of Euro 0.3 million compared to the figure at 31 December 2013. In particular, such decrease reflects the net effect of additions totalling Euro 4.6 million (of which Euro 0.4 million reclassified from intangible assets under development and payments on account for rights that became available during the year), the amortisation charge for the year of Euro 4.7 million and disposals totalling Euro 0.2 million.

With regard to available-for-use television and film products, at 31 December 2014 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 236.0 million (Euro 213.1 million at 31 December 2013);
- rights to third-party television programmes held under fixed-term licences amounting to Euro 360.2 million (Euro 363.4 million at 31 December 2013).

Overall, investment in television programmes in 2014 amounts to Euro 432.1 million, including Euro 133.9 million in television programmes and films which were not yet available-for-use at 31 December 2014 and which are reported under Intangible assets under development and payments on account.

Review of investments at 31 December 2014 by type shows that, during 2014, Euro 269.6 million had been invested in television drama (fiction) programmes (series, miniseries, TV movies, soap operas etc.), Euro 105.3 million in films, Euro 20.7 million in cartoons and comedy programmes, Euro 14.9 million in football libraries, Euro 11.6 million in documentaries, Euro 7.5 million in classical music and theatre and Euro 2.5 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 4.5 million (Euro 7.9 million at 31 December 2013) of which Euro 4.4 million refer to digital network frequencies (Euro 7.8 million at 31 December 2013).

Intangible assets under development and payments on account amount to Euro 277.7 million and include:
- Euro 268.4 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 18.3 million compared to the figure at 31 December 2013. In particular, such reduction reflects the net effect of additions (Euro 133.9 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 148.5 million), eliminations of unmade or unusable programmes (Euro 2.8 million) and disposals (Euro 0.9 million);
- Euro 2.8 million relating to software licences, representing a net increase of Euro 2.2 million compared with the figure at 31 December 2013. In particular, such increase reflects the net effect of additions (Euro 2.7 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 0.4 million) and other intangible assets (Euro 0.1 million) relating to internally developed software;
- Euro 0.5 million relating to alterations and improvements to property held under leasehold or concession, representing a net increase of Euro 0.3 million compared with the figure at 31 December 2013. Such increase reflects the net effect of additions (Euro 0.4 million) and reductions for amounts reclassified to other intangible assets (Euro 0.1 million);
- Euro 6.0 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 decrease of Euro 0.4 million compared with the figure at 31 December 2013. Such decrease reflects the net effect of additions (Euro 0.1 million) and reductions for amounts reclassified to other intangible assets in relation to rights that became usable during the year (Euro 0.5 million).

With regard to television programmes and films that have not yet become available-for-use, the total of Euro 268.4 million includes:

- Euro 107.5 million relating to television programmes owned by the Company that were not yet ready at 31 December 2014 or for which usage rights began later than 31 December 2014 (Euro 125.1 million at 31 December 2013). This amount includes costs of Euro 9.0 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 160.9 million relating to third-party television programmes held under fixed-term concession, with rights commencing after 31 December 2014 (Euro 161.6 million at 31 December 2013).

Other intangible assets amount to Euro 11.8 million and include:
- Euro 6.1 million for costs incurred, net of accumulated amortisation, on alterations and improvements to property under leasehold or concession (Euro 7.2 million at 31 December 2013);
- 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 3.5 million at 31 December 2013);
- Euro 1.8 million relating to investments in software programs and analyses (Euro 1.4 million at 31 December 2013). The increase reflects the net effect of additions (Euro 2.0 million), amounts reclassified from intangible assets under development and payments on account (Euro 0.1 million) and the amortisation charge for the year (Euro 1.7 million);
- Euro 0.4 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 0.3 million at 31 December 2013).

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 50%
- industrial and sales equipment — from 14.3% to 19%
- other assets — from 12% to 25%

At 31 December 2014, tangible assets amount to Euro 618.3 million, representing a net reduction of Euro 32.4 million compared to the figure at 31 December 2013. Such reduction reflects the net effect of additions (Euro 85.7 million), depreciation (Euro 116.7 million), disposals (Euro 1.1 million) and reclassifications (Euro 0.3 million) as specified in Schedule 2.

Tangible assets and accumulated depreciation — *Schedule 2*

(millions of Euro)	12.31.2013					Changes during the year				12.31.2014				
	Costs	Revaluations	Writedowns	Accumulated depreciation	Book value	Increases and capitalis.	Reclassifications (a)	Net elimin. (b)	Depreciation	Costs	Revaluations	Writedowns	Accumulated depreciation	Book value
Land and buildings	627.3	582.9	(36.5)	(959.8)	213.9	5.1	4.5	(0.1)	(17.1)	635.0	582.9	(36.6)	(975.0)	206.3
Systems and machinery	1,929.7	8.2	-	(1,618.1)	319.8	48.2	42.5	(0.8)	(90.6)	1,995.7	8.1	(2.1)	(1,682.6)	319.1
Industrial and sales equipment	97.2	2.8	-	(91.7)	8.3	1.6	0.3	-	(3.0)	90.0	2.1	-	(84.9)	7.2
Other assets	122.8	0.9	-	(95.0)	28.7	4.4	1.2	-	(6.0)	124.2	1.0	-	(96.9)	28.3
Assets under construction and advances	80.0	-	-	-	80.0	26.4	(48.8)	(0.2)	-	57.4	-	-	-	57.4
Total	**2,857.0**	**594.8**	**(36.5)**	**(2,764.6)**	**650.7**	**85.7**	**(0.3)**	**(1.1)**	**(116.7)**	**2,902.3**	**594.1**	**(38.7)**	**(2,839.4)**	**618.3**

(a) including:

. from provision for risks of non-usability of non-current assets to writedowns (Euro 2.2 million at 31 December 2014)	(2.7)
. accumulated depreciation of land relaing to the risk of incurring environmental restoration costs	2.4
	(0.3)

(b) including:

. Costs	(37.1)
. Revaluations	(0.7)
. Depreciation	36.7
	(1.1)

It is noted that additions, which reflect investments made during the year, include Euro 8.0 million in relation to the capitalisation of the cost of internal personnel engaged in the construction of buildings, systems and machinery.

As required by recently issued accounting standards adopted by the Group for the first time in the current consolidated financial statements, land (where significant) is reported separately from buildings in cases where this had not previously been the case.
Accumulated depreciation relating to land amounting to Euro 2.4 million at 31 December 2013 (an approximation of the risk of incurring environmental restoration costs, as permitted by the previous accounting standards) has been reclassified to a separate reserve and subsequently released to the income statement, based on an evaluation of the likelihood, considered to be remote, of incurring such liabilities.

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 37.2 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;
- 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 17.3 million and include:

Equity investments in non-consolidated subsidiaries amount to Euro 3.3 million (Euro 2.9 million at 31 December 2013) and represent the entire shareholders' equity of Rai Corporation at the exchange rate in force at 31 December 2014.

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:

(millions of Euro)	Percentage holding		Book value	
	12.31.2014	12.31.2013	**12.31.2014**	12.31.2013
Audiradio	27%	27%	-	-
Auditel	33%	33%	0.7	0.5
Euronews	20.56%	20.56%	2.9	5.0
San Marino	50%	50%	2.1	2.2
Tivù	48.16%	48.16%	2.7	2.5
Net value			**8.4**	**10.2**

Equity investments in the associated companies are all held within the investment portfolio of Rai.

Equity investments in other companies amount to Euro 0.8 million and include:

(millions of Euro)	**12.31.2014**	12.31.2013
Almaviva	0.3	0.3
Istituto Enciclopedia Treccani	0.5	0.5
Others	0.1	0.1
Gross value	0.9	0.9
Impairment provisions	(0.1)	(0.2)
Net value	**0.8**	**0.7**

Receivables due from others amount to Euro 2.5 million (Euro 2.4 million at 31 December 2013) and include:

- guarantee deposits of Euro 2.3 million;
- loans granted to employees for Euro 0.2 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 2.3 million (Euro 2.4 million at 31 December 2013) and are entirely composed of collateral securities.

Further details are provided in Schedule 3.

