



Press Release

RCS MediaGroup Board of Directors: Results at 30 September 2009 approved

Highlights⁽¹⁾:

- Consolidated net revenues at EUR 1,621.2 million (EUR 1,957.7 million at 30 September 2008)
- Group advertising revenues at EUR 496.8 million (EUR 682.3 million in the same period of 2008)
- Total costs fall by EUR 246 million in the first nine months (13.8%)
- EBITDA before non-recurring costs/income at EUR 63.2 million (EUR 161.1 million in the first nine months of 2008)
- EBITDA after non-recurring costs/income at EUR 30.3 million (EUR 151.9 million at 30 September 2008)
- Net loss of EUR 73.3 million (versus a profit of EUR 20.3 million at 30 September 2008)
- 86.7% of the crisis plan for 2009 implemented (EUR 112.7 million of savings achieved out of EUR 130 million budgeted for 2009)
- Net debt improved by EUR 71.1 million versus 30 September 2008

Milan, 11 November 2009 - At its meeting today, the Board of Directors of RCS MediaGroup, under the chairmanship of Piergaetano Marchetti, examined and approved the consolidated results at 30 September 2009. The main results for the first nine months of 2009 and the third quarter of 2009 compared with those of the same periods in 2008 are shown below.

Consolidated figures ⁽¹⁾ (EUR million)	30/09/2009	30/09/2008	% change	3Q 2009	3Q 2008	% change
Consolidated group revenues	1,621.2	1,957.7	-17.2%	528.7	611	-13.5%
EBITDA before non-recurring costs/income	63.2	161.1	-60.8%	34.3	37.4	-8.3%
EBITDA after non-recurring costs/income	30.3	151.9	-80.1%	28.1	34.5	-18.6%
EBIT	(56.3)	78.2	>-100%	(1.6)	10.7	>-100%
Net profit	(73.3)	20.3	>-100%	(8.2)	(16.2)	49.4%

Balance sheet figures (EUR million)	30/09/2009	31/12/2008	30/09/2008
Net debt	1,122.4	1,146.8	1,193.5

¹ The 2008 results include the costs and revenues of Unidad Editorial's print activities, as well as the activities of La Coccinella and the programming and television broadcasting division of the subsidiary Digicast. The Dada group subsidiaries Giglio Group, E-box and the Amen group were fully consolidated from 3Q 2008. The activities of Dada Entertainment, previously consolidated using the equity method, were consolidated fully from June 2009.

Alternative performance indicators:

- EBITDA refers to the operating result before depreciation, amortisation and write-downs.

- Net debt, a financial structure indicator, is calculated as current and non-current financial debt, net of cash and equivalents, current financial assets and non-current financial assets related to financial instruments.

Group results at 30 September 2009

Despite an easing in recent months of the first half of the year negative trend, the deep recession that began in 2008 continues to affect advertising investment and circulation revenues in the publishing sector, which has in turn had an impact on the Group's results at 30 September 2009.

As stated previously, in order to deal with the effects of the recession, in May 2009 the RCS MediaGroup approved a series of structural measures across all group companies aimed at reducing total costs by over EUR 200 million. Of this amount, a target of EUR 130 million was set for 2009. **The measures implemented by end-September led to a reduction in costs of EUR 112.7 million, or 86.7% of this year's target, which may therefore be exceeded.**

Consolidated net group revenues at 30 September 2009 were EUR 1,621.2 million (down EUR 336.5 million on the same period of 2008), mainly due to the contraction in advertising and circulation revenues. **Group advertising revenues** fell by 27.2% from EUR 682.3 million to EUR 496.8 million. Looking only at the third quarter of 2009 compared with the same period of 2008, revenues fell by 23%. The decline in advertising revenues was due not only to unfavourable market trends, but also specifically to Spanish Newspapers (-EUR 62.3 million), Italian Newspapers (-EUR 60.8 million) and Magazines (-EUR 41.1 million). RCS Pubblicità posted revenues of EUR 275.9 million, a fall of 31.7% in the January-September period (-23.6% on a like-for-like basis) or 26 % looking at the third quarter 2009 only (-19.5% on a like-for-like basis).

