**Press Release**
**RCS MediaGroup Board of Directors**

# Results at 30 June 2014 approved[1].

# EBITDA, efficiency, net income and debt significantly improved on the first half of 2013.

# EBITDA before non-recurring items improves for all business segments.

**Consolidated revenue totalling Euro 611.1 million (Euro 647.5 million in the first half of 2013).**
**Advertising revenue at Euro 250.8 million, in line with the first half of 2013 (Euro 251.3 million).**
**Revenue from digital business at 13% of Group revenue, up by 8.8%.**

**Over Euro 31 million in benefits from efficiency measures.**

**EBITDA before non-recurring items at Euro -4.2 million: Euro +24.4 million compared to the first half of 2013.**

**EBITDA after non-recurring items at Euro -29.2 million: Euro +75.6 million compared to the first half of 2013.**

**The improving trend in EBITDA before non-recurring items continues with an increase of Euro 14 million in the second quarter of the year.**

**Net loss totalling Euro -70 million (-125.4 million in the first half of 2013).**

**Net financial debt at Euro 518.2 million (474.3 million at 31 December 2013).**

# Agreement reached to reduce the cost of debt and increase the flexibility of the main terms of the Loan Agreement.

[1] On 11 December 2013, Edition d'Art Albert Skirà was sold, on 1 August 2013 the Collectibles branch was sold and on 1 March 2014 the La Tribuna publishing business branch and trademark were sold. These changes resulted in an overall decrease of Euro 16.3 million in consolidated revenue and an improvement of Euro 7.3 million in EBITDA at 30 June 2014, as well as a decrease of Euro 8 million in consolidated revenue and an improvement of Euro 2.9 million in EBITDA in the second quarter of 2014. The figures at 30 June 2013, 31 December 2013 and for the second quarter of 2013 have been revised to reflect the retroactive effect of the adoption of IFRS 10 and IFRS 11 relating to the scope of consolidation in force from 1 January 2014. In the first quarter of 2014 control of Editoriale del Mezzogiorno was acquired. This shareholding was previously accounted for at equity. The company's revenue is entirely intra-group and shows a negative EBITDA of Euro 0.4 million as at 30 June 2014 and of Euro 0.2 million in the second quarter of 2014. In the first quarter of 2014 control was also acquired of Rizzoli Sfera International Advertising (Beijing) Co. Ltd., which holds 90% of Rizzoli Sfera International Convetion & Exhibition (Beijing) Co. Ltd. These companies, previously accounted for at equity, show total revenue of Euro 2.3 million and a negative EBITDA of Euro 0.1 million as at 30 June 2014 and total revenue of Euro 1.2 million and a negative EBITDA of Euro 0.3 million in the second quarter of 2014.
Alternative performance ratios:
- EBITDA - considered as the operating income before Amortisation, depreciation and write-downs of assets.
- Net financial debt - financial ratio, calculated as the result of current and non-current financial payables net of Cash and cash equivalents and financial assets

*Milan, 31 July 2014* – The RCS MediaGroup Board of Directors, meeting today chaired by Angelo Provasoli, examined and approved the results at 30 June 2014. The table below shows the main consolidated figures for the half year on a like-for-like basis with 2013.

| **Consolidated Figures (EUR million)** | **HY 2014** | **HY 2013** |
|---|---|---|
| Group's consolidated revenue | 611.1 | 647.5 |
| EBITDA before non-recurring income and expense | (4.2) | (28.6) |
| EBITDA after non-recurring income and expense | (29.2) | (104.8) |
| EBIT | (65.1) | (142.8) |
| Net loss | (70) | (125.4) |

| **Equity Figures (EUR million)** | **30/06/2014** | **31/12/2013** |
|---|---|---|
| Net financial debt | 518.2 | 474.3 |

In line with the Group's new strategic organization, the **structure of the operating segments** was revised as of 1 January 2014, with the new Media Italy segment encompassing the Italian Newspapers, Magazines and Television businesses with the aim of further strengthening the vertical and integrated publishing products. The new structure is shown below.

| **Operating Segments 31/12/2013** | **Operating Segments 01/01/2014** |
|---|---|
| Italian Newspapers *a* | Italian Media *(a-b)+(c-d)+f* |
| *of which RCS Sport (b)* | |
| Spanish Newspapers | Media Spain |
| Magazines *(c)* | |
| *of which Sfera (d)* | |
| Advertising *(e)* | Advertising and Events *(e)+(b)* |
| Books | Books |
| Television *(f)* | |
| Corporate Functions *(g)* | Corporate Functions and other activities *(d)+(g)* |

## Group operations in the first half of 2014

In the first half of 2014 the macroeconomic environment confirmed the modest signs of recovery already reported in late 2013, with the drop in GDP partially slowing: -0.1% in Italy and +0.5% in Spain (figures at the first quarter of 2014 - Source: Bank of Italy, INE). The economic recovery in Italy, though showing signs of greater business confidence, is still struggling to take off, and the main support to the gross domestic product continues to derive from the performance of international trade. In the two months of April and May 2014, the Italian advertising market posted a 4.7% drop on a like-for-like basis with 2013, with the printed media segment still showing strong negative performance (-8.7%) (Source: Nielsen), while the Spanish advertising market was up 4.3% in the second quarter, with the printed medium segment decreasing by 6% (Source: I2P/Arcemedia).

In this scenario, the RCS Group has continued with its strategy of investing in and focusing on multimedia, in order to continuously develop core business, increasing the weight of revenue from digital business and keeping significant attention on costs and organisational efficiency. Specifically, during the first half of 2014, the RCS Group continued to vigorously pursue the strengthening of its core publishing business, enrichment of the digital offering, enhancement of the value of imprints and authors in the Books segment and the increase in revenue from events, especially in the sporting area. During the half year and the subsequent month, efforts for the editorial strengthening and to step up digital offerings took the form of the launches of the **new *Corriere della Sera* and *La Gazzetta dello***

***Sport*** websites, as well as the new digital edition of *La Gazzetta dello Sport*, ***Gazzetta GOLD***. Also note the special initiatives ***Corriere - ItaliaVoltaPagina*** and ***Gazzetta Azzurra*** and the successful ***Corriere Innovazione*** initiative, which reached Campania, Apulia, Lombardy and Tuscany in the last few months. There were numerous projects aimed at enhancing vertical systems: specifically, the launched of the redesigned website ***Oggi.it***, with new positioning of people&news, was highly successful. In May, the innovative portal ***www.rcslibri.it*** was launched, and in July the **Rizzoli Temporary Bookstore** opened, pending the re-opening of the long-standing Rizzoli Galleria store in the autumn. July also saw the presentation of **Gold 5**, the new video display advertising concessionaire which brings together Manzoni, Banzai Media, Italiaonline, Mediamond and RCS MediaGroup. Lastly, the events also included the highly successful 97th **Giro d'Italia**, which began in Ireland this year, providing great returns for the image of RCS Sport and for all of Italy, as well as the highly popular **Milano City Marathon** and the 2014 cycle of the **Color Run**.

