



**RCS MEDIAGROUP S.P.A.**

**INFORMATION DOCUMENT ON THE COMPENSATION PLAN BASED  
ON THE ASSIGNMENT OF OPTIONS (STOCK OPTION) FOR THE  
PURCHASE OF RCS MEDIAGROUP S.P.A. SHARES**

*(drawn up pursuant to Article 84-bis of the Regulations issued through the CONSOB Resolution no.  
11971 of 14 May 1999 and subsequent amendments and published on 16 September 2007)*

## INTRODUCTION

This information document – drawn up in compliance with the Issuers Regulations (as hereinafter defined) – refers, in relation to the options allocated, not yet expired and not yet exercised as at the publication date of this information document, to the Stock-Option Plan granted to some employees of RCS MediaGroup S.p.A. and its subsidiary companies regarding the allocation of options to purchase ordinary RCS MediaGroup S.p.A shares. This plan, called “Stock-Option Plan 2005-2013”, in connection with which some implementation decisions were already taken by the competent bodies before 1 September 2007, is deemed “of particular importance” pursuant to Article 114-*bis*, subsection 3 of the Legislative Decree no. 58/1998 and Article 84-*bis*, subsection 2 of the Issuers Regulations given what follows. In this information document, reference is made to the numbering of the paragraphs included in Table 7 of the Annex 3A of the Issuers Regulations, the titles of which are given here, excluding the examples therein provided, also when the information provided is not considered applicable.

It is also noted that the subsidiary company Dada S.p.A., being an issuer of shares listed in a regulated market and severally subject to the obligations set forth in Article 114-*bis* of the Legislative Decree no. 58/1998 and Article 84-*bis* of the Issuers Regulations, has significant incentive plans in place which comply with the aforementioned regulations. For more information on these plans, please refer to the information document that will be published by Dada S.p.A..

## DEFINITIONS

“Beneficiaries”: the employees of the Group companies to whom the Options identified by the Company’s Board of Directors have been assigned;

“Group Remuneration Committee”: the committee within the Company’s Board of Directors set up in compliance with the recommendations on this matter provided by the Self-Governance Code for Listed Companies as adopted by the Company;

“Board of Directors”: the Company’s board of directors;

“Offer Date”: for each Option, the date in which the Board of Directors identifies the Beneficiaries of the Options, the number of Options offered to each Beneficiary and the purchase price of the Company’s shares in case of exercise of the Options;

“EPS”: the cumulative earnings per share realised by the Group, as resulting from the consolidated financial statements for the years 2005, 2006 and 2007 approved by the Company. The EPS is calculated as the sum of the Annual EPS for each year (2005, 2006 and 2007) whereby the “Annual EPS” related to each financial year corresponds to the net profit indicated in the consolidated financial statements of the Company divided by the total number of shares representing the Company’s share capital as at the Regulations approval date;

“Target EPS”: EPS value identified on the basis of the net consolidated profit targets set in the Company’s strategic plan for the years 2005-2007 and approved by the Company’s Board of Directors;

“Working Day”: each calendar day except Saturdays, Sundays and the other days in which banks are not usually open in Milan in order to exercise their ordinary activities;

“Group”: the Company and the other companies from time to time directly or indirectly controlled by the Company pursuant to Article 2359 of the Italian Civil Code;

“MTA”: the Electronic Equity Market (“Mercato Telematico Azionario”) organised and managed by Borsa Italiana S.p.A.;

“Options”: all the Plan’s options assigned, not yet expired and not yet exercised as at the date of this information document;

“Plan”: the stock-option plan called “Stock-Option Plan 2005-2013”, as governed by its Regulations;

“Vesting Period”: time period at the end of which the Options may be exercised in accordance with the Regulations;

“Regulations”: the terms and conditions governing the criteria, methods and terms for implementing the adopted Plan and subsequently amended by the Company’s Board of Directors through the resolutions taken on 11 November 2005 and 13 November 2006;

“Issuers Regulations”: the implementation rules of the Legislative Decree no. 58/1998 concerning the rules to be applied by issuers, adopted by CONSOB through Resolution no. 11971 of 14 May 1999, as subsequently amended;

“Company”: RCS MediaGroup S.p.A., with current registered offices in Via San Marco 21, Milan.

“TUIR”: the Income Tax Consolidation Act adopted through the Presidential Decree no. 917 of 22 December 1986, as subsequently amended.