Financial assets - Receivables and other securities

Schedule 3

(millions of Euro)	12.31.2013				Changes during the year				12.31.2014			
	Costs	Revaluations	Writedowns	Book value	Acquisitions Subscriptions Disbursem.	Disposals Refunds (a)	Reclassifica-tions	Writedowns (-) Writebacks (+)	Costs	Revaluations	Writedowns	Book value
Receivables:												
Due from others:												
- guarantee deposits	2.1	-	-	2.1	0.3	(0.1)	-	-	2.3	-	-	2.3
- employees	0.5	-	(0.2)	0.3	0.1	-	(0.2)	-	0.4	-	(0.2)	0.2
- other	0.2	-	(0.2)	-	-	-	-	-	0.2	-	(0.2)	-
	2.8	-	**(0.4)**	**2.4**	**0.4**	**(0.1)**	**(0.2)**	-	**2.9**	-	**(0.4)**	**2.5**
Other securities	2.4	-	-	2.4	-	-	-	(0.1)	2.4	-	(0.1)	2.3
Total	**5.2**	**-**	**(0.4)**	**4.8**	**0.4**	**(0.1)**	**(0.2)**	**(0.1)**	**5.3**	**-**	**(0.5)**	**4.8**

Current assets

Inventories

Inventories amount to Euro 2.6 million net of the write-down provision (Euro 2.8 million at 31 December 2013). As shown in Schedule 4, inventories include:

- *Raw materials, supplies and consumables*: these amount to Euro 1.0 million net of the write-down provision for Euro 12.5 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

(millions of Euro)	12.31.2013	Changes during the year		**12.31.2014**
		Increases (+) Reductions (-)	Balance of provisions made (-) and released (+)	
Raw materials, supplies and consumables	14.1	(0.6)	-	13.5
Writedown provision	(12.9)	-	0.4	(12.5)
	1.2	(0.6)	0.4	1.0
Contract work in progress	0.2	-	-	0.2
Finished products and merchandise	1.4	-	-	1.4
Total	**2.8**	**(0.6)**	**0.4**	**2.6**

Receivables

Receivables amount to Euro 766.3 million, an increase of Euro 28.7 million with respect to 31 December 2013. 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

(millions of Euro)	12.31.2013	Changes during the year			12.31.2014
		Balance of entries (+) repayments (-)	Use/release	Allocation to provisions	
Customers					
. government and other public entities for public broadcasting services	78.6	14.6	-	-	93.2
. net receivables for licence fees	10.4	(10.4)	-	-	-
. other receivables	456.5	(12.5)	-	-	444.0
less					
. bad debts provision	(56.0)	-	7.7	(3.4)	(51.7)
	489.5	(8.3)	7.7	(3.4)	485.5
Associated companies					
. San Marino RTV	0.1	-	-	-	0.1
. Tivù	0.2	0.1	-	-	0.3
	0.3	0.1	-	-	0.4
Tax receivables	60.3	34.9	-	-	95.2
Deferred tax assets	40.9	14.0	-	-	54.9
From others					
. future sports events	77.8	(28.0)	-	-	49.8
. payments on account to suppliers, collaborators, agents	19.1	9.9	-	-	29.0
. advances on commercial activities	21.7	0.8	-	-	22.5
. social security departments	19.8	0.5	-	-	20.3
. personnel	9.2	1.8	-	-	11.0
. other	13.4	(1.7)	-	-	15.1
less					
. bad debts provision	(14.4)	-	0.5	(3.5)	(17.4)
	146.6	(13.3)	0.5	(3.5)	130.3
Total	**737.6**	**27.4**	**8.2**	**(6.9)**	**766.3**

Receivables, accrued income and prepaid expenses by maturity and type *Schedule 6*

(millions of Euro)	31.12.2014				12.31.2013			
	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
Non-current financial receivables								
from others	0.2	1.4	0.9	2.5	0.2	1.0	1.2	2.4
	0.2	1.4	0.9	2.5	0.2	1.0	1.2	2.4
Current receivables								
Financial receivables	-	-	-	-	-	-	-	-
Trade and other receivables								
Customers	479.6	5.9	-	485.5	486.5	3.0	-	489.5
Associated companies	0.4	-	-	0.4	0.3	-	-	0.3
Tax receivables	78.0	17.2	-	95.2	43.0	17.3	-	60.3
Deferred tax assets	54.9	-	-	54.9	40.9	-	-	40.9
Due from others:								
- future sports events	10.9	38.9	-	49.8	55.2	22.6	-	77.8
- advances on commercial activities	0.3	11.4	-	11.7	0.4	10.6	-	11.0
- other	59.3	9.5	-	68.8	53.8	4.0	-	57.8
	683.4	82.9	-	766.3	680.1	57.5	-	737.6
Accrued income and prepaid expenses								
Accrued income	29.7	-	-	29.7	28.5	-	-	28.5
Total	**713.3**	**84.3**	**0.9**	**798.5**	**708.8**	**58.5**	**1.2**	**768.5**

Receivables - Distribution by geographical area *Schedule 7*

(millions of Euro)	12.31.2014				12.31.2013			
	Italy	EU	Non-EU	Book value	Italy	EU	Non-EU	Book value
Non-current financial receivables								
other	2.3	0.2	..	2.5	2.3	0.1	..	2.4
	2.3	0.2	..	2.5	2.3	0.1	..	2.4
Current receivables								
customers	470.0	7.5	8.0	485.5	473.1	8.9	7.5	489.5
associated companies	0.3	-	0.1	0.4	0.2	-	0.1	0.3
tax receivables	95.2	-	-	95.2	60.3	-	-	60.3
deferred tax assets	54.9	-	-	54.9	40.9	-	-	40.9
other								
- future sports events	38.8	4.7	6.3	49.8	24.0	8.4	45.4	77.8
- advances on commercial activities	11.7	-	-	11.7	11.0	-	-	11.0
- other	59.6	8.7	0.5	68.8	53.6	3.6	0.6	57.8
	730.5	20.9	14.9	766.3	663.1	20.9	53.6	737.6
Total	**732.8**	**21.1**	**14.9**	**768.8**	**665.4**	**21.0**	**53.6**	**740.0**

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

Schedule 8

(millions of Euro)	12.31.2014				12.31.2013			
	In Euros	In foreign currency or exposed to exchange rate risk	Bad debt provision	Book value	In Euros	In foreign currency or exposed to exchange rate risk	Bad debt provision	Book value
Non-current financial receivables								
other	2.8	0.1	(0.4)	2.5	2.8	-	(0.4)	2.4
	2.8	**0.1**	**(0.4)**	**2.5**	**2.8**	**-**	**(0.4)**	**2.4**
Current receivables								
customers	533.7	3.5	(51.7)	485.5	541.5	4.0	(56.0)	489.5
associated companies	0.4	-	-	0.4	0.3	-	-	0.3
tax receivables	95.2	-	-	95.2	60.3	-	-	60.3
deferred tax assets	54.9	-	-	54.9	40.9	-	-	40.9
other:								
- future sports events	43.8	6.0	-	49.8	68.8	9.0	-	77.8
- advances on commercial activities	22.5	-	(10.8)	11.7	21.7	-	(10.7)	11.0
- other	74.8	0.6	(6.6)	68.8	61.1	0.4	(3.7)	57.8
	825.3	**10.1**	**(69.1)**	**766.3**	**794.6**	**13.4**	**(70.4)**	**737.6**
Cash and cash equivalents								
Bank and post office deposits	122.6	5.7	-	128.3	3.5	3.2	-	6.7
Cash and cash equivalents on hand	0.3	-	-	0.3	0.4	-	-	0.4
	122.9	**5.7**	**-**	**128.6**	**3.9**	**3.2**	**-**	**7.1**
Accrued income	-	-	-	-	-	-	-	-
Total	**951.0**	**15.9**	**(69.5)**	**897.4**	**801.3**	**16.6**	**(70.8)**	**747.1**

Receivables due from customers are trade receivables. They amount to Euro 485.5 million, representing a nominal value of Euro 537.2 million which has been written down by Euro 51.7 million to bring them to their estimated realisable value. Receivables from customers are Euro 4.0 million lower than at 31 December 2013.