The Group's **consolidated net revenue** was Euro 611.1 million in the first half, compared to Euro 647.5 million for the same period of 2013 (-5.6%): The change is attributable to the downturn in circulation revenue, only partially offset by other publishing revenue, which grew by 9.2%. **Revenue from digital business rose by 8.8% to Euro 79.5 million, or 13% of the Group's total revenue** (this ratio increased by about 2 percentage points compared to the first half of 2013).

**Circulation revenue** totalled Euro 288.1 million (330.1 million in the same period of 2013): the drop is essentially attributable to the changes in scope due to the sales/suspensions of a number of magazines and the sale of certain operations in Books, including the Collectibles branch.

**Advertising revenue remained stable** at Euro 250.8 million compared to Euro 251.3 million in the first half of 2013, mainly due to the growth in revenue from third-party publishers (+19.6 million) and revenue from sporting events and activities (+1 million).

**Other publishing revenue increased by Euro 6.1 million**, mainly attributable to the increase in sporting events, which specifically also included the Dubai Tour and the Euroleague Basketball Final Four.

**Efficiency and cost containment actions** resulted in **benefits of over Euro 31 million** in terms of EBITDA in the first half compared to the same period in 2013, which should result in overall efficiency benefits for 2014 exceeding the annual Euro 50/60 million target originally set, bringing it to over Euro 70 million.

**EBITDA before non-recurring income and expense** was a negative Euro 4.2 million, compared to -28.6 million in the first half of 2013, **up 24.4 million due to the positive performance of all business segments**, and the Media Italy and Media Spain segments in particular. It is also noted that since the third quarter of the previous year EBITDA before non-recurring income and expense has **improved steadily** on the same quarters of the year before: the improvement of over Euro 10 million recorded in the first quarter of 2014 increased to **+14 million in the second quarter of the year**. Non-recurring expense for the half year totalled Euro 25 million (76.3 million in the same period of 2013) mainly in relation to the staff restructuring plan for Media Spain. **EBITDA after non-recurring income and expense was Euro -29.2 million growing by 75.6 million on** Euro -104.8 million in the first half of 2013.

The **Group continued to invest** in tangible and intangible and financial fixed assets, with investments during the first half of 2014 totalled **Euro 24 million, over half of which in the digital business**, specifically for the new versions of the *Corriere della Sera* e *La Gazzetta dello Sport* websites.

Due to the dynamics described above as well as lower depreciation and amortization from Euro 35.4 million in the first half of 2013 to Euro 29 million, **EBIT**, negative for Euro 65.1 million, **significantly improved compared to 30 June 2013** (-142.8 million).

**Net financial expenses** amounted to Euro 20.9 million, compared to Euro 11.8 million in the first half of 2013, essentially due to the interest component.

The **net loss for the period** came to Euro 70 million (-125.4 million at 30 June 2013), **an improvement of Euro 55.4 million** compared to the same period of 2013.

The **net financial position** went from Euro -474.3 million at 31 December 2013 to Euro -518.2 million, in line with the Group's usual seasonal trend: it must, however, be noted that compared to the first half of 2013, the **typical cash flows** are **improving**, while higher outlays were recorded than last year due to restructuring costs, new technical investments and strategic acquisitions in multimedia and the acquisition of the entire share capital of Editoriale Mezzogiorno. Furthermore, as a result of the receipts generated from the conversion of shares in May, amounting to Euro 47 million, the net financial position remained under the level of 31 March 2014, with an increase of Euro 3 million.

The **head count** as at 30 June 2014 of 4,001 employees (gross of the current redundancy scheme and solidarity agreements) fell by 756 versus the same period of 2013, as a result of the reorganisation plans essentially involving all Group areas. The **average head count** was 4,038, down by 795, including discontinued operations.

**Comments on operations in the first half of 2014**

**Media Italy** posted **revenue** of Euro 260.6 million (-7.6% compared to the same period in 2013). **Digital revenue reached 15% of total revenue**, increasing slightly on the same period of 2013. Excluding the magazines sold and revenue deriving from consolidation of the local edition of Mezzogiorno from 2013, the downturn would come to Euro 11.3 million (-4.2%), due to the decrease in advertising revenue and newsstand sales, partially offset by the development of the digital segment, the increase in price of printed publications and the initiatives introduced during the period to combat the sector trend by expanding the publishing offering of the Group's two daily publications in Italy.
**Publishing revenue** totalled Euro 138.3 million, down slightly on a like-for-like basis compared to the previous year (-2.6%). Specifically, publishing revenue from the *Corriere* publications and the *Gazzetta* publications showed un trends substantially in line with the first half of 2013, boosted both by the development of revenue in the digital business and the positive impact of the increase in cover prices.
**Advertising revenue** totalled Euro 111 million, down 8.3% compared to the same period of the previous year. On a like-for-like basis, the decrease would be reduced to 7% on the same period of 2013. **Income from on-line media, reached 22%** of the area's advertising revenue.
**Other publishing revenue** came to Euro 11.3 million, in line with the same period of 2013, mainly due to the growth in revenue from digital products and the good performance of *La Gazzetta dello Sport* add-on products. Television grew slightly on the previous year.
***Corriere della Sera*** and ***La Gazzetta dello Sport*** **maintained their leading circulation ranking** in their sectors. According to the last ADS survey in May *Corriere della Sera* maintained its leadership in overall circulation, countering the adverse market effects, with an average number of copies circulated of 480 thousand (-4.6% or 23 thousand copies - internal source). **Digital editions** totalled 126 thousand, **up 34%** compared to the first half of 2013. The total circulation of *La Gazzetta dello Sport* in the first half of 2014, amounting to 271 thousand copies, was down 2.2% compared to the first half of 2013, but the growth in digital editions made up for the decline in printed copies. The ***corriere.it*** **and** ***gazzetta.it*** websites reached 45.5 million unduplicated unique visitors in the half year (-2% compared to the first half of 2013) and the digital editions of the two newspapers exceeded 162 thousand active subscribers, with growth of 25% versus the first half of 2013. A total of 2.5 million digital editions were downloaded during the first six months of the year, up 44.1% compared to the same period of 2013 (internal source). With regard to the mobile version of the two websites, in the first six months of 2014, *Corriere Mobile*

recorded 5.1 million unique visitors (+66% compared to the same period in 2013) and *Gazzetta Mobile* million also reached 3.2 million unique visitors in June (+53% versus the first half of 2013).
**Vertical System websites continued their growing trend**, with excellent performances recorded for *Amica.it*, *IoDonna.it*, *Living.corriere.it* and the restyled *Oggi.it*, which achieved leadership positions.
**EBITDA** for the first six months of 2014 was a positive Euro 12 million, **an improvement of Euro 71 million** compared to -59 million in the first half of 2013. Excluding non-recurring income and expense (or Euro 2.9 million net expense in the first half of 2014 and 57.2 million net expense in the same period of 2013), EBITDA amounted to a positive 14.8 million, an improvement of 9.6 million compared to the same period of 2013, also reflecting the sale or suspension of a number of publications.