## **1. BENEFICIARIES OF THE PLAN**

*1.1. Name of the person who is a member of the Board of Directors or of the management committee of the company issuing financial instruments, of the company controlling the issuer and its direct or indirect subsidiary companies*

*1.2 Types of employees or contractors working for the financial instruments issuer, for the parent companies or the issuers’ subsidiaries*

*1.3 Name of the persons benefiting from the plan and included in the following groups:*

- a) individuals performing the management duties listed in Article 152-sexies, subsection 1, letter c)-c.2 in the company issuing shares;*
- b) individuals performing management duties in a company directly or indirectly controlled by a company issuing shares, if the*

*book value of the shareholding in the aforesaid subsidiary company represents more than 50% (fifty percent) of the assets of the company issuing shares, as resulting from the latest financial statements approved as specified in Article 152-sexies, subsection 1, letter c)-c.3;*

*c) physical persons controlling the share issuer, who are either employees or contractors working for the share issuer.*

#### *1.4 Description and numbers, classified by categories:*

*a) of all the directors who have ongoing access to privileged information and are granted with the power to take management decisions that may influence the development and the future prospects of the share issuer, illustrated in Article 152-sexies, subsection 1, letter c)-c.2;*

*b) all the directors who have ongoing access to privileged information and are vested with the power to take management decisions that may influence the development and the future prospects of a company directly or indirectly controlled by a share issuer, if the book value of the shareholding in the aforesaid company represents more than 50% (fifty percent) of the assets of the share issuer, as resulting from the latest financial statements approved and specified in Article 152-sexies, subsection 1, letter c)-c.3;*

*c) of any other type of employees or contractors for whom the plan envisages different characteristics (e.g. directors, managers, office workers, etc.);*

*d) with regards to the stock option, if a different exercise price is applied to the parties mentioned under a) and b), the parties listed under a) and/or b) must be separately indicated and their names provided.*

The Plan has been devised for the employees of the Company or other Group companies identified by the Board of Directors, after having ascertained that the role performed by them within the companies is of strategic importance in terms of achieving the company targets. With regard to the implementation of the Plan, as at the publication date of this information document there are 72 Beneficiaries, including the Company's General Manager, Antonio Perricone, who is also Chief Executive Officer of the same Company (in addition to the following other roles held in other Group companies: Chairman of the Board of Directors of RCS Periodici S.p.A., Chief Executive Officer of RCS Quotidiani S.p.A., Director of Unidad Editorial S.A. and Flammarion S.A.).

Antonio Perricone is the only current Beneficiary who performs management duties in the Company as specified in Article 152-sexies, subsection 1, letter c)-c.2 of the Issuers Regulations, and is also its CEO. There are no other Beneficiaries currently considered as significant parties pursuant to Article 152-sexies, letter c) of the Issuers Regulations. Taking into account the functions and duties performed by Antonio Perricone on behalf of the Company and his inclusion among the Beneficiaries, the Plan is deemed "of particular importance" pursuant to Article 114-bis, subsection 3 of the Legislative Decree no. 58/1998 and Article 84-bis, subsection 2 of the Issuers Regulations.

It is also specified that the list of Beneficiaries, selected on the basis of their position, hence of their responsibilities, within the organisational structure of the Company and its subsidiary companies, also includes some persons, in addition to Antonio Perricone, who perform management roles (and in some cases also that of CEO) and/or general management duties and/or are directors of companies controlled by the Company. It is however pointed out that as at today and as at the Option assignment date, no subsidiary company was significant in accordance with the criterion indicated in Article 152-sexies, subsection 1, letter c)-c.3 of the Issuers Regulations (or represented more than 50% of the Company's assets as resulting from the latest financial statements approved).

In application of the Plan Regulations, given the different Offer Date, the Options assigned to some Beneficiaries have different exercise price and Vesting Period expiration date from those of the Options assigned to the remaining Beneficiaries (for further details see paragraphs 4.4, 4.5 and 4.22 below).

## **2. REASONS FOR ADOPTING THE PLAN (BRIEF DESCRIPTION)**

### *2.1 Objectives expected to be achieved through the plan allocations*

*2.1.1 More detailed information on the significant plans as defined in Article 84-bis, subsection 2, of the Issuers Regulations.*

*2.2 Key variables, also in the form of performance indicators considered for the purpose of the plan allocations based on financial instruments.*

*2.2.1. More detailed information on the significant plans as defined in Article 84-bis, subsection 2, of the Issuers Regulations.*

*2.3 Elements for the determination of the amount of the compensation based on the financial instruments, i.e. the criteria for its determination.*

*2.3.1 More detailed information on the significant plans as defined in Article 84-bis, subsection 2, of the Issuers Regulations.*

As already mentioned, this Plan is for the employees of the Company and its subsidiary companies identified on the basis of the strategic importance of the role performed by them within the Group structures. As at the Plan resolution date, the Company did not have any similar plan in place. The adoption of the Plan was considered having a clear corporate interest, as it enabled the Company to implement a tool to encourage and increase loyalty among the staff carrying out roles with strategic importance from a management and organisation point of view, steering their performance towards increasing the company's value (and therefore creating value for all shareholders) over the medium and long-term. This is done by linking a considerable variable part of their compensation to the achievement of increasing levels of growth that are considered significant and, at the same time, by establishing a tool for motivating and increasing the loyalty of key staff, in order to encourage them to continue working for the Group.