Circulation revenues fell by EUR 122.9 million versus 30 September 2008 (-11.8%) to EUR 921 million, owing mainly to the Partworks division, which saw a drastic reduction of launches in Italy and abroad.

Other publishing revenues decreased from EUR 231.5 million to EUR 203.4 million (-12.1%).

EBITDA before non-recurring costs/income was positive at EUR 63.2 million (down 60.8% versus 30 September 2008). In the third quarter of 2009, EBITDA before non-recurring costs/income came in at EUR 34.3 million, a decline of 8.3% compared with the same period of 2008. The decrease was partly offset by the company's restructuring plans currently in progress, which led to the above-mentioned savings of EUR 112.7 million in the first nine months, **with a total reduction in costs of EUR 246 million** (equivalent to 13.8% of total costs).

EBITDA after non-recurring costs/income was EUR 30.3 million, compared with EUR 151.9 million in the same period of 2008, with non-recurring costs totalling EUR 32.9 million and EUR 9.2 million, respectively.

EBIT was negative at EUR 56.3 million (+EUR 78.2 million at 30 September 2008) and in addition to the EBITDA performance, reflects in particular, write-downs of EUR 14.4 million (zero in the same period of 2008), which were mainly non-recurring and associated with the current restructuring. Stripping out non-recurring costs and write-downs, EBIT would come in at EUR -9 million.

Net financial charges fell from EUR 44.3 million to EUR 26.3 million, chiefly due to the marked reduction in interest rates compared to the same period of 2008.

The Group made a **net loss** of EUR 73.3 million (versus a profit of EUR 20.3 million in the same period of 2008), mainly because of the trends described above.

Net debt, which improved by EUR 71.1 million versus September 2008, was EUR 1,122.4 million (EUR 1,146.8 at 31 December 2008). The decrease in the nine months was due to the combined effect of the extraordinary operation transferring the printing assets of the Spanish Newspapers division, the sale of buildings to Unidad Editorial, and improved cash flow from ordinary operations, which generated EUR 41 million (EUR 25 million in the same period of 2008), net of the investment made by the Group.

Comments on performance in the nine-month period ending 30 September 2009

The **Italian Newspapers** division recorded **revenues** of EUR 457.8 million (EUR 531.3 million in the first nine months of 2008). **Advertising revenues** fell by 19.8%: the 21% decline seen in the first half of 2009 was reduced somewhat in the third quarter, with a dip of only 16.3%.

Although **circulation revenues** fell by 9.3% in the first nine months due to the general crisis in consumer spending, *Corriere della Sera* and *La Gazzetta dello Sport* maintained their market leadership in their sectors (source: ADS July 2009). The websites of these newspapers, *corriere.it* and *gazzetta.it*, recorded a continuous and substantial increase in average daily users on weekdays: 1.404 million (+27%) and 884 thousand (+16%) respectively in September 2009.

EBITDA, which fell from EUR 73.3 million to EUR 34.1 million (EUR 23.8 million, including the EUR 10.3 million relating to non-recurring costs), suffered as a result of the contraction in revenues. Positive results were obtained from the cost-cutting measures, which led to a total saving of over EUR 25 million in the nine-month period.

In Spain, **Unidad Editorial** posted **revenues** of EUR 372.2 million (EUR -95.1 million versus 30 September 2008). **Advertising revenues** totalled EUR 137.5 million, a fall of 31.2% in the first nine months of 2009 (or a decline of 17.3% for the third quarter compared to the same period in 2008).

Circulation revenues fell by EUR 19.9 million to EUR 200.4 million, due to fewer launches of add-on products (-EUR 22.3 million) and the decline in circulation figures, which was partly offset by higher revenues from the distribution of third-party products and the price increases for *El Mundo* and *Expansion*.