**Media Spain** recorded **revenue** for Euro 176.6 million versus Euro 194.5 million in the first half of 2013. **Digital revenue reached 14.5% of total revenue**, up by 14.3% compared to the same period of 2013. **Advertising revenue** totalled Euro 75.2 million (-4.2 million compared to the same period of 2013), reflecting the **excellent performance of income from on-line media**, which reached 25.4% of total net advertising revenue. **Publishing revenue** came to Euro 81 million (Euro 93.8 million in the same period of 2013), due to the general downturn in circulation and lower revenue from add-on products (Euro -7.8 million), partly offset by the digital business. **Other revenue**, amounting to Euro 20.4 million, decreased by 1.8 million over the same period of 2013, primarily due to revenue in the TV business.
***El Mundo* was once again the second leading national newspaper** with 184 thousand copies on average daily, including digital editions, while ***Marca*– a leading sports information publication -** reached 185 thousand copies, including the digital editions. The *elmundo.es* website reached an average of 32.2 million monthly unique visitors (+1.9% compared to the first half of 2013), *marca.com* reached an average of 37.7 million unique monthly visitors (+5.2% compared to the same period of 2013), while *expansion.com* recorded a 15.3% increase compared to 30 June 2013, achieving an average of 6.1 million monthly unique visitors.
With regard to the on-line business, with the digital platform ***ORBYT***, the group confirmed its **leadership in the on-line offer**, reaching a share of around 134 thousand subscribers in June.
**EBITDA** was a negative Euro 16.6 million (negative by 2.4 million in the same period of 2013); excluding non-recurring income and expense, EBITDA would be a positive Euro 4.1 million compared to Euro -0.6 million in the same period of 2013.

**Revenue from Books** reached Euro 72.1 million, compared to 90.4 million in first half of 2013. Net of Collectables operations of the investee Editions d'Art Albert Skira and the La Tribuna trademark, which were disposed of, the decline in revenue would have been reduced to Euro 2 million. Thanks to the on-going actions to reduce costs and optimize processes, the **EBITDA was substantially stable on** a like-for-like basis compared to 2013. On a like-for-like basis, **Varia** revenue was broadly stable, showing **significant growth in digital revenue (+59%)**. **Rizzoli further strengthened its number two ranking on the market (+17.3%, one of the sharpest increases in value in the entire market)**, driven by very good results in non-fiction and fiction, with **Bompiani** ranking again among the top ten growing publishers in terms of value (**+9.7%**) in the first half of 2014. The publisher Fabbri Editori completed the turnaround started in 2012, recording growth of 62.7% in value and 76.3% in the number of copies. Revenues of **Rizzoli International Publications**, expressed in USD, were the same as those for the second quarter of 2013. Revenue from the **Education area** decreased by Euro 1.9 million compared to the first half of 2013, due to the postponement of the timing for adoption of school textbooks, as a result of the numerous editorial changes deriving from the freeing up of the adoption system. This decline will be fully recovered in the second half of the year. The sales value of ***e-books*** accounted for 5.2% of the Group's total in the first half of 2014. **RCS Libri strengthened its position as the second largest operator in the market, reaching an 11.5% market share in terms of value**. Among the three leading publishing groups, the RCS Group is the only group whose market share increased in value, **growing by 9%** on the first half of the previous year, bucking the trend of its two main competitors, which both declined.
**EBITDA** was a negative Euro 11 million, up by Euro 7.6 million compared to the first half of 2013, also reflecting the planned sale of lower margin operations.

**Significan't events occurred after the end of the first half 2014**

Today, RCS MediaGroup announced that it has agreed with the editor of Il Corriere della Sera, Mr Ferruccio de Bortoli, to end of his long experience in running the Corriere della Sera. Mr de Bortoli will remain at the helm of Il Corriere della Sera until the next ordinary shareholders' meeting called to approve the 2014 financial statements (spring of 2015). The termination of the contract will result in non-recurring charges of approximately 2.5 million for RCS MediaGroup in 2014.

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RCS MediaGroup announces that it has reached an agreement, not yet formalised, pending the positive conclusion of the necessary authorisation process by the decision-making bodies of several of the Financing Banks, to amend several terms and conditions of the Loan Agreement (the "Loan Agreement") signed on 14 June 2013 with Intesa Sanpaolo S.p.A., UBI Banca (Banca Popolare di Bergamo and Banca Popolare Commercio e Industria), UniCredit S.p.A., BNP Paribas Succursale Italia, S.p.A., Banca Popolare di Milano S.c.a r.l. and Mediobanca – Banca di Credito Finanziario S.p.A. (the "Financing Banks") and Banca IMI S.p.A. as Agent Bank, with an original maximum amount of Euro 600,000,000.

More in detail, by the first ten days of August, the parties to the Loan Agreement shall enter into an agreement amending the Loan Agreement, for the purpose of formalising:

- the reduction in the margins currently applicable to the Loan, and specifically, the application of the following new values:
  - 387.5 bps p.a. (instead of the original 425 bps p.a.), for Credit Facility A;
  - 397.5 bps p.a. (instead of the original 435 bps p.a.), for Credit Facility B; and
  - 375 bps p.a. (instead of the original 400 bps p.a.), for the Revolving Credit Facility;

to allow for greater flexibility in terms of the timing envisaged for the sale of so called non-core assets:

  - the extension to 30 September (originally set for 31 December 2014) within which the programme initiated to sell off non-core assets should have generated revenue totalling 250,000.000;
  - an amendment to financial covenants on the Company's net financial position, to be reported on 31 December 2014, the limit of which was increased to Euro 530,000.000 (opposed to Euro 470,000.000)];

- the right of the Company and/or other companies in the RCS Group to take on further medium-long term debt, up to a maximum total of Euro 200,000,000 (instead of the original Euro 100,000,000 envisaged in the Loan Agreement), not only in the form of medium/long-term bank loans, but also through bond loans and/or negotiable instruments, (the proceeds of which will be used for the compulsory early repayment of the loan for an amount of 50% - in line with the original contractual provisions).

The Company will provide for the optional early repayment of the Loan, a total amount of Euro 23,000,000, a portion of the Euro 46,000,000 deriving from the optional conversion of the preferred shares into common shares of the Company. In this regard, further benefits will be provided to the Company through the priority use of that amount to repay Credit Facility B of the Loan, allocating it to the related instalments freely determined by the Company instead of the original provisions of the Loan Agreement requiring the allocation of the related payment to instalments due, starting with the instalment with the farthest due date in the future.