With regard to achieving the objective of increasing loyalty, the time period set in the Plan between the assignment date and the first date in which the Options can be exercised is usually (except in particular situations adjusted in compliance with the Regulations; for more information see the following paragraphs 4.5 and 4.8) at least three years, with

subsequent exercise opportunities in the following four years, but only within some set time windows. As for the criteria for determining the above-mentioned time period, this was indirectly influenced by the performance target adopted, which requires the approval of the Company's consolidated financial statements for the year 2007.

The effective exercisability of the Options assigned to each Beneficiary and to what extent this might occur is subject, for all the Beneficiaries, to the achievement of certain EPS levels compared to the Target EPS, as described in more detail in paragraph 4.5. This objective was deemed suitable to the goal of providing incentives to the Beneficiaries, considering the activity carried out by the Company and the Group, whilst, at the same time, providing a significant parameter which is indicative of the value created for the shareholders.

The actual fixing of the number of Options assigned to each Beneficiary, and hence of the potential compensation, carried out by the Board of Directors upon proposals by the Group Remuneration Committee, took into account, in accordance with the Regulations, the level of strategic importance of the role performed within the Group and therefore of the capacity to influence the performance targets, by applying different proportionality criteria between the fixed compensation and the number of Options assigned.

*2.4 Rationale behind the decision to allocate employee incentive plans based on financial instruments not issued by the financial instruments issuer, such as financial instruments issued by subsidiary companies, parent companies or third-party companies that do not belong to the group; if such instruments are not negotiated in regulated markets, information on criteria used to determine the value attributed to them.*

*2.5 Assessment of significant tax and accounting implications that influenced the development of the plans.*

*2.6 Potential support to the plan given by the special employee fund for motivating the involvement of the latter in companies, as specified in Article 4, subsection 112 of the Law 24 December 2003, no. 350.*

The way some Plan conditions are structured (the Plan does not receive support from the special employee fund for motivating the involvement of the latter in companies) were also dictated by the tax laws applicable, i.e.

- Article 9, subsection 4, letter a) of TUIR influenced the choice of the Option exercise price at the "ordinary value" of the Company's ordinary shares;
- Article 51, subsection 2-*bis* of TUIR influenced the definition of a Vesting Period by virtue of which each Option can only be exercised after a period of three years from the Offer Date.

### 3. APPROVAL PROCEDURE AND TIMEFRAME FOR THE ASSIGNMENT OF INSTRUMENTS

#### *3.1 Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the plan*

In order to enable the implementation of the plan, on 29 April 2005 the Company's Shareholders' Meeting delegated to the Board of Directors:

- (a) the power, pursuant to Article 2443 of the Italian Civil Code and for a period of five years, to carry out a divisible increase of the Company's share capital, in one or more stages, up to a nominal amount of € 25,740,704 by issuing up to maximum 25,740,704 ordinary shares with a nominal maximum value of € 1, with regular entitlement, to be offered for purchase to the employees of the Company and of the other Group companies, in accordance with Article 2441, subsection 8 of the Italian Civil Code and also to the effects of Article 134, subsection 2, of the Legislative Decree no. 58/1998;
- (b) the power to identify the Plan Beneficiaries, also through members of the Board of Directors sub-delegated to carry out this task, after having ascertained the strategic importance of the role performed by the Beneficiaries in the Group;
- (c) the power to set the terms and conditions for implementing the share capital increase to the service of the Plan, without prejudice to the fact that the rights to purchase the Options and the underlying newly-issued shares would be personal and non-transferable *inter vivos* and that the Board resolutions to increase the share capital in implementation of the mandate granted by the Shareholders' Meeting and to the service of the Plan should include the fact that, if the share capital increase was not subscribed within the timeframe set each time (and in any case no later than 30 June 2013), the share capital would be increased by an amount corresponding to the subscriptions submitted by such deadline;
- (d) any power necessary or useful for the implementation of the Plan and, therefore, by way of example, to set terms and conditions also through the approval of the related regulations, notwithstanding that the Board would be able to avail itself, in order to implement the activities included in the plan, of individual members or committees set up within the Board, giving these members and/or committees proposition and consulting functions or powers over decision-making and implementation activities, by vesting them, if and where applicable, to sub-delegate powers including, always by way of example, any power enabling them to:
  - potentially structure the Plan in several option assignment cycles, defining the methods;
  - set the share purchase price to which the Options entitle, corresponding to the average of the Company's official share price on the MTA in each trading date in the period between the Options assignment date to each Beneficiary and the same date of the previous month; the difference with the nominal value is entered as premium, considering the tax regime applicable to employees. It was also specified that this issue price could not be lower than the nominal value of the shares already issued;
  - identify and quantify the performance target or targets and the levels to be reached, to which the right to purchase newly-issued shares would be linked;
  - make any amendment, adjustment or integration deemed necessary or