El Mundo confirmed its position as Spain's second-largest daily, and *Marca* maintained its leadership in sports news. The websites of these newspapers recorded a substantial increase in average unique users in September 2009, *Elmundo.es* – the world leader in Spanish-language news websites – hit 20.6 million (+34.3% versus September 2008), *marca.com* confirmed its position as leader in the sports segment with 16.9 million, and *expansion.com* – leader in financial news – saw a growth of more than 100% compared with September 2008 to 1.9 million.

EBITDA was negative at EUR 6.5 million (+EUR 32.5 million at 30 September 2008) as a result of the fall in advertising revenues and an increase in non-recurring costs of EUR 19.9 million, which were partly offset by capital gains from the sale of buildings in Madrid (EUR 10.9 million), but benefited particularly from efficiency savings of EUR 42.9 million. In the third quarter of 2009, EBITDA was positive at EUR 0.1 million (-EUR 7.3 million in the same period of 2008).

Revenues from **Books** fell from EUR 510.2 million to EUR 430.5 million (-15.6%), due almost exclusively to the planned decrease in launches of partworks (-EUR 61.9 million). For the third quarter of 2009, revenues were down 8.6% versus the same period in 2008.

EBITDA was EUR 17.5 million (-EUR 2.2 million compared with 2008). Stripping out non-recurring costs and income resulting from the efficiency measures implemented by the Group, EBITDA came in at EUR 20.2 million, in line with the figure of EUR 20.9 million for the previous year. Efficiency measures implemented in 2008 have achieved total savings of more than EUR 10 million to date.

Total **revenues** in the **Magazines** division declined from EUR 223.9 million to EUR 179.1 million (-20%). **Advertising** and **circulation revenues** were down 30.6% and 9.4% respectively, due to the ongoing difficult market conditions. Circulation figures for *Amica* and *Bravacasa*, in particular, showed a positive trend.

EBITDA was negative at EUR 2.9 million (compared with +EUR 7.1 million at 30 September 2008). The figure includes non-recurring costs of EUR 1.5 million and reflects the impact of the drop in revenues, particularly from advertising. This has largely been counteracted by the new efficiency savings and corporate reorganisation plan launched in the second quarter of 2009, which has already delivered savings of EUR 26.4 million. Thanks to these measures, EBITDA for the third quarter of 2009 was in line with the figure for the previous year.

The **Television** division (**Digicast**) posted a 4.5% increase in **revenues** to EUR 20.9 million, thanks to the strong performance of **advertising revenues**, which were up 62.5% chiefly as a result of income from the *Lei* channel and the *Yacht & Sail* multimedia system. **EBITDA** declined from EUR 9.6 million to EUR 8 million, and takes into account the investment made to launch the *Lei* channel and non-recurring costs relating to the company's relocation from Rome to Milan.

The **Dada group** posted **revenues** of EUR 115 million (-8.8% versus EUR 126.1 million at 30 September 2008), broken down as follows: Dada.net 49%; Dada.pro 51%. Overseas activities accounted for 58% of consolidated revenues in the first nine months of the year, up from 47% for the same period in 2008. **EBITDA** was EUR 14.4 million (compared to EUR 20.8 million in the same period of the previous year) and included non-recurring costs of EUR 1.5 million and costs of EUR 4.8 million for the launch of the *The Music Movement* product.

Outlook

The continuing lack of visibility on the economic environment does not minimise the difficulties in the sector, which has suffered at a global level for adverse situations, in publishing and especially in the advertising market, neither of which is likely to undergo a trend reversal in the near future. This reinforces the need for further changes in the business models, which must have greater focus and flexibility, together with the development of integrated systems and a strengthening of multimedia systems, including the use of new technologies.