From the economic standpoint, the above reduction in margins will result in lower financial expenses of approximately Euro 1.6 million on an annual basis, while the objectives remain confirmed to reduce the net financial position and improve the NFP / EBITDA ratio of the Company under the 2013-2015 Plan.

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Considering that the Financing Banks Intesa Sanpaolo S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A. and of Banca IMI S.p.A. as Agent Bank, which are related parties of RCS, the planned amendments to the Loan Agreement were previously examined by the Related Party Committee who are in favour of it.

**Outlook**

The Spanish and Italian macroeconomic environment continued to be affected by the recession of recent years, which also continued in 2013, despite modest signs of recovery already reported in late 2013. The GDP stopped falling in Italy, with values substantially stable, showing changes of around one-tenth of a percentage point (-0.1% in the first quarter of 2014 compared to the previous period), while in Spain there was a slight turnaround (+0.4% in the first quarter of 2014 compared to the fourth quarter of 2013); Source: Bank of Italy and INE). The outlook for 2014 points to GDP growth in both countries (lower growth for Italy): +1.3% in Spain and +0.2%, with downside risks, in Italy (Source: Bank of Spain and Bank of Italy). These forecasts were recently confirmed by the IMF. Specifically, growth in the two countries has been forecast at +1.2% and +0.3% in 2014, respectively. Similarly, the estimated trend in the advertising market in Italy was revised downwards, from -5.5% to -9.7% (Source: Nielsen Media Search, June 2014 forecasts). The advertising market in Spain is expected to grow by 1.6% (Source: Arce Media, July 2014 forecasts), though driven only by the Internet and Television segments, while newspapers and magazines confirmed their sharp decline (-5.5% and -8.1%, respectively).

In this macroeconomic scenario, with regard to the Media sector (specifically, the Printed media segment) **RCS forecasts that revenue for 2014 as a whole will be substantially stable compared to 2013** and changing the previous outlook for slight growth.

In reaction to this trend in revenue, in the first months of 2014 the RCS Group continued to vigorously pursue further new efficiency measures, which resulted in a greater impact than those envisaged in the 2013-2015 Development Plan. Therefore, in the absence of an additional, sharp downturn in advertising revenue, the target of **tripling EBITDA before non-recurring expense compared to 2013 is confirmed, also thanks to efficiency measures of over Euro 70 million, exceeding the previously announced annual target of Euro 50/60 million.**

In view of the foregoing, in the absence of currently unforeseen events and in light of continued concern for the still unstable macroeconomic environment and the advertising markets in particular, **results for 2014, while expected to improve over 2013, should continue to post a loss.**

The negotiations aimed at leveraging non-core assets are on-going. In relation to the possibility that negotiations may, in certain cases, continue and be concluded in 2015, **an agreement has been reached with the financing banks to amend the contracts. In addition to a reduction of the spread applied, these amendments provide greater flexibility in the timing of the sale of non-core assets as well as in the level of the covenant relating to the net financial position at the end of 2014**. In that scenario, the Company shall allocate Euro 23 million deriving from the conversion of preferred shares to the voluntary repayment of one of the credit facilities included in the Loan.

The Group’s net financial position benefited from the unexpected, non-recurring receipt of Euro 47 million due to the optional conversion of preferred shares, mentioned above. The contribution of operations was in line with expectations while, as indicated above, the changed timing of the positive effects of leveraging the non-core assets must be taken into consideration. Therefore, the forecast decrease in the net financial position at the end of 2014 may not be reached, though the NFP will continue to comply with the updated covenant in the Loan Agreement.

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*Roberto Bonalumi, the Director responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance (Testo Unico della Finanza, TUF), that the information contained in this press release accurately represents the figures contained in the Group's accounting records.*

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*The Half-Year Report at 30 June March 2014 will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A., as well as published on the Company's website www.rcsmediagroup.it, within the required deadlines.*

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For additional information:
**RCS MediaGroup – Media Relations**
*Maria Verdiana Tardi* - +39 02-2584 5412 - *verdiana.tardi@rcs.it*
**RCS MediaGroup - Investor Relations**
*Federica De Medici* – +39 02-2584 5508 - 335 230278 - *federica.demedici@rcs.it*
www.rcsmediagroup.it

## ADDITIONS AT THE REQUEST OF CONSOB, IN ACCORDANCE WITH ARTICLE 114, SECTION 5 OF ITALIAN LEGISLATIVE DECREE 58/1998 OF 27 MAY 2013

### a) The net financial position of the RCS Group and its parent company, highlighting short-term elements separately from medium- and long-term components

| (EUR million) | Book value | | Change |
|---|---|---|---|
| | 30/06/2014 | 31/12/2013 (2) | |
| Non-current financial assets for derivatives | - | - | - |
| **TOTAL NON-CURRENT FINANCIAL ASSETS** | - | - | - |
| Securities | 0.2 | 0.2 | - |
| Loans | 26.2 | 15.6 | 10.6 |
| Current financial assets for derivatives | - | - | |
| **Receivables and current financial assets** | **26.4** | **15.8** | **10.6** |
| Cash and cash equivalents | 56.6 | 10.7 | 45.9 |
| **TOTAL CURRENT FINANCIAL ASSETS** | **83.0** | **26.5** | **56.5** |
| Non-current financial payables and liabilities | (496.1) | (430.6) | (65.5) |
| Non-current financial liabilities for derivatives | (18.4) | (15.6) | (2.8) |
| **TOTAL NON-CURRENT FINANCIAL LIABILITIES** | **(514.5)** | **(446.2)** | **(68.3)** |
| Payables and financial liabilities | (86.7) | (53.1) | (33.6) |
| Current financial liabilities for derivatives | - | (1.5) | 1.5 |
| **TOTAL CURRENT FINANCIAL LIABILITIES** | **(86.7)** | **(54.6)** | **(32.1)** |
| | | | |
| **Total Net financial debt (1)** | **(518.2)** | **(474.3)** | **(43.9)** |

(1) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets.

(2) The figures as at 31 December 2013 have been revised to reflect the retroactive effect of the adoption of IFRS 10 and IFRS 11 relating to the scope of consolidation in force from 1 January 2014.

The net financial position at 30 June 2014 was negative, at Euro 518.2 million, an improvement of Euro 43.9 million compared to 31 December 2013.
The increase in the first half of 2014 compared to 31 December 2013 was essentially generated by the seasonal absorption of cash from normal operations plus outlays due to the on-going process of restructuring (Euro 26.9 million) and for new technical investments, as well as for the acquisition of equity investments in multimedia development companies and the acquisition of additional share capital of Editoriale del Mezzogiorno. Elsewhere, we note the receipt of Euro 47 million due to the conversion of Category A and B preferred shares, and Euro 18 million, which represents the first tranche from the sale of the Blocco 1 (historic building) of the property estate arm of S. Marco/Solferino.