opportune to the Regulations and to the purchase prices already set as illustrated above, in order to keep their substantial and economic contents as unchanged as possible, within the limits set by the laws in effect at that moment.

### ***3.2 Parties in charge of managing the plan, their function and scope of activity.***

The Board of Directors is responsible for managing the Plan. On proposal of the Company's Group Remuneration Committee and by virtue of the powers assigned by the Shareholders' Meeting, the Board, or indeed its members with specific powers of attorney, shall carry out any assessment of the plan, implementing any resulting decision, and executes the activities listed by the Regulations. To this point, the Board of Directors assigned powers to its Chairman and to each member of the Group Remuneration Committee to carry out the Plan's management activities severally. The latter act, if applicable, on the basis of the proposals made by the Group Remuneration Committee as a whole, in compliance with the Regulations.

In accordance with the Regulations, a series of activities connected with the Plan may be carried out by a trust company appointed for this purpose. More specifically, once the Beneficiaries have joined the Plan and the aforesaid trust company has been identified, the Beneficiaries exercise their rights and comply with the obligations set by the Regulations through the trust company. It is also envisaged that the trust company shall operate on behalf of the Beneficiaries and of the Company in relation to the management activities connected with the administration of the Plan, in compliance with the Regulations.

### ***3.3 Procedures that may be put in place to revise the plan also in relation to potential changes of the basic objectives.***

In accordance with the Regulations, in case of events that are not explicitly mentioned in the Regulations (referring especially to the events illustrated in the paragraphs 4.5 and 4.8 below) such as extraordinary transactions on the Company's share capital, changes in the law or regulations or other events, including management ones, that can affect the Options, the Company's shares, the Target EPS and/or the Plan, the Board of Directors will carry out an assessment and, if and as necessary, made amendments and integrations to the Regulations considered necessary or opportune to maintain the substantial and economic contents of the Plan unchanged.

In relation to any need identified after the approval of the Plan, the Board of Directors can also request that all Beneficiaries exercise in advance, entirely or partially, the Options assigned to them and within a specific deadline, or more generally suspend the right to exercise the Options for a period of up to 3 months.

### ***3.4 Description of the methods for determining the availability and assignment of the financial instruments on which the plans are based.***

The Company's shares that will be assigned to the Beneficiaries when they exercise the Options are expected to derive from one or more paid share capital increases to the service

of the Plan excluding the option right pursuant to Article 2441, subsection 8 of the Italian Civil Code. The share capital increases are to be approved by the Board of Directors by virtue of the power of attorney in accordance with Article 2443 of the Italian Civil Code resolved, also to the effects of Article 134 subsection 2 of the Legislative Decree no. 58/1998, by the Shareholders' Meeting on 29 April 2005 illustrated in paragraph 3.1. As at the publication date of this information document, the Board of Directors had not yet exercised this power.

***3.5. Role performed by each director in determining the features of the plan; conflicts of interests.***

The proposals of the Shareholders' Meeting on the Plan, the Plan Regulations (in the original version and in the one subsequently amended) and the assignment of options on the basis of the latter were approved by the Board of Directors, on proposal by the Group Remuneration Committee. During the meeting in which the approvals were made, the Company's CEO in office at that time, as a potential beneficiary of options on the basis of the Plan being an employee performing strategic functions, stated the presence of a conflict of interest with the Board decisions and did not take part in the resolution.

***3.6 Based on the requirements of Article 84-bis, subsection 1, the date of the decision taken by the competent body to propose the approval of the plans to the Shareholders' Meeting and the proposal of the remuneration committee (if applicable).***

***3.7 Based on the requirements of Article 84-bis, subsection 5, letter a), the date of the decision taken by the competent body in relation to the assignment of the financial instruments and the proposal to the aforesaid body submitted by the remuneration committee (if applicable).***

***3.8 Market price recorded on the abovementioned dates for the financial instruments on which the plans are based, if traded on regulated markets.***

The decision-making process leading to the approval of the Plan was as follows.