To confront the market trends, RCS MediaGroup has therefore defined, and is progressively implementing, a plan of measures aimed at reducing costs and reviewing the business model across all Group companies in Italy and abroad. In addition, the plan places particular emphasis on the financial situation – without ruling out an assessment of revisions in the Group perimeter - compatibly with market trends, regarding the activities that are not considered core.

Due to the high degree of economic uncertainty, the sharp deterioration in the key markets, the extraordinary costs associated with the structural and permanent cost-containment measures (largely affecting the next quarter, and partly implemented at 30 September 2009), the Group is likely to close 2009, barring any currently unforeseeable events, with significantly negative results.



Riccardo Stilli, the director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Testo Unico della Finanza law, that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

Please note that the Interim Report detailing the Group's results to 30 September 2009, which will be published pursuant to applicable regulations, has not been audited.

For further information:

RCS MediaGroup – Corporate Media Relations

Maria Verdiana Tardi - 02 2584 5412 - verdiana.tardi@rcs.it

RCS MediaGroup – Investor Relations

Federica De Medici - +39 02 2584 5508 - federica.demedici@rcs.it

www.rcsmediagroup.it

Restated consolidated income statement at 30 September 2009

(EUR million)	30.09.2009	%	30.09.2008	%	Difference	Variation
	A		(5) B		A-B	%
Net revenues	1,621.2	100.0	1,957.7	100.0	(336.5)	(17.2)
<i>Circulation revenues</i>	921.0	56.8	1,043.9	53.3	(122.9)	(11.8)
<i>Advertising revenues (1)</i>	496.8	30.6	682.3	34.9	(185.5)	(27.2)
<i>Other publishing revenues (2)</i>	203.4	12.5	231.5	11.8	(28.1)	(12.1)
Operating costs	(1,176.1)	(72.5)	(1,398.4)	(71.4)	222.3	(15.9)
Personnel costs	(382.9)	(23.6)	(393.9)	(20.1)	11.0	(2.8)
Loan write-downs	(14.4)	(0.9)	(9.6)	(0.5)	(4.8)	50.0
Risk provisions	(17.5)	(1.1)	(3.9)	(0.2)	(13.6)	>100
EBITDA (3)	30.3	1.9	151.9	7.8	(121.6)	(80.1)
Amortisation of intangible assets	(42.3)	(2.6)	(42.3)	(2.2)	0.0	0.0
Depreciation of tangible assets	(29.9)	(1.8)	(31.4)	(1.6)	1.5	(4.8)
Other asset write-downs	(14.4)	(0.9)	0.0	0.0	(14.4)	n.m.
EBIT	(56.3)	(3.5)	78.2	4.0	(134.5)	>(100)
Net financial income (expenses)	(26.3)	(1.6)	(44.3)	(2.3)	18.0	(40.6)
Income (expenses) from financial assets/liabilities	0.0	0.0	(8.8)	(0.4)	8.8	(100.0)
Income (expenses) from shareholdings valued at equity	(4.8)	(0.3)	(2.1)	(0.1)	(2.7)	>100
Pre-tax profit	(87.4)	(5.4)	23.0	1.2	(110.4)	>(100)
Tax	20.0	1.2	(16.8)	(0.9)	36.8	>(100)
Profit/loss from continuing operations	(67.4)	(4.2)	6.2	0.3	(73.6)	>(100)
Profit/loss from assets held for sale or sold (4)	(5.9)	(0.4)	15.6	0.8	(21.5)	>(100)
Net profit before minority interests	(73.3)	(4.5)	21.8	1.1	(95.1)	>(100)
Net (profit) loss pertaining to minority interests	0.0	0.0	(1.5)	(0.1)	1.5	>(100)
Group net profit	(73.3)	(4.5)	20.3	1.0	(93.6)	>(100)

(1) Advertising revenues in the first nine months of 2009 include EUR 274.6 million realised through RCS Pubblicità (including EUR 194.9 million from Italian Newspapers, EUR 72.9 million from Magazines and EUR 6.8 million from the sale of advertising space on behalf of external publishers), as well as EUR 222.2 million generated directly by the Group's publishers (of which EUR 136.5 million by Spanish Newspapers, EUR 25.1 million by Italian Newspapers, EUR 21.6 million by Blei, EUR 18.8 million by Magazines, EUR 19.5 million by Dada, EUR 2.6 million by Digidcast and EUR 1.9 million by eliminations between Group companies).