Below is the net financial position of the Parent Company RCS MediaGroup S.p.A., highlighting short-term elements separately from medium-and long-term components.

| *(Amounts in EUR million)* | 30 June 2014 | 31 December 2013 | Delta |
|---|---|---|---|
| **Current financial receivables** | | | |
| Cash and cash equivalents | 47.8 | 0.9 | 46.9 |
| Current financial receivables | 67.4 | 42.4 | 25.0 |
| Securities Held for Trading | 0.2 | 0.2 | - |
| **A) Total current financial assets** | **115.4** | **43.5** | **71.9** |
| | | | |
| **Current financial liabilities** | | | |
| Payables to banks current accounts | ( 57.4) | ( 24.3) | ( 33.1) |
| Current financial liabilities | ( 433.8) | ( 201.5) | ( 232.3) |
| Financial liabilities for derivatives | - | ( 1.5) | 1.5 |
| **B) Total current financial liabilities** | **( 491.2)** | **( 227.3)** | **( 263.9)** |
| | | | |
| **(A+B) Total net current financial (debt)** | **( 375.8)** | **( 183.8)** | **( 192.0)** |
| | | | |
| **Non-current loans** | | | |
| Financial assets for derivatives | - | - | - |
| **C) Total non-current loans** | **-** | **-** | **-** |
| | | | |
| **Non-current payables** | | | |
| Non-current payables | ( 562.0) | ( 767.3) | 205.3 |
| Non-current financial liabilities for derivatives | ( 18.4) | ( 15.6) | ( 2.8) |
| **D) Total non-current payables** | **( 580.4)** | **( 782.9)** | **202.5** |
| | | | |
| **(C+D) Total net non-current financial (debt)** | **( 580.4)** | **( 782.9)** | **202.5** |
| | | | |
| **TOTAL Net Financial (Debt)** | **( 956.2)** | **( 966.7)** | **10.5** |

The net financial debt of the Company as at 30 June 2014 was Euro 956.2 million, improving compared to 31 December 2013 by Euro 10.5 million.

This change was essentially generated by the receipt of Euro 47 million due to the conversion of Category A and B preferred shares, and Euro 18 million, which represents the first tranche from the sale of the Blocco 1 (historic building) of the property estate arm of S. Marco/Solferino. In addition, the transfer of the lease payables relating to the Pessano facilities to RCPS Produzioni Milano generated a positive effect of Euro 22 million.
Conversely, we note the absorption of cash from normal operations, as well as by outlays for the restructuring process in place, new capital expenditures, payments for capital/coverage for losses by subsidiaries, acquisitions of investments in multimedia development companies and the purchase of additional holdings in the share capital of Editoriale del Mezzogiorno.

**b) Mature debt positions are distributed by category (financial/commercial/tax and social security) and connections to potential reactions from Group creditors (reminders, suspensions of supplies)**

(EUR million)

| Analysis of overdue payables | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **30/06/2014** | 30 days | 31-90 days | 91-180 days | 181-360 days | > 360 days | Total overdue | Falling due | Total |
| Commercial debt positions | 25.5 | 7.6 | 4.8 | 9.5 | 24.5 | 71.9 | 310.2 | 382.1 |
| Financial debt positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 86.7 | 86.7 |
| Tax debt positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 18.1 | 18.1 |
| Social security debt positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 11.0 | 11.0 |
| Other debt positions | 0.3 | 0.0 | 0.1 | 0.0 | 0.1 | 0.5 | 107.3 | 107.8 |
| **Total debt positions** | **25.8** | **7.6** | **4.9** | **9.5** | **24.6** | **72.4** | **533.3** | **605.7** |

Total current liabilities of the RCS Group at 30 June 2014 amounted to Euro 668.8 million, (625 million at 31 March 2014), up by Euro 43.8 million compared to 31 March 2014, as a result of the Group's seasonal trends. The entry for items without a contractual maturity, such as the short-term portion of provisions for risks and charges, as well as payables arising from the valuation at shareholders' equity of subsidiaries of the Group, amounted to Euro 605.9 million. The non-overdue positions, of Euro 533.3 million, represent around 88% of the total. As at 30 June 2014 there were no overdue accounts on financial, tax or social security debt positions.

The overdue payables, predominantly commercial in nature, totalled Euro 72.4 million (Euro 55.8 million at 31 March 2014), representing an increase of Euro 16.6 million generated primarily by the Parent Company and RCS Libri S.p.A.

The overdue payables include Euro 25.8 million in accounts less than 30 days overdue (Euro 13.7 million at 31 March 2014) which essentially relate to the company's operations (known as operating payables). The positions expiring on 30 June have been conventionally classified among the payables due for payment, and amount to approximately Euro 18.4 million. The remainder, a total of Euro 46.6 million, includes accounts payable to agents, totalling Euro 22.8 million (more than 48.9% of the total residual overdue amount). In relations with agents, industry practice requires the payment of a monthly advance on their activities, to be entered under trade receivables on the balance sheet. Advances to agents which refer to overdue debts totalled Euro 24.8 million, an amount that is higher than the specific overdue amount. Payables to agents that are more than 360 days overdue represent about 74.1% of this category of overdue account.
Overdue trade accounts of Euro 71.9 million (Euro 55.2 million at 30 June 2014) mainly refer to the Parent Company (Euro 42.4 million), RCS Libri S.p.A. (Euro 14.3 million) and the Unidad Editorial group (Euro 9 million).

There were no legal actions for the recovery of significant sums allegedly due in respect of commercial relations.

### c) Transactions with related parties from the RCS Group and its parent company

Details of the transactions with related parties of the Group and with RCS MediaGroup S.p.A. are given in Note 10 to the Half-Year Report.

### d) Failure to comply with the covenants, negative pledge and of any other indebtedness of the Group causing limits on the use of financial resources, with indication on the updated date of the degree of compliance with these clauses.