On 14 March 2005 the Group Remuneration Committee decided to propose to the Board of Directors to submit to the Shareholders' Meeting for approval the decisions mentioned in the previous paragraph 3.1. On 18 March 2005 the Board of Directors submitted the decisions for approval and, on 27 April 2005 the Shareholders' Meeting took the resolutions. On these dates the official price of the Company's ordinary shares on the MTA was € 4.1882, 4.1735 and 4.7441, respectively.

On 4 November 2005 the Group Remuneration Committee decided to propose to the Board of Directors the adoption of the Plan Regulations (as well as an assignment of options to be allocated in 2005) and the decision in this sense came from the Board of Directors on 11 November 2005 (it is hereby pointed out that as at the date of this information document, the options assigned on that occasion have expired and may not be exercised by their beneficiaries following the termination of employment or waiver; part of

these options, which had become available for a new assignment, were reassigned during the subsequent allocation occurred on 13 November 2006). On these dates the official price of the Company's ordinary shares on the MTA was € 4.1275 and 3.9451, respectively.

On 7 June 2006 the Group Remuneration Committee decided to propose to the Board of Directors the approval of an initial assignment of options to be allocated during 2006. On 14 July 2006 the Board of Directors approved this assignment. On these dates the official price of the Company's ordinary shares on the MTA was € 4.0892 and 3.7971, respectively.

On 8 November 2006 the Group Remuneration Committee decided to propose to the Board of Directors the adoption of an amendment to the Regulations (regarding the change of the end date of the Vesting Period from 15 June 2009, originally set for the Options, to the expiration date of three years from the Offer Date), and the approval of a second assignment of Options to be allocated during 2006. The decisions in this sense by the Board came on 13 November 2006. On these dates the official price of the Company's ordinary shares on the MTA was € 3.5088 and 3.5814.

*3.9 In case of plans based on financial instruments negotiated on regulated markets, in what way and according to which procedure the issuer takes into account, when setting the timeframe for the assignment of the instruments in application of the plans, the potential time coincidence of i) this assignment or the decision taken in this sense by the remuneration committee and ii) the circulation of relevant information pursuant to Article 114, subsection 1.*

No specific decisions have been taken in relation to the potential time coincidence of the assignment dates (or the proposals agreed by the Group Remuneration Committee) and the circulation of relevant information pursuant to Article 114 subsection 1 of the Legislative Decree no. 58/1998, also in the light of the circumstance that the Option exercise price was set, in accordance with the Regulations, on the basis of the "normal value" of the Company's shares as illustrated in the paragraph 4.22 below.

#### **4. CHARACTERISTICS OF THE INSTRUMENTS**

##### *4.1 Structure of the compensation plan based on financial instruments.*

The Plan provides for the free assignment to the Beneficiaries of options to purchase newly issued ordinary shares, with regular entitlement, of the Company, with said assignment due to be completed, as far as the Options are concerned, by 31 December 2006, (as in fact occurred). Each Option entitles the holder to subscribe for one ordinary share of the Company.

##### *4.2 Effective plan implementation period with reference also to any different periods envisaged.*

### ***4.3 Term of the plan.***

The Options were partly assigned on 14 July 2006 and partly on 13 November 2006, with no further assignments provided for under the Plan. The normal expiry date for the exercise of the Options is set at 15 June 2013 (save for specific terms provided for in the implementation of the Regulations, with this regards, refer to, in particular, the provisions detailed in paragraphs 4.5 and 4.8 below). The expiry date for the Plan is set in the Regulations at 30 June 2013, after which date any unexercised Options may not be exercised under any circumstances.

### ***4.4 Maximum number of financial instruments, including in the form of options, assigned in each financial year in relation to the named persons or to the staff types specified.***

The table below sets forth the number of Options assigned during the only financial year of assignment, namely 2006, for named Beneficiaries or for the types of staff in section 1.

<b>Name/Type</b>	<b>Number of Options assigned</b>
Antonio Perricone <sup>o</sup>	1,404,494 <sup>^</sup>
Other Group employees	13,452,499 <sup>*</sup>

<sup>o</sup> identified by the Company's Board of Directors in consideration of the strategic relevance of the role respectively performed within the Group

<sup>^</sup> Options assigned on 13 November 2006

<sup>\*</sup> including 698,314 Options assigned on 14 July 2006 and 12,754,185 Options assigned on 13 November 2006 (as a result of the different respective Vesting Periods and the different respective exercise prices, see paragraphs 4.5 and 4.12 below).