Advertising revenues for the first nine months of 2008 include EUR 400.6 million realised through RCS Pubblicità (including EUR 279.6 million from Italian Newspapers, EUR 111.4 million from Magazines and EUR 9.6 million from the sale of advertising space on behalf of external publishers), as well as EUR 281.7 million generated directly by the Group's publishers (of which EUR 199.8 million by Spanish Newspapers, EUR 37.9 million by Blei, EUR 21.5 million by Magazines, EUR 23.2 million by Dada, EUR 1.6 million by Digidcast, EUR 1.3 million by Italian Newspapers and EUR 3.6 million by eliminations between Group companies).

(2) Other publishing revenues chiefly include Dada's revenues, income from the sale of Unidad Editorial's film rights, revenues from the television activities of Digidcast and Unidad Editorial, the sale of royalties to third parties, receipts from sporting events and revenues arising from the sale of client lists and of children's boxed sets from companies in the Sfera group.

(3) Refers to operating profit before depreciation, amortisation and write-downs.

(4) Refers to the printing activities of the Unidad Editorial group and the activities of the subsidiary La Coccinella. On 30 September 2008, the profit relating to assets held for sale or sold was restated to include the profit from the printing assets of Unidad Editorial and La Coccinella, as well as the profit from the programming and television broadcasting division of the subsidiary Digidcast, which was sold with effect from 1 January 2009. At 30 September 2008, the figures also included the result posted by Unidad Editorial subsidiary Economica SGPS, which was sold on 14 August 2008.

(5) The subsidiaries Giglio Group, E-box and the Amen group were fully consolidated with effect from 3Q08 and the associated financial effects included in the consolidated accounts. Following a strategic agreement between Dada and Sony Music Entertainment, the US company Dada Entertainment, previously consolidated using the equity method, was fully consolidated from June 2009. In the first nine months of 2009, these transactions had an impact of EUR 18.7 million on revenues and EUR 4.6 million on EBITDA.

RCS MediaGroup

Restated consolidated balance sheet at 30 September 2009

(EUR million)	30.09.2009	%	31.12.2008	%
Intangible assets	1,630.4	72.4	1,649.5	69.8
Tangible assets	383.2	17.0	503.2	21.3
Investment property	0.9	0.0	0.0	0.0
Long-term investments	361.2	16.0	290.4	12.3
Net non-current assets	2,375.7	105.5	2,443.1	103.4
Inventories	184.6	8.2	192.7	8.2
Trade receivables	648.4	28.8	805.8	34.1
Trade payables	(616.8)	(27.4)	(738.3)	(31.2)
Other assets/liabilities	(39.4)	(1.7)	(36.1)	(1.5)
Working capital	176.8	7.8	224.1	9.5
Provisions for risks and future liabilities	(66.2)	(2.9)	(63.6)	(2.7)
Provisions for deferred taxes	(150.1)	(6.7)	(151.1)	(6.4)
Staff benefits	(84.6)	(3.8)	(88.8)	(3.8)
Net invested capital: operations	2,251.6	99.9	2,363.7	100.0
Net invested capital: assets held for sale	1.2	0.1	0.0	0.0
Net invested capital	2,252.8	100.0	2,363.7	100.0
Shareholders' equity	1,130.4	50.2	1,216.9	51.5
Medium/long-term debt	1,004.6	44.6	868.3	36.7
Short-term debt	227.0	10.1	350.5	14.8
Non-current financial assets for derivative instruments	(3.9)	(0.2)	(1.8)	(0.1)
Cash and short-term financial receivables	(105.3)	(4.7)	(70.2)	(3.0)
Net debt (1)	1,122.4	49.8	1,146.8	48.5
Total funding sources	2,252.8	100.0	2,363.7	100.0