Receivables due from customers may be further analysed as follows:

- *receivables due from Rai Pubblicità customers for sale of advertising services* amounting to Euro 249.4 million, an increase of Euro 24.4 million with respect to 31 December 2013. This item includes some Euro 47.6 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 93.2 million. The increase of Euro 14.6 million with respect to 31 December 2013 is explained by the combined effect of the increase in invoices issued and amounts accrued for 2013 and the reduction in receipts;

Receivables for services rendered to the Government and to other public entities under specific agreements

(millions of Euro)	**2014**	2013
Prime Minister's Office:		
- Operating grant to be transferred to San Marino RTV	3.1	3.1
- Radio, television and multimedia offering for the foreign market	6.7	13.0
- Broadcasting from Trieste in Slovenian	11.4	11.4
- Radio and television broadcasts in French for the Autonomous Region of Valle d'Aosta	2.1	2.1
Total Prime Minister's Office	23.3	29.6
Ministries: - Economy and Finance: management of television licence fee collection	21.7	21.5
Regions and Provinces: - Autonomous province of Bolzano: Radio and television broadcasts in German and Ladin in the autonomous province of Bolzano	39.2	18.9
- Autonomous Region of Valle d'Aosta: management of equipment for reception of programmes from the French-speaking area	9.0	8.6
Total	**93.2**	**78.6**

- *other receivables* amounting to Euro 194.6 million, a decrease of Euro 36.9 million with respect to 31 December 2013. The most significant of these include receivables due from customers of Rai for the sale of rights and various services totalling Euro 51.8 million, receivables due from customers of Rai Com totalling Euro 88.3 million, receivables due from customers of Rai Cinema totalling Euro 42.9 million and receivables due from customers of Rai Way totalling Euro 11.6 million.

Receivables from associated companies amounting to Euro 0.4 million (Euro 0.3 million at 31 December 2013). These represent the sum of non-financial receivables due from San Marino RTV and Tivù which are accounted for in the financial statements of the Parent Company.

Tax receivables amounting to Euro 95.2 million (Euro 60.3 million at 31 December 2013). These relate for the most part to tax receivables recorded in the financial statements of the Parent Company (Euro 94.2 million) for Group VAT (Euro 53.8 million), for IRES deriving from the deductibility of IRAP relating to personnel costs and similar (Euro 21.8 million), VAT reimbursement requested (Euro 13.4 million), for an IRAP credit (Euro 3.3 million) and for other tax reimbursements requested (Euro 1.9 million). The remainder relates to tax receivables included in the financial statements of the other Group companies.

Deferred tax assets amounting to Euro 54.9 million (Euro 40.9 million at 31 December 2013). 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 53.9 million) and deferred tax assets from consolidation adjustments (Euro 1.0 million). As detailed in Schedule 9, deferred tax assets increased by Euro 14.0 million with respect to the previous year end. The most significant items are:

- Euro 44.0 million included in the financial statements of the Parent Company;
- Euro 5.0 million included in the financial statements of Rai Way;
- Euro 3.7 million included in the financial statements of Rai Com;
- Euro 0.8 million included in the financial statements of Rai Pubblicità;
- Euro 0.4 million included in the financial statements of Rai Cinema.

Deferred tax assets

Schedule 9

(millions of Euro)	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	Taxed (average) at 4.8% year 2013 4.7% year 2014	
Balance at 12.31.2013:					
Tax loss	80.0	22.0	-	-	22.0
Writedown of programmes	24.2	6.6	34.0	1.7	8.3
Writedown of non-current tangible assets	-	-	3.0	0.1	0.1
New accruals	8.9	2.5	40.4	2.0	4.5
Statutory/fiscal difference on amortisation of programmes	16.3	4.5	-	-	4.5
Statutory/fiscal difference on depreciation of non-current tangible assets	0.9	0.3	-	-	0.3
Deferred tax assets from consolidation adjustments	3.3	0.8	3.3	0.2	1.0
Other	0.8	0.2	0.6	-	0.2
Total	134.4	36.9	81.3	4.0	40.9
Changes during the year:					
Negative taxable amount: alignment with previous year	0.4	0.1	-	-	0.1
Negative taxable amount for the year - Parent Company	118.7	32.6	-	-	32.6
Tax loss brought forward - Rai Com	9.7	2.7	-	-	2.7
Writedown of programmes	13.6	3.8	(32.3)	(1.6)	2.2
Writedown of non-current tangible assets	-	-	(3.0)	(0.1)	(0.1)
New accruals	10.6	2.9	(26.0)	(1.4)	1.5
Statutory/fiscal difference on amortisation of programmes	7.1	2.0	-	-	2.0
Statutory/fiscal difference on depreciation of non-current tangible assets	(0.9)	(0.3)	-	-	(0.3)
Deferred tax assets from consolidation adjustments	(0.3)	-	(0.3)	-	-
Other	(0.8)	(0.2)	(0.6)	-	(0.2)
Changes having effect on income	158.1	43.6	(62.2)	(3.1)	40.5
Compensation of taxable amounts by effect of the consolidated taxation arrangement	(80.4)	(22.1)	-	-	(22.1)
Transformation into tax receivables					
Writedown of programmes	(8.9)	(2.4)	-	-	(2.4)
Statutory/fiscal difference on amortisation of programmes	(7.0)	(2.0)	-	-	(2.0)
Changes having effect on equity only	(96.3)	(26.5)	-	-	(26.5)
Total changes	61.8	17.1	(62.2)	(3.1)	14.0
Balance at 12.31.2014:					
Negative taxable amount for the year - Parent Company	118.7	32.6	-	-	32.6
Tax loss brought forward - Rai Com	9.7	2.7	-	-	2.7
Writedown of programmes	28.9	8.0	1.7	0.1	8.1
Writedown of non-current tangible assets	-	-	-	-	-
New accruals	19.5	5.4	14.4	0.6	6.0
Statutory/fiscal difference on amortisation of programmes	16.4	4.5	-	-	4.5
Statutory/fiscal difference on depreciation of non-current tangible assets	-	-	-	-	-
Deferred tax assets from consolidation adjustments	3.0	0.8	3.0	0.2	1.0
Other	-	-	-	-	-
Total	**196.2**	**54.0**	**19.1**	**0.9**	**54.9**

Receivables due from others amounting to Euro 130.3 million (146.6 million at 31 December 2013) net of a bad debt provision of Euro 17.4 million. These include:

- *receivables due from suppliers* amounting to Euro 49.8 million. These relate to advance payments made for filming rights at future sports events;
- *receivables due in relation to payments on account to suppliers, collaborators and agents* amounting to Euro 29.0 million;
- *receivables due from suppliers* amounting to Euro 22.5 million. These relate to guaranteed minimums advanced in relation to commercial initiatives;
- *receivables due from social security departments* amounting to Euro 20.3 million. These relate mainly to advance payments made against contributions payable in relation to artistic and other activities;
- *receivables due from personnel* amounting to Euro 11.0 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 15.1 million. The item includes receivables in compliance with Law 89/2014.

Cash and cash equivalents

Cash and cash equivalents amount to Euro 128.6 million (Euro 7.1 million at 31 December 2013) and relate mainly to the Parent Company which manages the central treasury service. They include:

- Bank and post office deposits amounting to Euro 128.3 million (Euro 6.7 million at 31 December 2013). These represent available balances on deposit or current accounts with banks, financial institutions and the Post Office.
- Cash and cash equivalents on hand amounting to Euro 0.3 million (Euro 0.4 million at 31 December 2013). 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 2014.

Schedule 8 provides a breakdown of cash and cash equivalents in Euro and other currencies. Schedule 20 provides details of sums held by banks or the post office which are unavailable to the Group as a result of seizure orders.

Accrued income and prepaid expenses

Accrued income and prepaid expenses total Euro 29.7 million (Euro 28.5 million at 31 December 2013) and consist of prepaid expenses for Euro 29.7 million and accrued income for an insignificant amount.

Further details are provided in Schedule 10.

Accrued income and prepaid expenses — *Schedule 10*

(millions of Euro)	Changes during the year		
	12.31.2013	Balance of mov.	**12.31.2014**
Prepaid expenses:			
. sporting events filming rights	20.3	2.9	23.2
. software licenses	4.1	(0.5)	3.6
. rent and hire costs	2.2	(0.6)	1.6
. maintenance and repairs	0.3	(0.1)	0.2
. commissions on sureties	0.2	0.1	0.3
. insurance and accident prevention	0.3	(0.2)	0.1
. services for acquisition and production of programmes	0.2	(0.2)	-
. other	0.9	(0.2)	0.7
Total	**28.5**	**1.2**	**29.7**

Liabilities

Shareholders' equity

Shareholders' equity amounts to Euro 398.1 million, an increase of Euro 101.9 million with respect to 31 December 2013, mainly due to profit for the year attributable to the Group of Euro 47.3 million and to the sale of a share in the net equity in Rai Way to third parties for an amount of Euro 54.6 million (of which Euro 10.6 million is included in the result for the current period).