The Loan Agreement signed in June 2013 provides for a default PNF covenant not exceeding 470 million at the end of 2014. The Covenant was identified on the basis of forecasted sales of non-core assets for an amount of not less than 250 million by the end this year. On 31 December 2015 the company reached an agreement, as described above.
More specifically, and in order to achieve greater flexibility regarding the times provided for the sale of non-core assets - subject to the approval of the competent bodies of some of the financing banks - an increase in the level of the maximum net financial position of the Company will be granted, to be recognized at 31 December 2014 up to Euro 530 million (instead of Euro 470 million);

In particular, the Loan Agreement requires compliance with the following financial covenants, which the company believes are consistent with the economic- financial forecasts contained in the Development Plan:

| **Date of Reference** | **Financial Covenant** |
|---|---|
| 31 December 2014 | Net Financial Position < equal to an amount currently being negotiated with the financing banks in relation to the current Euro 470 million, which increases to Euro 530 million following the agreement amending certain terms and conditions of the Loan Agreement). |
| 31 December2015 | (i) Net Financial Position < equal to Euro 440 million;<br>(ii)Ratio of Net Financial Position / EBITDA (*Leverage Ratio*), calculated at the level of the consolidated financial statements, less than 3.50x. |
| 31 December2016 | (i)Net Financial Position < equal to Euro 410 million;<br>(ii)Ratio of Net Financial Position / EBITDA (*Leverage Ratio*), calculated at the level of the consolidated financial statements, less than 3.25x. |
| 31 December2017 | (i)Net Financial Position < equal to Euro 380 million;<br>(ii)Ratio of Net Financial Position / EBITDA (*Leverage Ratio*), calculated at the level of the consolidated financial statements, less than 3.00x. |

In case of breach of the applicable financial covenants, or the occurrence of other events that may qualify, such as, among others, non-payment of amounts due under the Loan Agreement, the cross default in relation to the financial indebtedness of the Group or the commencement of enforcement proceedings by creditors for amounts above certain thresholds, the violation of its obligations under the Loan Agreement, the change of control or the occurrence of events which result in a material adverse effect as defined therein, the financial institutions have the right to demand repayment of the credit lines granted pursuant to the Loan Agreement. The agreement reached on 31 2014 to modify certain terms and conditions of the loan agreement, in order to achieve greater flexibility regarding the timing for the sale of non-core assets, has also changed the terms, from the end of 2014 to the end of September 2015, of the commitment made by the Group to achieve a NFP/EBITDA before non-recurring expenses ratio of no more than 4.5 which, should this not be achieved, it shall be remedied by the company through the sales of non-core assets of no less than Euro 250 million, already completed or being developed by the end of September 2015. If this does not occur, the Board shall exercise the authority to increase share capital up to approximately Euro 190 million, to be implemented by 31 December 2015 to remedy the non-compliance of the two conditions for the difference between the requirements signed in July 2013 for approximately Euro 409.9 million and a maximum of Euro 600 million.

e) **The status of implementation of the business plan, showing any discrepancies between the forecast and actual data**

At macroeconomic level, the first quarter of the year showed no signs of economic recovery in Italy. The Italian GDP decreased by 0.1 percent in the first quarter compared to the previous period (Source: Bank of Italy).
Indeed, the Italian advertising market in the first five months of the year showed a decrease of 3.9% compared to the same period of 2013, with the print sector still showing a strongly negative trend (-12.4%) (Source: Nielsen), with the newspaper segment down by 12.8% and magazines declining by 11.6% (Source: Nielsen), confirming the negative trend of the last few months.
In terms of circulation, the adverse market trend for printed products continued in Italy also in 2014, with general information newspapers (with a circulation of more than 90,000 copies) declining by 13.4% in the first five months of the year (Source: ADS figures January-May 2014) and sports newspapers decreasing by 9.9% compared to the same period of 2013. (Source: ADS figures January-May 2014).
Conversely, in Spain the GDP grew by 0.5% year-over-year in the first quarter (Source: INE) and this was reflected in an increase of 1.8% in total advertising investments in the first half of the year. In the Group's sectors of operations, the trend remains negative, with the printed medium as a whole recording a loss of 5.3% on the first half of 2013 (Source: I2P/ArceMedia).
The negative trend in newspaper sales also continues. Progressive figures on circulation to May (Source: OJD) for the Spanish market of general information newspapers (with a circulation of more than 80,000 copies) indicate an overall decline of 9.5%. The same trend has also been confirmed in the segment of sports newspapers, showing a drop of 5%.

At macroeconomic level, expectations for the Italian economy in 2014 were recently revised by the Bank of Italy, which cut the estimate of GDP growth from +0.7% forecast last January to +0.2%, indicating further downside risks (Source: Bank of Italy, July 2014 forecasts). The International Monetary Fund (IMF) also revised their estimates of growth for Italy in 2014 to +0.3%, i.e. 0.3 percentage points less than the +0.6% forecast in April (Source: IMF, July 2014 forecasts). Similarly, the estimated trend in the advertising market in Italy was revised from -5.5% to -9.7% (Source: Nielsen Media Search, June 2014 forecasts).
In Spain a growth of 1.3% in GDP is forecast for the year (Source: Bank of Spain July-August 2014), confirmed at +1.2% by the latest estimates of the IMF, and a growth of 1.6% in the advertising market (Source: Arce Media, July 2014 forecasts), which, however, regards changes only for the Internet and Television segments, while newspapers and magazines confirmed their sharp decline (-5.5% and -8.1%, respectively).
Given the fact that the situation is still unfavourable and especially the lack of predictability in advertising, the RCS Group has also continued during the first half of 2014 to pursue new efficiency measures with a greater impact than was envisaged in the 2013-2015 Development Plan, managing to keep the results in line with the provisions of the Plan. The decrease in revenue was offset by profitability, through lower operating costs for the period, as a result of the efficiency measures on processes and the reduction of operating costs of approximately Euro 30 million, implemented by all of the Group's business units.

Specifically, the Group's revenue in the first half of 2014, amounting to Euro 611.1 million, dropped by 5.6% compared to the same period of 2013, which comes to 1.4% on a like-for-like basis excluding the assets sold and discontinued in 2013.
In the second half of the year, a partial recovery of this decline is expected, which will bring revenue for the year substantially in line with the previous year, contrary to the previously announced forecasts of slight growth, expecting to cover the impact of the different in revenue on EBITDA with the positive

effect of the greater benefits expected from the efficiency plans in relation to the previously announced figures.
EBITDA before non-recurring expenses in the first half was a negative Euro 4.2 million, and is in line with the improvement trend set out in the Plan, totalling Euro 24.4 million, compared to the first half of the previous year.
Continuing this trend, and in the absence of further significant decline in advertising revenues, the Group confirms its goal in 2014 to triple EBITDA before non-recurring expenses compared to 2013, also thanks to efficiencies of over 70 million, exceeding the previously reported annual 50/60 target.
The main Business Units closed the first half with a positive EBITDA and improved their results on the first half of 2013, in line with the outlook for performance over the year. The cost reduction plan will contribute to offsetting the previously mentioned drop in revenue.

The negotiations aimed at leveraging non-core assets are on-going. In relation to the possibility that negotiations may, in certain cases, continue and be concluded in 2015, an agreement has been reached with the financing banks to amend the contracts. In addition to a reduction of the spread applied, these amendments provide greater flexibility in the timing of the sale of non-core assets as well as in the level of the covenant relating to the net financial position at the end of 2014. In that scenario, the Company shall allocate Euro 23 million deriving from the conversion of preferred shares to the voluntary repayment of one of the credit facilities included in the Loan.
The Group's net financial position benefited from the unexpected, non-recurring receipt of Euro 47 million due to the optional conversion of preferred shares, mentioned above. The contribution of operations was in line with expectations while, as indicated above, the changed timing of the positive effects of leveraging the non-core assets must be taken into consideration. Therefore, the forecast decrease in the net financial position at the end of 2014 may not be reached, though the NFP shall continue to comply with the updated covenant in the Loan Agreement.