### ***4.5 Plan implementation procedures and clauses (specifying whether the actual assignment of instruments is subject to the satisfaction of conditions or the achievement of particular results, including performance related, and description of the conditions and results).***

As stated in paragraph 4.1, the Plan provides for the free assignment to the Beneficiaries of Options to purchase newly issued ordinary shares, regular entitlement, of the Company at a predetermined price. Each Option entitles the holder to subscribe one share of the Company.

The Vesting Period for the Options, until the expiry of which the Options are not normally exercisable (except for the specific circumstances provided for under the Regulations, as described in this paragraph and in paragraph 4.8 below), is set by the Regulations as starting from the respective Offer Date (and therefore from 14 July 2006 or from 13 November 2006) to the same calendar day of the third year following said Offer Date.

The Options are deemed as vested – when the Target EPS has been achieved in the

amounts and under the conditions specific below - as at the publication date of the results of the consolidated financial statements for the Company's financial year ended 31 December 2007, for the purposes of the law (deemed as corresponding to the related press release pursuant to Article 114, subsection 1, of the Legislative Decree no. 58/1998 and Article 66 of the Issuers Regulations). Specifically, the Options shall be vested in the following amounts and subject to the satisfaction of the following conditions:

- (e) the achievement of an EPS of 75% of the Target EPS shall result in the vesting of a number of Options corresponding to 50% of the relevant total;
- (f) the achievement of an EPS higher than 75%, but lower than 90% of the Target EPS shall result in the vesting of a number of Options corresponding to the number resulting from the implementation of the item (a) above increased in linear proportion with reference to the EPS achieved;
- (g) the achievement of an EPS equal to or exceeding 90% of the Target EPS shall result in the vesting of all the Options,

whereas, if an EPS of at least 75% of the Target EPS is not achieved during the applicable vesting period, no Options shall be vested.

The Options thus vested, subject to the satisfaction of the other conditions established for their exercise, shall be normally exercisable on the Working Days during the periods from 15 January to 31 January, from 1<sup>st</sup> June to 15 June, from 15 September to 30 September and from 15 November to 30 November of each year (or on the Working Days during the periods notified to the Beneficiaries in other specific cases provided for by the Regulations).

Without prejudice to the abovementioned general provisions, and specifically to the provisions in paragraph 4.8 below, it should be noted, as regards the related main terms, that under the Regulations:

- (a) should a public offer be made to buy or exchange the Company's shares, the Beneficiaries shall be entitled to exercise all the vested and exercisable Options (and also the Options that are not yet vested and/or exercisable, should the vesting condition specified above have not yet been satisfied and/or the respective Vesting Period have not yet expired) solely during the exercise period (of at least 10 Working Days) appropriately notified by the Company, with said Beneficiaries thus not entitled, unless otherwise specified by the Board of Directors, to subsequently exercise the Options, without prejudice to the Board of Directors' power, should the latter have formally expressed a negative or critical judgment in relation to said offer to not authorise the Beneficiaries to exercise the Options as described above, with the right thus remaining to exercise the vested Options within the normal periods provided for by the Regulations;
- (b) in the event of the purchase of a business/business division of one of the Group's companies or of more than 50% of their share capital (excluding the Company) by one or more third parties who do not belong to the Group, the Beneficiaries who are employees, or who belong to the company/business/business division involved shall be entitled to exercise the Options within 180 days from the date of the exchange of control/ownership and solely during the exercise period/s specifically notified by the Company for such purpose, with the exercise of

Options not yet vested also authorised should the exchange of control take place more than 180 days prior to 15 June 2008; all without prejudice, in any case, to the Board of Directors' power to decide in any other manner, except for the definitive removal of the right to exercise the Options.

It is also noted that, as permitted by the Regulations, certain Beneficiaries specifically identified by the Board of Directors, to whom the assignment has been made in consideration of the particular strategic value of their organisational position respectively held within the Group – namely 8 Beneficiaries (including the General Manager and Chief Executive Officer of the Company, Mr. Antonio Perricone) assigned a total of 4,914,236 Options entitling the holders to subscribe for ordinary shares corresponding to 0.670% of the ordinary share capital, and to 0.644% of the overall share capital of the Company subscribed for and paid up as at the publication date of this information document – are subject to obligations to re-invest in ordinary shares of the Company on the basis of which, should the exercise of the Options occur in the two years after the expiry of the related Vesting Period, they are obliged to sell the shares of the Company and re-invest part (in varying amounts, according to the Regulations, from a maximum of 50% for Mr. Antonio Perricone to a minimum of 30%) of the net capital gain resulting from said sale. The shares of the Company purchased in performing this obligation may not be the subject-matter of deeds of covenant *inter vivos* without prior authorisation from the Company until the end of the second year after the expiry of the related Vesting Period.