A breakdown of shareholders' equity and the effects of operations carried out in 2014 and in the previous year are shown in Schedule 11.

Changes in consolidated shareholders' equity ***Schedule 11***

(millions of Euro)	Balance at 12.31.2012	Transfer result	Dividends	Other movements	Differences conversion	Result for year	Balance at 12.31.2013	Transfer result	Dividends	Other movements	Differences conversion	Change in scope of consolid.	Result for year	**Balance at 12.31.2014**
Equity:														
Group equity:														
Share Capital	242.5						242.5							242.5
Legal reserve	9.0						9.0	0.2						9.2
Other reserves:														
- Non-distributable reserve from revaluation of investments	111.7	(111.7)					-	4.1		(4.1)				-
- Distributable reserve from revaluation of investments	-						-			4.1				4.1
- Merger surplus	138.7	(133.4)					5.3							5.3
- Reserve for conversion differences	(0.8)						(0.8)							(0.8)
- Other reserves	34.4	0.5					34.9	1.0						35.9
Group profit (loss) for the year	(244.6)	244.6				5.3	5.3	(5.3)					47.3	47.3
Total Group equity	**290.9**	-	-	-	-	**5.3**	**296.2**	-	-	-	-	-	**47.3**	**343.5**
Minority interests:														
Minority interests - capital and reserves	-						-					44.0		44.0
Minority interests - profit (loss) for the year	-						-						10.6	10.6
Total equity of minority interests	-	-	-	-	-	-	-	-	-	-	-	44.0	10.6	54.6
Total Shareholders' equity	**290.9**	**-**	**-**	**-**	**-**	**5.3**	**296.2**	**-**	**-**	**-**	**-**	**44.0**	**57.9**	**398.1**

Share capital

At 31 December 2014, 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 9.2 million is included in the financial statements of the Parent Company.

Other reserves

Other reserves total Euro 44.5 million and include:

- a merger surplus of Euro 5.3 million;
- a distributable reserve from revaluation of investments of Euro 4.1million;
- other reserves amounting to Euro 35.1 million.

Group profit of the year

The Group profit of the year amount to Euro 47.3 milions.

Third party equity

Capital and reserves attributable to third parties amount to Euro 44.0 million and relate to Rai Way.

Profit attributabile to third parties

Profit for the year attributable to third parties amounts to Euro 10.6 million and relates to the minority interest in Rai Way as re-stated in accordance with the accounting policies adopted by the Rai Group.

Provisions for risks and charges

Provisions for risks and charges amount to Euro 376.1 million, a net increase of Euro 12.8 million with respect to 31 December 2013. Schedule 12 provides a breakdown of this item and details of the aforementioned net increase. The notes which follow provide additional information on the individual provisions.

Provisions for risks and charges — *Schedule 12*

(millions of Euro)	12.31.2013	Changes during the year				12.31.2014
		Provisions	Direct utilisations	Absorptions in income statement	Reclassifications and other movements	
Provision for pension and similar liabilities						
- Provision for supplementary seniority benefits	0.8	-	(0.1)	-	-	0.7
- Retirement fund	0.1	-	-	-	-	0.1
- Supplementary company pension fund	142.4	9.0	(11.1)	-	-	140.3
- ISC ICM Agents	2.6	0.3	(0.2)	(0.1)	-	2.6
	145.9	**9.3** (a)	**(11.4)**	**(0.1)**	-	**143.7**
Provision for taxes	6.2	-	(0.4) (b)	-	-	5.8
Other:						
- litigation	112.7	14.0 (c)	(18.5)	(5.0)	-	103.2
- staff resignation incentives	1.7	-	(0.2)	-	(1.3)	0.2
- accrued costs	5.8	6.5 (d)	(0.9)	(2.8)	-	8.6
- renovation and restructuring of properties	17.2	-	(0.9)	-	-	16.3
- litigation with social security institutions	12.0	-	-	-	-	12.0
- risks of non-usability of non-current assets (*)	13.9	0.3 (e)	(0.5)	-	(2.7)	11.0
- lease disputes	3.5	0.1 (f)	-	-	-	3.6
- disputes with controlling bodies	1.5	-	-	-	-	1.5
- concession rights for 2014	-	25.3 (e)	-	-	-	25.3
- utilization of football teams rights	5.7	5.5 (f)	-	-	-	11.2
- miscellaneous:						
. for risks	22.8	4.5 (g)	(2.4)	(5.7)	2.4	21.6
. for charges	14.4	3.1 (h)	(1.8)	(3.6)	-	12.1
	211.2	**59.3**	**(25.2)**	**(17.1)**	**(1.6)**	**226.6**
Total	**363.3**	**68.6**	**(37.0)**	**(17.2)** (i)	**(1.6)**	**376.1**

(*) including	- programmes under development	9.0			9.0
	- technical	4.9			2.0
		13.9			**11.0**
(a) contra-account:	item B 14 c) other operating costs	9.0	(f) contra-account:	item B 12 provisions for risks	
	item B 7 services	0.3	(g) contra-accounts:	item B 12 provisions for risks	4.2
(b) contra-account:	item E 22 income taxes for the year			item E 21 a) exceptional expense	0.3
(c) contra-accounts:	item B 12 provisions for risks	4.6	(h) contra-accounts:	item B 13 other provisions	1.6
	item B 7 services	0.1		item E 21 g) taxes relating to prior years	0.3
	item B 9 e) other personnel costs	9.3		item B 7 services	0.9
(d) contra-accounts:	item B 9 a) wages and salaries	5.1		item B 9 a) wages and salaries	0.3
	item B 9 b) welfare and social security charge	1.4	(i) contra-account:	item A 5 c) other revenues and different income	
(e) contra-account:	item B 13 other provisions				

Provision for pension and similar liabilities: this amounts to Euro 143.7 million (Euro 145.9 million at 31 December 2013) and comprises the supplementary seniority benefits provision, the retirement benefits provision, the company supplementary pension fund and as well as the supplementary indemnity and merit indemnity reserves for agents.

- The *provision for supplementary seniority benefits* amounts to Euro 0.7 million (Euro 0.8 million at 31 December 2013). 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 2013). 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 140.3 million (Euro 142.4 million at 31 December 2013). 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.
- The *supplementary indemnity reserve for agents (ISC)* includes provisions for amounts to be paid to agents on termination of their contracts, whether at the natural contract termination date or other date decided by the company. The amount is based on total commissions due to the agent at the contract termination date.
- The *merit indemnity reserve for agents (ICM)* includes provisions for amounts to be paid to agents in addition to the supplementary indemnity reserve and is based on development of the customer portfolio or increase in business with the existing customer base.

Provisions for taxes. The provision for taxes amounts to Euro 5.8 million (Euro 6.2 million at 31 December 2013). 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 Way (Euro 0.5 million) and provisions relating from consolidation adjustments (Euro 0.5 million). The provision for taxes is Euro 0.4 million lower than at the previous year-end as detailed in Schedule 13.

Provisions for taxes

Schedule 13

(millions of Euro)	IRES		IRAP		Total taxes
	Taxable amount	Taxed at 27.5%	Taxable amount	Taxed (average) at 4.8% year 2013 4.7% year 2014	
Balance at 12.31.2013:					
Disputes					2.9
Capital gains	1.1	0.3	-	-	0.3
Statutory/fiscal difference on amortisation/depreciation of non-current assets	8.1	2.2	-	-	2.2
Deferred taxes from consolidation adjustments	1.7	0.4	1.7	0.1	0.5
Other	0.8	0.3	-	-	0.3
Total	11.7	3.2	1.7	0.1	6.2
Changes during the year:					
Disputes					0.2
Capital gains	(0.5)	(0.2)	-	-	(0.2)
Statutory/fiscal difference on amortisation/depreciation of non-current assets	(1.8)	(0.4)	-	-	(0.4)
Deferred taxes from consolidation adjustments	0.6	-	0.6	-	-
Other	0.4	-	-	-	-
Total	(1.3)	(0.6)	0.6	-	(0.4)
Balance at 12.31.2014:					
Disputes					3.1
Capital gains	0.6	0.1	-	-	0.1
Statutory/fiscal difference on amortisation/depreciation of non-current assets	6.3	1.8	-	-	1.8
Deferred taxes from consolidation adjustments	2.3	0.4	2.3	0.1	0.5
Other	1.2	0.3	-	-	0.3
Total	10.4	2.6	2.3	0.1	5.8

Other provisions. Other provisions total Euro 226.6 million (Euro 211.2 million at 31 December 2013) 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 15.4 million higher 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 275.6 million (Euro 283.9 thousand at 31 December 2013). 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.