**RCS MediaGroup**
**Reclassified consolidated income statement**
(figures not subject to audit)

| (EUR million) | 30 June 2014 (4) A | % | 30 June 2013 (4) (5) B | % | Difference A-B | Difference % |
|---|---|---|---|---|---|---|
| **Net revenue** | **611.1** | **100.0** | **647.5** | **100.0** | **(36.4)** | ***(5.6%)*** |
| *Circulation revenue* | *288.1* | *47.1* | *330.1* | *51.0* | *(42.0)* | *(12.7%)* |
| *Advertising revenue (1)* | *250.8* | *41.0* | *251.3* | *38.8* | *(0.5)* | *(0.2%)* |
| *Other publishing revenue (2)* | *72.2* | *11.8* | *66.1* | *10.2* | *6.1* | *9.2%* |
| Operating costs | *(444.5)* | *(72.7)* | *(487.2)* | *(75.2)* | *42.7* | *(8.8%)* |
| Cost of labour | *(186.0)* | *(30.4)* | *(250.1)* | *(38.6)* | *64.1* | *(25.6%)* |
| Receivable impairment | *(7.0)* | *(1.1)* | *(9.3)* | *(1.4)* | *2.3* | *(24.7%)* |
| Provisions for risks | *(2.8)* | *(0.5)* | *(5.7)* | *(0.9)* | *2.9* | *(50.9%)* |
| **EBITDA (3)** | **(29.2)** | **(4.8)** | **(104.8)** | **(16.2)** | **75.6** | ***(72.1%)*** |
| Intangible asset amortisation | *(17.8)* | *(2.9)* | *(22.3)* | *(3.4)* | *4.5* | |
| Property, plant and equipment depreciation | *(10.7)* | *(1.8)* | *(12.7)* | *(2.0)* | *2.0* | |
| Real estate investment depreciation | *(0.5)* | *(0.1)* | *(0.4)* | *(0.1)* | *(0.1)* | |
| Other Non-current asset impairment | *(6.9)* | *(1.1)* | *(2.6)* | *(0.4)* | *(4.3)* | |
| **EBIT** | **(65.1)** | **(10.7)** | **(142.8)** | **(22.1)** | **77.7** | |
| Net financial income (expense) | *(20.9)* | *(3.4)* | *(11.8)* | *(1.8)* | *(9.1)* | |
| Income (expense) from financial assets/liabilities | *0.0* | *0.0* | *0.2* | *0.0* | *(0.2)* | |
| Income (expense) from equity investments equity method | *(5.4)* | *(0.9)* | *(3.8)* | *(0.6)* | *(1.6)* | |
| **EBT** | **(91.4)** | **(15.0)** | **(158.2)** | **(24.4)** | **66.8** | |
| Income taxes | *13.9* | *2.3* | *37.6* | *5.8* | *(23.7)* | |
| **Profit (loss) from continuing operations** | **(77.5)** | **(12.7)** | **(120.6)** | **(18.6)** | **43.1** | |
| Profit (loss) from discontinued operations (6) | *7.1* | *1.2* | *(4.1)* | *(0.6)* | *11.2* | |
| **Profit (loss) before non-controlling interests** | **(70.4)** | **(11.5)** | **(124.7)** | **(19.3)** | **54.3** | |
| (Profit) loss pertaining to non-controlling interests | *0.4* | *0.1* | *(0.7)* | *(0.1)* | *1.1* | |
| **Group's profit (loss) for the period** | **(70.0)** | **(11.5)** | **(125.4)** | **(19.4)** | **55.4** | |

(1) Advertising revenue for the first half of 2014 includes Euro 148.2 million from the Group's Advertising concessionaire division (of which Euro 125.1 million was from Media Italy, Euro 7.2 million from Poligrafici Editoriale, Euro 9.8 million from Editrice La Stampa, Euro 4.9 million from selling space with third-party publishers, Euro 0.5 million from sundry Events and Euro 0.7 million from Media Spain) and Euro 102.6 million directly from publishers (of which Euro 74.6 million was from Media Spain, Euro 16.5 million from Sporting Events, Euro 5.2 million from Media Italy, Euro 6.8 million from Corporate Functions and Other Activities and Euro 0.5 million from eliminations to Group companies).

Advertising revenue for the first half of 2013 includes Euro 140.4 million from the Group's Advertising concessionarie division (of which Euro 136.4 million was from Media Italy, Euro 2.3 million from selling space with third-party publishers and Euro 1.7 million from sundry Events) and Euro 110.9 million (of which Euro 77.9 million was from Media Spain, Euro 6 million from Blei, Euro 6.6 million from Media Italy, Euro 14.4 million from Sporting Events, Euro 6.8 million from Corporate Functions and Other Activities and Euro 0.8 million from eliminations to Group companies).

(2) Other publishing revenue mainly includes the revenue from the sale of film rights of the Unidad Editorial Group, revenue from the television business of Digicast and the Unidad Editorial Group, revenue from the transfer of royalties to other companies, revenue from events in Italy and Spain, revenue from e-commerce and revenue from the sale of customer lists and children's book sets from the Sfera Group companies.

(3) Considered as the operating income before Amortisation, depreciation and write-downs.

(4) On 11 December 2013, Edition d'Art Albert Skirà was sold, on 1 August 2013 the Collectibles branch was sold and on 1 March 2014 the La Tribuna publishing business branch and trademark were sold. These changes resulted in a total decrease in consolidated revenue of Euro 16.3 million and an improvement in EBITDA of Euro 7.3 million. In the first quarter of 2014 control of Editoriale del Mezzogiorno was acquired. This shareholding was previously accounted for at equity. The company's revenue is entirely intra-group and shows a negative EBITDA of Euro 0.4 million as at 30 June 2014. In the first quarter of 2014 control was also acquired of Rizzoli Sfera International Advertising (Beijing) Co. Ltd., which holds 90% of Rizzoli Sfera International Convetion & Exhibition (Beijing) Co. Ltd. These companies, previously accounted for at equity, show total revenue of Euro 2.3 million and a negative EBITDA of Euro 0.1 million as at 30 June 2014.

(5) The figures as at 30 June 2013 have been revised to reflect the retroactive effect of the adoption of IFRS 10 and IFRS 11 relating to the scope of consolidation in force from 1 January 2014.

(6) As at 30 June 2014, profit (loss) from discontinued operations includes the capital gain of Euro 7.1 million realised on the sector's building in Via Solferino, whose sale, carried out in 2013, was subject to a condition precedent.