(1) A financial structure indicator calculated as current and non-current financial debt, net of cash and equivalents and current and non-current financial assets relating to derivative instruments. The net debt calculation defined in Consob communication DEM/6064293 of 28 July 2006 excludes non-current financial assets; using this measure, the Group's net debt figure stands at EUR 1,126.3 million.

RCS MediaGroup

Breakdown of revenues by business at 30 September 2009

(EUR million)	Figures at 30/09/09					Figures at 30/09/08 (2)				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
Italian Newspapers	457.8	23.8	5.2%	(0.9)	(0.2)%	531.3	73.3	13.8%	57.9	10.9%
Spanish Newspapers	372.2	(6.5)	(1.7)%	(26.5)	(7.1)%	467.3	32.5	7.0%	12.3	2.6%
Books	430.5	17.5	4.1%	9.3	2.2%	510.2	19.7	3.9%	14.6	2.9%
Magazines	179.1	(2.9)	(1.6)%	(3.9)	(2.2)%	223.9	7.1	3.2%	6.1	2.7%
Advertising (1)	297.7	(7.6)	(2.6)%	(8.5)	(2.9)%	442.3	(0.2)	(0.0)%	(0.5)	(0.1)%
Dada (2)	115.0	14.4	12.5%	6.1	5.3%	126.1	20.8	16.5%	14.1	11.2%
Television	20.9	8.0	38.3%	(0.1)	(0.5)%	20.0	9.6	48.0%	0.9	4.5%
Corporate	45.1	(15.0)	(33.3)%	(30.4)	n.a	47.8	(10.3)	(21.5)%	(26.6)	n.a
Sundry and eliminations	(297.1)	(1.4)	n.a	(1.4)	n.a	(411.2)	(0.6)	n.a	(0.6)	n.a
Consolidated	1,621.2	30.3	1.9%	(56.3)	(3.5)%	1,957.7	151.9	7.8%	78.2	4.0%
Assets held for sale or sold (3)	13.4	3.4		(4.7)		18.1	14.0		6.3	
Sundry and eliminations	(0.2)					(0.6)	(0.9)		(0.9)	
Total	1,634.4	33.7	2.1%	(61.0)	(3.7)%	1,975.2	165.0	8.4%	83.6	4.2%

(1) EBITDA and EBIT recorded by the Advertising division include a EUR 1.4 million capital gain from the transfer of the Classified divisions to Italian Newspapers. The intragroup elimination of the capital gain is included under sundry and eliminations.

(2) The subsidiaries Giglio Group, E-box and the Amen group were fully consolidated with effect from 3Q08 and the associated financial effects included in the consolidated accounts. Following a strategic agreement between Dada and Sony Music Entertainment, the US company Dada Entertainment, previously consolidated using the equity method, was fully consolidated from June 2009. In the first nine months of 2009, these transactions had an impact of EUR 18.7 million on revenues and EUR 4.6 million on EBITDA. EBIT recorded by Dada in the first nine months of 2008 includes goodwill amortisation of EUR 1.1 million relating to its first-time consolidation.

(3) Refers to the printing activities of the Unidad Editorial group and the activities of the subsidiary La Coccinella. On 30 September 2008, the profit relating to assets held for sale or sold was restated to include the profit from the printing assets of Unidad Editorial and La Coccinella, as well as the profit from the programming and television broadcasting division of the subsidiary Digicast, which was sold with effect from 1 January 2009. At 30 September 2008, the figures also included the result posted by Unidad Editorial subsidiary Economica SGPS, which was sold on 14 August 2008.