Provisions for staff severance pay

Schedule 14

(millions of Euro)	Changes during the year						
31.12.2013	Provisions	Severance pay disbursed	Advances	Staff transfers	Transfers to INPS supplementary retirement fund	Other movements	**31.12.2014**
283.9	47.4	(12.1)	-	-	(43.3)	(0.3)	275.6

Payables

Payables amount to Euro 1,355.9 million, an increase of Euro 22.1 million overall with respect to 31 December 2013. In particular, financial payables due to banks total Euro 436.6 million, a net decrease of Euro 7.1 million with respect to the figure in the 2013 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 96% of total payables relate to parties resident in Italy, a further 2% to EU residents and a final 2% relates to non-EU residents.

The following notes provide further details in relation to the individual items.

Payables

Schedule 15

(millions of Euro)		12.31.2013	Changes during the year Balance of new positions (+) and repayments (-)	**12.31.2014**
Due to banks		443.7	(7.1)	436.6
Due to other lenders		0.7	2.6	3.3
Advances		7.5	29.7	37.2
Suppliers		660.4	0.5	660.9
Non-consolidated subsidiaries	(a)	3.1	0.4	3.5
Associated companies	(b)	4.1	(0.1)	4.0
Tax payables		69.1	3.7	72.8
Welfare and Social security institutions		79.8	0.6	80.4
Other payables		65.4	(8.2)	57.2
		1,333.8	22.1	1,355.9
(a) including:				
- Rai Corporation in liquidation		3.1	0.4	3.5
(b) including:				
- San Marino RTV SpA		3.6	(0.2)	3.4
- Tivù Srl		0.5	0.1	0.6
		4.1	(0.1)	4.0

Payables and accrued expenses and deferred income, by maturity and type *Schedule 16*

(millions of Euro)	12.31.2014				12.31.2013			
	Amount due				Amount due			
	within 1 year	from 2 to 5 years	more than 5 years	Book value	within 1 year	from 2 to 5 years	more than 5 years	Book value
M/L-term financial payables								
Due to banks	98.4	311.7	15.5	425.6	98.4	172.8	25.3	296.5
Due to other lenders	0.1	0.3	0.2	0.6	0.1	0.3	0.3	0.7
	98.5	312.0	15.7	426.2	98.5	173.1	25.6	297.2
Short-term financial payables								
Due to banks	11.0	-	-	11.0	147.2	-	-	147.2
Due to other lenders	2.7	-	-	2.7	-	-	-	-
Non-consolidated subsidiaries	3.5	-	-	3.5	3.1	-	-	3.1
Associated companies	0.3	-	-	0.3	0.5	-	-	0.5
	17.5	-	-	17.5	150.8	-	-	150.8
Trade and other payables								
Advances	37.2	-	-	37.2	7.5	-	-	7.5
Suppliers	660.9	-	-	660.9	660.4	-	-	660.4
Associated companies	3.7	-	-	3.7	3.6	-	-	3.6
Tax payables	72.8	-	-	72.8	69.1	-	-	69.1
Welfare and social security institutions	80.4	-	-	80.4	79.8	-	-	79.8
Other payables	57.2	-	-	57.2	65.4	-	-	65.4
	912.2	-	-	912.2	885.8	-	-	885.8
Total payables	1,028.2	312.0	15.7	1,355.9	1,135.1	173.1	25.6	1,333.8
Accrued expenses and deferred income								
Accrued expenses	0.5	-	-	0.5	0.5	-	-	0.5
Deferred income	20.7	-	-	20.7	29.7	-	-	29.7
	21.2	-	-	21.2	30.2	-	-	30.2
Total	**1,049.4**	**312.0**	**15.7**	**1,377.1**	**1,165.3**	**173.1**	**25.6**	**1,364.0**

Payables and accrued expenses in foreign currency or exposed to exchange rate risk *Schedule 17*

(millions of Euro)	12.31.2014			12.31.2013		
	In Euro	In foreign currency or exposed to exchange rate risk	Book value	In Euro	In foreign currency or exposed to exchange rate risk	Book value
Payables						
Due to banks	436.6	-	436.6	443.7	-	443.7
Due to other lenders	3.3	-	3.3	0.7	-	0.7
Suppliers	632.1	28.8	660.9	624.9	35.5	660.4
Non-consolidated subsidiaries	-	3.5	3.5	-	3.1	3.1
Associated companies	4.0	-	4.0	4.1	-	4.1
Tax payables	72.8	-	72.8	69.1	-	69.1
Social security institutions	80.4	-	80.4	79.8	-	79.8
Other payables	56.9	0.3	57.2	65.2	0.2	65.4
Total payables (a)	1,286.1	32.6	1,318.7	1,287.5	38.8	1,326.3
Accrued expenses	0.5	-	0.5	0.5	-	0.5
Total	**1,286.6**	**32.6**	**1,319.2**	**1,288.0**	**38.8**	**1,326.8**

(a) does not include Advances

Due to banks. Payables due to banks amount to Euro 436.6 million (Euro 443.7 million at 31 December 2013) and include:

- Euro 425.6 million in medium/long-term loans, split as follows:
  - Euro 147.5 million relating to an unsecured loan taken out by the Parent Company in May 2011 with a pool of banks. The loan is repayable in six-monthly instalments (final instalment due on 30 June, 2016);
  - a further Euro 147.5 million relating to an additional tranche of the loan negotiated in 2013, to be repaid in a single amount in June 2017.

  Interest rate swaps totalling Euro 138.3 million have been entered into to hedge the above loans;
  - 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 80.0 million, relating to a medium term financing entered into by Rai Way, granted by a pool of banks;
  - Euro 0.6 million relating to an ordinary business loan entered into by Rai Way, in connection with investments being financed by Law 488/92 – 31st tender;
- Euro 11.0 million in current account overdrafts with certain banks.

Due to other lenders. Payables due to other lenders amount to Euro 3.3 million (Euro 0.7 million at 31 December 2013) 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 – 31st tender (Euro 0.6 million) and advances received from factoring companies in relation to receivables sold with recourse by Rai Pubblicità (Euro 2.7 million).

Advances. Advances total Euro 37.2 million (Euro 7.5 million at 31 December 2013) and relate to television license fees accounted for in the financial statements of the Parent Company (Euro 33.3 million) and miscellaneous advances (Euro 3.9 million).

Suppliers. Payables due to suppliers amount to Euro 660.9 million (Euro 660.4 million at 31 December 2013), an increase of Euro 0.5 million with respect to the previous year. They relate entirely to trade payables.

Non-consolidated subsidiaries. Payables due to non-consolidated subsidiaries amount to Euro 3.5 million (Euro 3.1 million at 31 December 2013) and relate to financial payables due by the Parent Company to Rai Corporation.

Associated companies. Payables due to associated companies amount to Euro 4.0 million (Euro 4.1 million at 31 December 2013). They relate to amounts of Euro 3.4 million and Euro 0.6 million owed by the Parent Company to San Marino RTV and Tivù respectively and include Euro 0.3 million in financial payables (Euro 0.5 million at 31 December 2013) and other payables of Euro 3.7 million (Euro 3.6 million at 31 December 2013).

Tax payables. Tax payables amount to Euro 72.8 million (Euro 69.1 million at 31 December 2013), an increase of Euro 3.7 million with respect to the previous year. They comprise:

(millions of Euro)	**2014**	2013
- Tax withholdings on earnings of employees and free-lance workers	34.9	36.9
- IRES	32.5	20.9
- VAT	3.8	3.5
- IRAP	1.1	7.6
- Other withholdings and "substitute" taxes	0.5	0.2
Total	**72.8**	**69.1**

Welfare and Social security institutions. Payables due to Welfare and Ssocial security institutions amount to Euro 80.4 million (Euro 79.8 million at 31 December 2013). They relate to contributions due on remuneration paid to employees and free-lance workers and are due for payment on scheduled dates. They include:

(millions of Euro)	2014	2013
- ENPALS	19.8	19.8
- INPGI	18.2	19.3
- CRAIPI	12.7	12.0
- FCPGI	9.0	9.0
- INPS	8.5	7.4
- Contributions on assessed remuneration	8.1	8.2
- FIPDRAI	1.7	1.7
- Other	2.4	2.4
Total	**80.4**	**79.8**

Other payables. Other payables amount to Euro 57.2 million (Euro 65.4 million at 31 December 2013), a net decrease of Euro 8.2 million with respect to the previous year. They include:

(millions of Euro)	2014	2013
- Employees for assessed remuneration	39.3	45.3
- Others assessment items	11.9	14.4
- Other	6.0	5.7
Total	**57.2**	**65.4**

Accrued expenses and deferred income

Accrued expenses and deferred income amount to Euro 21.2 million (Euro 30.2 million at 31 December 2013). Further details of balances and changes during the year are provided in Schedule 18.