## RCS MediaGroup
## Reclassified consolidated balance sheet
(figures not subject to audit)

| (EUR million) | 30 June 2014 | % | 31 December 2013 | % |
|---|---|---|---|---|
| Intangible Assets | 504.1 | 60.7 | 504.4 | 62.3 |
| Property, plant and equipment | 121.6 | 14.7 | 132.1 | 16.3 |
| Real Estate Investments | 29.7 | 3.6 | 30.3 | 3.7 |
| Financial Assets | 303.3 | 36.6 | 295.4 | 36.5 |
| **Net Non-current Assets** | **958.7** | **115.5** | **962.2** | **118.9** |
| Inventories | 103.9 | 12.5 | 85.4 | 10.6 |
| Trade receivables | 407.0 | 49.0 | 393.6 | 48.6 |
| Trade payables | (382.3) | (46.1) | (373.1) | (46.1) |
| Other assets/liabilities | (10.4) | (1.3) | (18.2) | (2.2) |
| **Net Working Capital** | **118.2** | **14.2** | **87.7** | **10.8** |
| Provisions for risks and charges | (105.9) | (12.8) | (119.9) | (14.8) |
| Deferred tax liabilities | (89.0) | (10.7) | (89.6) | (11.1) |
| Employee benefits | (52.2) | (6.3) | (51.3) | (6.3) |
| **Net Operating Capital Invested** | **829.8** | **100.0** | **789.1** | **97.5** |
| **Net invested capital - discontinued operations** | **-** | **-** | **20.1** | **2.5** |
| **Net invested capital** | **829.8** | **100.0** | **809.2** | **100.0** |
| **Shareholders' equity** | **311.6** | **37.6** | **334.9** | **41.4** |
| Medium-long term financial payables | 496.1 | 59.8 | 430.6 | 53.2 |
| Short-term financial payables | 86.7 | 10.4 | 54.6 | 6.7 |
| Non-current financial liabilities for derivatives | 18.4 | 2.2 | 15.6 | 1.9 |
| Non-current financial assets for derivatives | - | - | - | - |
| Cash and short-term financial receivables | (83.0) | (10.0) | (26.5) | (3.3) |
| **Net financial debt (1)** | **518.2** | **62.4** | **474.3** | **58.6** |
| **Total sources of financing** | **829.8** | **100.0** | **809.2** | **100.0** |

(1) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets. Non-current financial assets at 30 June 2014 and 31 December 2013 are equal to zero and therefore the financial ratio of RCS as at 30 June 2014 and 31 December 2013 coincides with the net financial position as defined in the aforesaid CONSOB communication.

**RCS MediaGroup**
**Revenue breakdown by Business sectors**
(figures not subject to audit)

| (EUR million) | Progressive as at 30/06/2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Revenue** | **EBITDA BEFORE NON-RECURRING EXPENSE** | **% of revenue** | **EBITDA** | **% of revenue** | **EBIT** | **% of revenue** |
| Media Italy (1) | 260.6 | 14.8 | 5.7% | 12.0 | 4.6% | (2.5) | (1.0)% |
| Media Spain | 176.6 | 4.1 | 2.3% | (16.6) | (9.4)% | (26.2) | (14.8)% |
| Books (2) | 72.0 | (9.9) | (13.8)% | (11.0) | (15.3)% | (11.6) | (16.1)% |
| Advertising and Events | 194.0 | 1.2 | 0.6% | 0.8 | 0.4% | 0.7 | 0.4% |
| Corporate Functions and Other Activities (3) | 37.8 | (14.4) | (38.1)% | (14.4) | (38.1)% | (25.5) | (67.5)% |
| Sundry and eliminations | (129.9) | | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% |
| **Consolidated** | **611.1** | **(4.2)** | **(0.7)%** | **(29.2)** | **(4.8)%** | **(65.1)** | **(10.7)%** |
| Discontinued operations | | | | | | | |
| Sundry and eliminations | | | | | | | |
| **Total** | **611.1** | **(4.2)** | **(0.7)%** | **(29.2)** | **(4.8)%** | **(65.1)** | **(10.7)%** |

| (EUR million) | Progressive as at 30/06/2013 (4) | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Revenue** | **EBITDA BEFORE NON-RECURRING EXPENSE** | **% of revenue** | **EBITDA** | **% of revenue** | **EBIT** | **% of revenue** |
| Media Italy (1) | 282.1 | (1.8) | (0.6)% | (59.0) | (20.9)% | (73.4) | (26.0)% |
| Media Spain | 194.5 | (0.6) | (0.3)% | (2.4) | (1.2)% | (14.0) | (7.2)% |
| Books (2) | 90.4 | (12.9) | (14.3)% | (18.6) | (20.6)% | (19.0) | (21.0)% |
| Advertising and Events | 181.9 | (2.3) | (1.3)% | (7.6) | (4.2)% | (7.7) | (4.2)% |
| Corporate Functions and Other Activities (3) | 38.6 | (11.0) | (28.5)% | (17.2) | (44.6)% | (28.7) | (74.4)% |
| Sundry and eliminations | (140.0) | 0.0 | n.a | 0.0 | n.a | 0.0 | n.a |
| **Consolidated** | **647.5** | **(28.6)** | **(4.4)%** | **(104.8)** | **(16.2)%** | **(142.8)** | **(22.1)%** |
| Discontinued operations | 39.7 | | | 5.2 | | (5.0) | |
| Sundry and eliminations | | | | | | | |
| **Total** | **687.2** | **(28.6)** | **(4.2)%** | **(99.6)** | **(14.5)%** | **(147.8)** | **(21.5)%** |

(1) In the first quarter of 2014 control of Editoriale del Mezzogiorno was acquired. This shareholding was previously accounted for at equity. The company's revenue is entirely intra-group and shows a negative EBITDA of Euro 0.4 million as at 30 June 2014.

(2) On 11 December 2013, Edition d'Art Albert Skirà was sold, on 1 August 2013 the Collectibles branch was sold and on 1 March 2014 the La Tribuna publishing business branch and trademark were sold. These changes resulted ini a total decrease in consolidated revenue of Euro 16.3 million and an improvement in EBITDA of Euro 7.3 million.

(3) In the first quarter of 2014 control was acquired of Rizzoli Sfera International Advertising (Beijing) Co. Ltd., which holds 90% of Rizzoli Sfera International Convetion & Exhibition (Beijing) Co. Ltd. These companies, previously accounted for at equity, show total revenue of Euro 2.3 million and a negative EBITDA of Euro 0.1 million as at 30 June 2014.

(4) The figures as at 30 June 2013 have been revised to reflect the retroactive effect of the adoption of IFRS and IFRS IFRS10 11 relating to the scope of consolidation in force from 1 January 2014.