***4.6 Details of any availability restrictions affecting the instruments or the instruments arising from the exercise of the options, with particular reference to the periods in which their subsequent transfer to the company or to third parties is authorised or forbidden.***

The Options are assigned to the Beneficiaries personally and may not be transferred by deed *inter vivos*, or be subject to liens, or constitute the subject-matter of other deeds of covenant of any type.

The Regulations establish re-investment obligations, referred to in paragraph 4.5 above, for specific Beneficiaries identified by the Company's Board of Directors. The shares issued as a result of the exercise of the Options, only for those Beneficiaries subject to said re-investment obligations, are subject solely to the availability restrictions specified herein.

***4.7 Description of any resolute conditions for the allocation of plans should the recipients undertake hedging transactions that enable the circumvention of any bans on the sale of the financial instruments assigned, also in the form of options or otherwise, or of the financial instruments arising from the exercise of such options.***

The abovementioned circumstances are not applicable to this Plan.

#### ***4.8 Description of effects resulting from the termination of the employment relationship.***

The effects of the termination of an existing work relationship between the Beneficiary and the related Group company, without prejudice to the general lack of effect of transfers, or terminations and subsequent reinstatements of relationships only involving Group companies, are different depending on the reason for the termination of said relationship, and their main terms are described below:

(a) for termination due to voluntary resignation, the Beneficiary who (within the following 30 days) submits a request for access to pension benefits, is entitled to exercise only those Options vested as at the termination date, within the normal exercise periods provided for by the Regulations;

(b) for termination due to the onset of permanent disability of the Beneficiary preventing the continuation of the employment relationship, the Beneficiary, if the related Vesting Period has not yet expired as at the termination date, may exercise the Options, even if not yet vested, but solely within a year and, in any case, during the exercise periods specified in paragraph 4.5 above, with the normal provisions of the Regulations otherwise applying, also should this right not be exercised;

(c) for a termination due to the Beneficiary's death, the Beneficiary's heirs or legal successors shall have the right to exercise, within the normal periods provided for under Regulations, all the Options, even if not yet vested for exercise, if the applicable Vesting Period has not yet ended, or the Options that have been vested, if said Vesting Period has already expired;

(d) for termination due to dismissal not for just cause or to resignation for just cause by the Beneficiary, the latter may only exercise the Options that have already been vested as at the termination date, provided this takes place before the end of the second exercise period after the termination date;

(e) for a dismissal for just cause, or for a voluntary resignation by the Beneficiary in circumstances other than those referred to in items (a) and (b) above, or for any other reason different to those described above, the Beneficiary shall definitively lose the right to exercise any Options not yet exercised.

The Board of Directors has the power to allow one or more of the Beneficiaries to maintain the rights they are entitled to under the Regulations even should they lapse, as well as to amend said rights.

#### ***4.9 Indication of other possible reasons for the cancellation of plan.***

***4.10 Grounds for the possible buy back by the company of the financial instruments subject-matter of the plans, as provided for by Articles 2357 and following of the Italian Civil Code.***

***4.11 Any loans or other facilities to be granted for the purchase of the shares pursuant to Article 2358, subsection 3, of the Italian Civil Code.***

The abovementioned circumstances are not applicable to this Plan.

***4.12 Estimates of the expected costs for the company as at the respective assignment date, as determinable on the basis of the terms and conditions already defined, by total amount and for each plan's financial instruments.***

The estimated cost for the Plan is based on the "fair value" of the Options as at the respective assignment date, calculated using the binomial model, and amounts to € 0.87 for the Options assigned on 14 July 2006 and € 0.79 for the Options assigned on 13 November 2006.

Considering the maximum number of potentially exercisable Options, the total cost for the Plan is estimated, as at today, at approximately € 11.3 million, including around € 0.5 million for the Options assigned on 14 July 2006.

Also, in addition to the administrative and management costs for the Plan that still cannot be accurately quantified and to be, however, considered as not relevant, the Company and its subsidiaries where the Plan Beneficiaries are employed will also, for the respective amounts due, bear the costs for the social security and pension contributions on the employee income resulting from the exercise of the Options, albeit for a modest amount under the current applicable legislation that in any case is not quantifiable as at the publication date of this information document.