Accrued expenses and deferred income — *Schedule 18*

(millions of Euro)	Changes during the year		
	12.31.2013	Balance of movements	12.31.2014
Deferred income:			
. grant for switchover to digital terrestrial broadcasting	26.0	(8.2)	17.8
. special subscriptions	1.0	(0.1)	0.9
. broadcasting and related rights on own productions	0.8	0.1	0.9
. real estate investments	0.5	(0.1)	0.4
. Law 488/92 subsidised loans	0.2	(0.1)	0.1
. other	1.2	(0.6)	0.6
	29.7	(9.0)	20.7
Accrued expenses:			
. commissions	0.3	-	0.3
. Interest	0.2	-	0.2
	0.5	-	0.5
Total	**30.2**	**(9.0)**	**21.2**

Deferred income includes grants totalling Euro 17.8 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 SpA, 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 384.1 million (Euro 537.3 million at 31 December 2013), and are as presented in the consolidated balance sheet. Further details are provided in Schedules 19 and 20.

Memorandum accounts - unsecured guarantees

Schedule 19

(millions of Euro)	**12.31.2014**	12.31.2013
Sureties		
- for associated companies	2.6	2.6
- for others:		
. Financial Administration for Group VAT	34.9	42.9
. other	2.1	2.3
	37.0	45.2
Total	**39.6**	**47.8**

Memorandum accounts - secured guarantees

(millions of Euro)	**12.31.2014**	12.31.2013
For own commitments other than payables		
Assets pledged as collateral:		
- fixed-income securities	2.3	2.3
Total	**2.3**	**2.3**

Memorandum accounts - purchase, sale commitments and other

Schedule 20

(millions of Euro)	**12.31.2014**	12.31.2013
Purchase and sale commitments		
- Purchase commitments	0.2	0.3
- Sales commitments	-	-
Total	0.2	0.3
Other		
Secured guarantees received	1.0	1.0
Unsecured guarantees received		
Against receivables	4.1	2.7
To cover other obligations:		
- Miscellaneous banks and insurance companies to guarantee supplies of goods and services	115.1	119.8
- Miscellaneous banks and insurance companies covering full performance of contracts for the production of radio/television programmes and films	74.4	95.3
- Credito Bergamasco - guarantee for Sky Italia	-	54.7
- Other	8.1	8.8
	197.6	278.6
	201.7	**281.3**
Guarantees granted by other parties for Group obligations:		
Against debt:		
- Other banks for guarantee for BEI to cover loan	57.5	57.5
- Other	0.4	0.4
	57.9	57.9
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
- SanPaolo IMI for guarantees granted to tax authorities covering prize competitions	22.6	23.7
- Other bodies for guarantee granted to UEFA for 2016 European Championship qualifiers	17.9	-
- Other bodies for guarantee granted to Sky for Olympics	9.5	9.4
- Other banks for guarantee covering lease in Via Cavalli (Torino)	5.4	-
- Other	10.6	9.7
	66.0	86.5
	123.9	**144.4**
Leased assets received	-	-
Third-party assets held by the company	-	-
Company assets held by third parties	7.6	8.8
Other risks undertaken by the company		
- Receivables sold with recourse	-	42.0
Other cases		
- Amounts unavailable to the Group as a result of seizure orders	0.3	0.6
- Restrictions on credit lines as a result of seizure orders	7.5	8.8
Total	**342.0**	**486.9**

Schedule 21 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 21

	Notional 12.31.2014 millions of USD	Notional 12.31.2014 millions of Euro
Derivative financial instruments for hedges		
- on exchange rates (1):		
. forwards and swaps	20.6	0.6
. optional currency purchase strategies	107.3	7.7
	127.9	8.3
- on interest rates (2):		
. Interest Rate Swap	see note (3)	(2.0)

(1) The transactions are carried out to hedge commercial agreements in US$, in line with Group policy.
(2) Irs transactions to hedge Rai medium-long term loans.
(3) Reference notional Euro 138.3 million.

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 2014, 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.

7) Income Statement

Production value

Revenues from sales and services amount to Euro 2,474.8 million, a decrease of Euro 198.3 million compared to 31 December 2013. They include revenues for the year, net of transactions between Group companies, and relate mainly to licence fees and advertising. Schedule 22 provides a breakdown by major component. In terms of geographic distribution, almost all revenues are generated in Italy.

Revenues from sales and services

Schedule 22

(millions of Euro)	**Year 2014**	Year 2013
Revenues from sales	0.6	0.8
Revenues from services:		
- Licence fees:		
. private subscriptions	1,492.5	1,662.7
. special subscriptions	76.1	74.4
	1,568.6	1,737.1
- General-interest TV advertising		
. commercials	456.1	493.6
. TV promotions	8.9	15.8
. sponsorship and special intiatives	97.7	53.1
. product placement	4.3	2.4
	567.0	564.9
- Specialist channel TV advertising	66.8	67.0
- Radio advertising:		
. commercials	22.8	24.2
. radio promotions	0.6	0.7
. sponsorships	3.2	4.1
	26.6	29.0
- Web advertising	8.1	7.7
- Cinema advertising	5.6	12.7
- Other advertising	0.8	0.9
	674.9	682.2
- Special services under agreements	51.0	49.9
- Other services:		
. sale of rights, musical publications	84.2	105.3
. film and home video distribution	42.6	43.0
. fees for hosting plant and equipment	32.9	33.4
. income from broadcasting, circuit hire, bridge and link services	6.0	6.9
. agreements with telephone companies	2.6	2.5
. other	11.4	12.0
	179.7	203.1
	2,474.2	2,672.3
Total	**2,474.8**	**2,673.1**

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 2005-2013. 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 2014 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. There was no significant change in the value of such inventories in terms of millions of Euro (decrease of Euro 0.3 million at 31 December 2013); these figures reflect the change in the value of inventories used in commercial activities.

Internal cost capitalisations. Internal cost capitalisations amount to Euro 21.8 million (Euro 19.1 million at 31 December 2013) 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 23.

Internal cost capitalisations — *Schedule 23*

(millions of Euro)	**Year 2014**	Year 2013
Intangible assets	13.8	11.8
Tangible assets	8.0	7.3
Total	**21.8**	**19.1**

Other production-related income. Other production-related income totals Euro 98.2 million (Euro 115.5 million at 31 December 2013), as detailed in Schedule 24.

Other production-related income — *Schedule 24*

(millions of Euro)	**Year 2014**	Year 2013
Operating grants	12.4	11.0
Gains on disposals	-	-
Miscellaneous		
Recovery and reimbursement of expenses	22.3	23.2
Out-of-period gains from licence fees	22.0	18.5
Other out-of-period gains	21.1	34.8
Provisions released	17.2	24.5
Income from real estate investments	2.2	2.3
Miscellaneous	1.0	1.2
	85.8	104.5
Total	**98.2**	**115.5**

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 18.6 million (Euro 22.2 million at 31 December 2013) 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 25.

Production costs - raw materials, supplies, consumables and merchandise — *Schedule 25*

(millions of Euro)	**Year 2014**	Year 2013
Technical materials for inventory	2.0	3.2
Miscellaneous programme production materials	4.0	3.7
Other materials	12.6	15.3
Total	**18.6**	**22.2**

Services. Costs for services amount to Euro 632.5 million (Euro 648.2 million at 31 December 2013) and comprise costs for freelance workers and other external services, net of discounts and allowances, as shown in Schedule 26. They include, inter alia, emoluments, compensation and expense reimbursements paid by the Parent Company to Directors amounting to Euro 1.2 million and to Statutory Auditors amounting to Euro 0.2 million. This item also includes external audit fees amounting to Euro 0.2 million and fees for other services provided by the external audit firm amounting to Euro 0.1 million.

