



## Press Release

### RCS MediaGroup Board of Directors: preliminary consolidated results for 2011<sup>1</sup>

- **Consolidated revenue at EUR 2,075 million (-2.7% compared with 2010), of which EUR 121.3 million from digital activities (+16% compared with 2010), excluding Dada and TV**
- **EBITDA before non-recurring income/expense at EUR 188.6 million, up EUR 2.6 million compared with 2010**
- **EBITDA after non-recurring income/expense at EUR 167.5 million (EUR 186 million in 2010)**
- **Net financial debt at around EUR 938 million, an improvement of around EUR 33 million compared with the previous year**
  
- **Preliminary impairment test on Unidad Editorial at 31 December 2011: write-downs of around EUR 300 million**
- **Forecasts on the Three-Years Plan 2011-2013**

*Milan, 13 February 2012* – At its meeting today, the Board of Directors of RCS MediaGroup, under the chairmanship of Piergaetano Marchetti, examined and expressed agreement with the preliminary consolidated results at 31 December 2011.

**Consolidated revenue**, on a like for like basis<sup>1</sup>, came in at EUR 2,075 million, a decline of EUR 56.8 million versus 31 December 2010. This result is mainly attributable to the contraction reported by Unidad Editorial, to the fall in net advertising revenue and to the effects of the change in the publishing schedule for Partworks. **Revenue from digital activities**, excluding the contribution of Dada and television activities, rose 16% versus 2010 to over EUR 121 million.

**EBITDA before non-recurring income/expense**, on a like-for-like basis<sup>1</sup>, was positive at EUR 188.6 million, an increase of EUR 2.6 million compared with 2010. Including non-recurring expense and income of EUR -21.1 million in 2011, primarily with regards to human resources' intervention (non-recurring expense and income of EUR 0 in 2010), **EBITDA** came in at EUR 167.5 million (EUR 186 million in 2010).

**Net financial debt** decreased further by around EUR 33 million compared with 31 December 2010 to around EUR 938 million.

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<sup>1</sup> GEF, Delagrave and Dada.net are also excluded from the comparative figures from the date of sale (1 January 2011 for the first two and June 2011 for Dada.net).

Alternative performance indicators:

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

- Net financial debt, a financial structure indicator, is calculated as current financial liabilities, net of cash and equivalents, and current financial assets and non-current financial assets recognised for derivative instruments.



With reference to the impairment testing activities at 31 December 2011, currently on-going and that will be finalized with the Financial Statement Draft's approval, the Board of Directors conducted a preliminary examination of the results for the Unidad Editorial Group, carried out with main consultants houses' support, for which – based on the information currently available – a write-down with an impact on the 2011 consolidated financial statements of around EUR 300 million is expected.

As regards the annual financial statements of RCS MediaGroup S.p.A., the impact of this write-down will be reflected partly in 2011 (in the income statement) and with the majority in 2012 (in shareholders' equity). The RCS MediaGroup S.p.A. shareholders' equity, in relation to the merger by incorporation into RCS MediaGroup S.p.A. of RCS Quotidiani S.p.A. and other nine subsidiaries (effective from 1<sup>st</sup> January 2012), will in particular also incorporate the 2011 results and – later – the deficit arising from the merger itself. The RCS MediaGroup S.p.A. shareholders' equity is currently expected around EUR 700 million (in view of a share capital of EUR 762 million).

In light of the continuing severe economic crisis, which has hit particularly hard the main markets in which the Group operates, the resulting contraction in advertising revenue and the ongoing lack of visibility on the macroeconomic outlook, the Group has introduced significant cost-containment measures, particularly with respect to the processes' optimization and organizational structure. These have enabled the Group to achieve an operating EBITDA in 2011 that, on a like-for-like basis, is broadly in line with that forecast in the Three-Year Plan for 2011-2013, despite a drop in revenue compared with that indicated in the Plan.

Given the projected drop in revenue, which is not sufficient to ensure that the relevant Plan objective will be achieved, and in view of the results forecast for Unidad Editorial over the next two years, which fall well short of the level indicated in the Plan, the Group will implement further efficiency measures with the aim of partially containing these effects at EBITDA level, while at the same time always safeguarding the quality and authority of its brands and the development of its digital media. Finally, the Group intends to continue to reduce its net financial debt in a way that is consistent, even in the absence of any extraordinary transactions (in relation to which – with reference to the announcement on 19 January 2012 – there are no significant updates).

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*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.*

For further information:

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