***4.13 Details of any dilutive effects on the share capital resulting from the incentive plans.***

If all the 14,856,993 Options were to be exercised, with the consequent subscription (following the related capital increase/s that the Board of Directors has already been authorised to resolve) of an equal number of ordinary shares of the Company, the number of ordinary shares of the Company would increase from the present number of 732,669,457 to 747,526,450, or by 2.027%, whilst the total number of shares representing the share capital (also including 29,349,593 savings shares with a nominal value of € 1 each) would increase from 762,019,050 to 776,876,043, i.e. by 1.949%.

***4.14 Any restrictions set for the exercise of voting rights and for the assignment of property rights.***

***4.15 Information to be provided if the shares are not traded on regulated markets.***

The circumstances considered refer specifically to share allocation plans and are therefore not directly applicable to this Plan, nor are they relevant with respect to the shares of the Company that the Options, once exercisable, entitle the holder to subscribe for.

***4.16 Number of financial instruments underlying each option.***

Refer to paragraph 4.1 above.

#### ***4.17 Expiry of the options.***

Refer to paragraph 4.2 above.

#### ***4.18 Exercise procedures (U.S./European) timescales (e.g. qualifying periods for exercise) and clauses (e.g knock-in and knockout clauses).***

The Options may only be exercised during the exercise periods set by, or in implementation of, the Plan Regulations, as detailed above in this information document.

#### ***4.19 Exercise price for the options or the procedures and criteria for its determination, with particular reference to:***

*a) the formula for the calculation of the exercise price in relation to a particular market price, and*

*b) the procedures for the determination of the market price used as reference for the determination of the exercise price.*

#### ***4.20 Should the exercise price not be equal to the market price determined in accordance with item 4.19.b (fair market value), the reasons for such difference.***

#### ***4.21 Criteria on the basis of which different exercise prices are envisaged for different persons or different categories of recipients.***

#### ***4.22 If the financial instruments underlying the options are not tradable in regulated markets, indication of the value attributable to the financial instruments underlying the options or the criteria for determining their value.***

The purchase price for each of the Company's shares resulting from the exercise of the Options corresponds, in compliance with the Regulations, to the arithmetic mean of the official price for the Company's ordinary shares for each trading day on the MTA market (or on a regulated market) during the period from the offer date for the respective Options to the same day of the previous month, taking into account the provisions of Article 9, subsection 4, of the TUIR (Income Tax Consolidation Act).

The above criterion for the determination of the exercise price for the Options applies to all the Options alike. However, given that, as described in paragraph 4.2 above, the Options were assigned on two different occasions, their exercise price is different as a result of the different Offer Dates. Specifically, the purchase price for the Options, as determined above under the Regulations, amounted to € 3.990 for the shares subscribed by the Options assigned on 14 July 2006 and € 3.616 for the shares subscribed by the Options assigned on 13 November 2006.

*4.23 Criteria for the adjustments required as a result of corporate actions involving equity and other transactions that lead to a change in the number of the financial instruments underlying the options.*

Refer to paragraph 3.3 above.

**4.24** See the attached summary table.

**COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS**

**Table 1 of schedule 7 of Annex 3A to the Regulations no. 11971/1999**

*Date: 16 /09/2007*

Name or type	Position (only for named persons)	TABLE 2							
		Options (option grant)							
		<u>Section 1</u>							
		Options relating to plans, currently in force, approved on the basis of previous shareholders' meeting resolutions							
		Date of the shareholders' meeting resolution	Description of instrument	Number of financial instruments underlying each option but not exercisable	Number of exercisable financial instruments underlying each option but not exercised	Date of assignment by the competent body B.o.D.	Exercise price	Market price of the underlying financial instruments as at the assignment date (+)	Option expiry
Antonio Perricone (°)	General Manager (*)	29/04/2005	Options to subscribe 1 ordinary share of RCS MediaGroup S.p.A.	0	1,404,494	13.11.2006	3.616	3.5814	15.06.2013 (^)
Other Group Employees (°)		29/04/2005	Options to subscribe 1 ordinary share of RCS MediaGroup S.p.A.	0	12,754,185	13.11.2006	3.616	3.5814	15.06.2013 (^)
Other Group Employees (°)		29/04/2005	Options to subscribe 1 ordinary share of RCS MediaGroup S.p.A.	0	698,314	14.07.2006	3.990	3.7971	15.06.2013 (^)

*Notes:*

(°) Identified by the Company's Board of Directors in consideration of the strategic relevance of the role respectively performed within the Group

(\*) Also Chief Executive Officer of RCS MediaGroup S.p.A

(^) Current expiry (based on the ordinary expiry terms provided for in the Regulations)

(+) Official Price quoted on the MTA