Production costs - services — *Schedule 26*

(millions of Euro)	**Year 2014**	Year 2013
Freelance services	123.3	125.2
Services for acquisition and production of programmes	179.5	191.5
Allowances, travel expenses and transfer of personnel	26.1	25.6
Ancillary personnel service costs	12.8	13.0
Maintenance and repairs	25.6	28.1
Services for documentation and assistance for informative systems	45.8	46.8
Insurance and accident prevention	18.2	17.3
Advertising and promotion	20.8	19.0
Promotion and distribution expenses	5.6	6.6
Supply services	42.0	41.3
General services	56.6	58.3
Third-party shares of sales figure	59.9	57.5
Other	16.3	18.0
Total	**632.5**	**648.2**

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 0.2 million.

Use of third-party assets. Costs for use of third-party assets amount to Euro 407.4 million (Euro 344.9 million at 31 December 2013), and include costs for rents, leases, usage rights and filming rights, as detailed in Schedule 27.

Production costs - use of third party assets — *Schedule 27*

(millions of Euro)	Year 2014	Year 2013
Rent and hire costs	87.9	92.4
Usage rights	92.5	98.2
Filming rights	216.4	145.2
Other rights	10.6	9.1
Total	**407.4**	**344.9**

Personnel. Personnel costs amount to Euro 992.9 million (Euro 994.7 million at 31 December 2013), and may be analysed as set out in the income statement. The average number of employees in 2014 was 12,857, including employees on fixed-term contracts, placement contracts and apprenticeship contracts (12,965 at 31 December 2013). Schedule 28 provides further details including distribution by category and by company.

Average employment — *Schedule 28*

(in units)	Year 2014			Year 2013		
	permanent (1)	fixed-term	Total	permanent (1)	fixed-term	Total
By company						
Rai	10,574	1,061	11,635	10,343	1,360	11,703
Rai Cinema	107	27	134	92	37	129
Rai Com (ex RaiNet)	67	20	87	42	24	66
Rai Pubblicità	367	8	375	414	5	419
Rai Way	600	26	626	603	41	644
Rai World	0	0	0	3	1	4
	11,715	1,142	12,857	11,497	1,468	12,965
By category						
Executives	321	-	321	326	-	326
Journalists	1,588	294	1,882	1,639	262	1,901
Supervisors	1,271	1	1,272	1,248	1	1,249
Office workers	7,476	729	8,205	7,234	1,039	8,273
Blue collars	934	112	1,046	924	158	1,082
Orchestra members and other artistic staff	114	6	120	115	8	123
Medical staff	11	-	11	11	-	11
	11,715	1,142	12,857	11,497	1,468	12,965
(1) of which placement contracts and apprenticeships	84			49		

Amortisation, depreciation and write-downs. Costs relating to amortisation, depreciation and write-downs amount to Euro 562.2 million (Euro 629.5 million at 31 December 2013), of which Euro 415.5 million relates to amortisation of intangible assets (Euro 473.5 million at 31 December 2013), Euro 116.7 million relates to depreciation of tangible assets (Euro 119.4 million at 31 December 2013), Euro 25.3 million relates to other write-downs (Euro 27.9 million at 31 December 2013) and Euro 4.7 million (Euro 8.7 million at 31 December 2013) 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 22.5 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 23.1 million at 31 December 2013).
It is noted that, following the introduction of new calculation procedures, commencing in 2014 amortisation of intangible assets (programmes) is calculated from the month in which such assets are available for use.

Changes in inventories of raw materials, supplies, consumables and merchandise. Costs relating to changes in inventories amount to Euro 0.2 million (Euro 0.1 million at 31 December 2013) and represent the decrease in net inventories at 31 December 2014 with respect to the previous year.

Provisions for risks. Provisions for risks amount to Euro 14.4 million (Euro 9.6 million at 31 December 2013). 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 12.2 million).

Other provisions. Other provisions amount to Euro 27.2 million (Euro 2.0 million at 31 December 2013). The most significant items are shown in Schedule 12 and relate mainly to provisions included the financial statements of Rai (Euro 26.8 million) and Rai Way (Euro 0.4 million).

Other operating costs. Other operating costs amount to Euro 67.5 million (Euro 89.8 million at 31 December 2013). They are split as reported in the income statement and further details are provided in Schedule 29. For the most part they refer to costs disclosed in the financial statements of the Parent Company (Euro 59.8 million).

Other operating costs

Schedule 29

(millions of Euro)	**Year 2014**	Year 2013
Capital losses:		
Tangible assets	0.3	0.3
Intangible assets	0.1	..
	0.4	0.3
Concession fee	-	26.3
Other costs:		
- gifts, prize contests and entertainment expenses	14.0	13.7
- association dues	3.2	3.3
- IMU/TASI (municipal property tax)	10.4	9.8
- other indirect taxes and contributions	10.4	10.8
- contributions to the Supervisory Authorities	4.2	6.3
- payment of uninsured damages, fines and penalties	0.8	0.6
- newspapers, books, periodicals, specific documentation and publications	1.8	2.0
- prior-year charges and reversal of non-existent assets	11.1	9.9
- provision for pension fund - former employees	9.0	4.9
- other	2.2	1.9
	67.1	63.2
Total	**67.5**	**89.8**

Financial income and expenses

Other financial income. Other financial income amounts to Euro 2.2 million (Euro 1.4 million at 31 December 2013). Details are provided in Schedule 30.

Other financial income — *Schedule 30*

(millions of Euro)	**Year 2014**	Year 2013
Other financial income:		
From non-current securities other than equity investments	0.1	0.1
Financial income other than the above:		
- Interest and commissions receivable from others and miscellaneous income:		
. interest from banks, post office current accounts and other financial institutions	0.3	0.4
. interest on amount due from customers	0.5	0.3
. interest from others	1.3	0.6
	2.1	1.3
Total	**2.2**	**1.4**

Interest and other financial charges. Interest and other financial charges amounts to Euro 19.8 million (Euro 15.6 million at 31 December 2013) and includes interest charges, costs for commission on financial services and other costs as detailed in Schedule 31.

Interest and other financial charges — *Schedule 31*

(millions of Euro)	**Year 2014**	Year 2013
Interest and commissions payable to others and miscellaneous charges:		
- interest and commissions payable to banks and other financial institutions.	16.9	10.6
- interest expense and charges on interest rate hedges	2.8	4.1
- interest on amounts payable to suppliers	-	0.2
- other costs	0.1	0.7
	19.8	15.6
Total	**19.8**	**15.6**

Foreign exchange gains and losses. Foreign exchange gains amount to Euro 1.4 million (a loss of Euro 0.7 million at 31 December 2013). As shown in Schedule 32, 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 32*

(millions of Euro)	**Year 2014**	Year 2013
Foreign exchange gains (losses) from valuation	0.3	(0.5)
Other foreign exchange gains (losses)	1.1	(0.2)
Total	**1.4**	**(0.7)**

Value adjustments to financial assets

Revaluations. Revaluations of financial assets amount to Euro 1.3 million (Euro 1.9 million at 31 December 2013) and relate solely to the equity value of investments in non-consolidated subsidiaries and associated companies.

Write-downs. Write-downs of financial assets amount to Euro 2.3 million (Euro 0.2 million at 31 December 2013) and relate to losses incurred by those companies non-consolidated on a line-by-line basis.

Exceptional income and expense

Exceptional income amounting to Euro 237.1 million (Euro 1.0 million at 31 December 2013) and exceptional expense totalling Euro 13.8 million (Euro 13.4 million at 31 December 2013), are analysed in detail in Schedule 33.

Exceptional income and expense — *Schedule 33*

(millions of Euro)	**Year 2014**	Year 2013
Exceptional income		
a) capital gains relating to operations with significant effects on the structure of the company		
– surplus on sale of investment	236.3	-
– other	0.1	-
e) income relating to prior years		
– lower taxes for previous years	0.7	1.0
	237.1	1.0
Exceptional expense		
a) costs and capital losses relating to operations with significant effects on the structure of the company		
– cost of voluntary redundancy incentives	(5.3)	(12.0)
– Rai Way shares placement cost	(8.0)	-
g) prior years' taxes	(0.5)	(1.4)
	(13.8)	(13.4)
Total	**223.3**	**(12.4)**

This item includes the effects of the sale of 34.93% of the shares in Rai Way through public offering, which generated a capital gain of Euro 236.3 million and placement costs of Euro 8 million.

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

The total tax charge of Euro 20.1 million (Euro 35.5 million at 31 December 2013) 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:

(millions of Euro)	Charged in the accounts of the individual companies	Deriving from consolidation adjustments	Total
Current taxes			
– IRES	(32.7)	-	(32.7)
– IRAP	(28.3)	-	(28.3)
Deferred tax assets	40.5	-	40.5
Deferred tax liabilities	0.4	-	0.4
Total	**(20.1)**	**-**	**(20.1)**

8) Result for the year

Profit for the year is Euro 57.9 million (Euro 47.3 million attributable to the Parent Company and Euro 10.6 million attributable to third parties).

9) Reconciliation between Rai's separate and consolidated financial statements as at 31 December 2014 and 31 December 2013

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:

Reconciliation between Financial Statements and Consolidated Financial Statements

(millions of Euro)	Profit for the year		Net equity	
	2014	2013	2014	2013
Rai financial statements	47.9	4.3	346.3	298.4
Rai Way profit and net equity attributable to third parties	10.6	-	54.6	-
Other consolidation adjustments	(0.6)	1.0	(2.8)	(2.2)
Consolidated financial statements	57.9	5.3	398.1	296.2

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 Balance Sheet reclassified in vertical form

(in millions of Euro)		12.31.2014	12.31.2013
A.- NON-CURRENT ASSETS-NET			
Intangible assets		864.1	862.1
Tangible assets		618.3	650.7
Financial assets		17.3	18.6
		1.499.7	1.531.4
B.- CURRENT ASSETS-NET			
Inventories		2.6	2.8
Trade receivables		486.9	490.8
Other assets		309.1	275.3
Trade payables		(701.8)	(671.5)
Other liabilities		(231.6)	(244.5)
		(134.8)	(147.1)
C.- PROVISIONS FOR RISKS AND CHARGES		(376.1)	(363.3)
D.- WORKING CAPITAL	(B+C)	(510.9)	(510.4)
E.- PROVISION FOR STAFF SEVERANCE PAY		275.6	283.9
F.- NET INVESTED CAPITAL	(A+D+E)	713.2	737.1
financed by:			
G.- EQUITY			
Parent Company equity		343.5	296.2
Minority interests		54.6	-
		398.1	296.2
H.- TOTAL NET MID-TERM/LONG-TERM FINANCIAL DEBT		426.2	297.2
I.- NET SHORT-TERM DEBT			
. net short-term financial debts		17.5	150.8
. short-term financial receivables		-	-
		17.5	150.8
L.- CASH BALANCES		(128.6)	(7.1)
M.- TOTAL NET FINANCIAL DEBT	(H+I+L)	315.1	440.9
N.- TOTAL, AS IN F	(G+M)	713.2	737.1

Consolidated Income Statement reclassified in vertical form

(in millions of Euro)	**12.31.2014**	12.31.2013
A.- REVENUES	2,534.7	2,729.3
Change in inventories of work in progress, semifinished and finished products	-	(0.3)
Internal cost capitalisations	21.8	19.1
B.- 'TYPICAL' PRODUCTION VALUE	2,556.5	2,748.1
Cost of materials and external services	(1,116.8)	(1,102.4)
C.- VALUE ADDED	1,439.7	1,645.7
Personnel costs	(992.9)	(994.7)
D.- GROSS OPERATING MARGIN	446.8	651.0
Amortisation of programmes	(390.7)	(447.9)
Other amortisation/depreciation	(130.5)	(132.7)
Other value adjustments	(30.0)	(36.6)
Provisions for risks and charges	(41.5)	(11.6)
Miscellaneous income and charges - net	17.8	44.2
E.- OPERATING RESULT	(128.1)	66.4
Financial income and expense	(16.2)	(14.9)
Income from equity investments	(1.0)	1.7
F.- RESULT BEFORE EXCEPTIONAL ITEMS AND TAXES	(145.3)	53.2
Exceptional income and expense	223.3	(12.4)
G.- RESULT BEFORE TAXES	78.0	40.8
Income taxes for the year	(20.1)	(35.5)
H.- NET PROFIT (LOSS) FOR THE YEAR	57.9	5.3
including:		
- pertaining to the Parent Company	47.3	5.3
- pertaining to Minority interests	10.6	-

Consolidated Cash Flow statement

(in millions of Euro)		**12.31.2014**	12.31.2013
A.- CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) for the year		57.9	5.3
Income taxes		20.1	35.5
(*) Interest expense/(interest income)		17.3	11.8
(Dividends)		0.0	0.0
(Gains) losses on disposal of non-current assets		(235.9)	0.3
1. Profit (loss) for the year before income taxes, interest, dividends and gains/ losses on disposal of non-current assets		(140.6)	52.9
Net current assets neutral non cash-items adjustments			
Provisions		116.0	83.0
Amortisation and depreciation		521.2	580.6
Writedowns/Revaluations		26.4	26.2
Other adjustments for non cash-items		(18.5)	(24.9)
2. Cash flow before net current assets changes		645.1	664.9
Net current assets changes			
Decrease/(increase) in inventories		0.2	0.4
Decrease/(increase) in receivables from customers		3.9	32.7
Decrease/(increase) in due to suppliers		30.3	(14.0)
Decrease/(increase) in accrued income and prepaid expenses		(1.2)	(6.0)
Increase/(decrease) in payables and accrued expenses and deferred income		(9.0)	(7.9)
Other net current assets changes		(29.1)	(9.3)
3. Cash flow after net current assets changes		(4.9)	(4.1)
Other adjustments			
(*) Collected interest/(paid)		(16.9)	(11.0)
(Income tax paid)		(28.1)	(9.5)
Dividends collected		0.4	0.3
(Used provisions)		(92.7)	(232.7)
4. Cash flow after other adjustments		(137.3)	(252.9)
Cash flow from operating activities	**(A)**	**362.3**	**460.8**
B.- CASH FLOW FROM INVESTING ACTIVITIES			
Non-current tangible assets:			
(Investment)		(85.7)	(88.1)
Sale proceeds writedowns and other changes		0.8	1.4
Non-current intangible assets			
(Investment)		(432.3)	(449.5)
Sale proceeds writedowns and other changes		0.4	1.5
Non-current financial assets			
(Investment)		(0.4)	(5.0)
Sale proceeds writedowns and other changes		280.7	4.2
Current financial assets			
(Investment)		0.0	0.0
Sale proceeds writedowns		0.0	0.0
Purchase or sale of subsidiaries net of cash and equivalents		0.0	0.0
Cash flow from investing activities	**(B)**	**(236.5)**	**(535.5)**

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(in millions of Euro)		12.31.2014	12.31.2013
C.- CASH FLOW FROM FINANCING ACTIVITIES			
Third parties means			
Increase (decrease) short-term debt to banks		(133.3)	70.2
Loans		227.5	50.0
Loan repayments		(98.5)	(49.3)
Own means			
Cash Capital increase		0.0	0.0
Sale (purchase) treasury stock		0.0	0.0
Dividends (and advance on dividends) paid		0.0	0.0
Cash flow from financing activities	**(C)**	**(4.3)**	**70.9**
Increase (decrease) in cash and equivalents	**(A+B+C)**	**121.5**	**(3.8)**
Cash and equivalents at beginning of year		**7.1**	**10.9**
Cash and equivalents at year-end		**128.6**	**7.1**
including: Cash and equivalents restricted		**0.3**	**0.6**

(*) Concerning financial credit/debt.

Independent Auditor's Report

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AUDITORS' REPORT

To the shareholders of
RAI – Radiotelevisione italiana SpA

1 We have audited the consolidated financial statements of RAI – Radiotelevisione italiana SpA and its subsidiaries ("RAI Group") as of 31 December 2014. 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.

3 In our opinion, the consolidated financial statements of the RAI Group as of 31 December 2014 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.

Rome, 8 May 2015

PricewaterhouseCoopers SpA

Signed by

Aurelio Fedele
(Partner)

PricewaterhouseCoopers SpA

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Rai - Radiotelevisione Italiana SpA

Parent Company

Company name:	Rai - Radiotelevisione italiana SpA
Share capital:	Euro 242.518.100,00 int. vers.
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Rai

2014. A year with Rai.