



## Press Release

### RCS MediaGroup Board of Directors

### Results as at 31 March 2015 approved<sup>1</sup>

**Consolidated revenue decreases by 2.4%, primarily linked to the trend of advertising sales in Italy.**

**Group EBITDA before expenses and non-recurring income continues to improve, negative due to the seasonal effect, but with an increase of approximately EUR 7 million compared to the first quarter of 2014.**

**EUR 13 million in benefits from structural efficiency measures in the first quarter of 2015, taking the cumulative value of savings to EUR 177 million, consistent with EUR 220 million three year plan objective**

**Consolidated net loss significantly lower: net loss EUR -35.2 million (EUR -53.9 million in the same period in 2014).**

**Improved cash flow from current operations, up EUR 25 million on the first quarter of 2014.**

**Net Financial Position stands at EUR -507.5 compared to EUR -520.8 million at 31 March 2014.**

Consolidated Figures (EUR million)	31/03/2015	31/03/2014	Δ
Consolidated revenue	256,5	262,9	-2,4%
EBITDA before non-recurring income and expenses	(22,3)	(29,0)	+23,1%
EBITDA after non-recurring income and expenses	(23,4)	(45,9)	+49,0%
EBIT	(39,1)	(60,1)	+35%
Net loss	(35,2)	(53,9)	+34,7%

Equity Figures (EUR million)	31/03/2015	31/03/2014	31/12/2014
Net financial debt	507,5	520,8	482,5

(1) On 1 March 2014 the La Tribuna publishing company business unit and brand was sold. This change resulted in a total of EUR 0.3 million less in consolidated revenue and an improvement of EBITDA totaling EUR 0.4 million.

Alternative performance ratios:

EBITDA - considered as the operating income before depreciation, amortization and write-downs of assets.

Net Financial Debt - 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 31 March 2015, 31 March 2014 and 31 December 2014 are equal to zero and therefore the financial ratio of RCS at 31 March 2015, 31 March 2014 and 31 December 2014, coincide with the net financial position as defined in the aforesaid CONSOB communication.

Cash flow from operations – figure from management reporting.

Milan, 14 May 2015– The Board of Directors of RCS MediaGroup, met today chaired by Maurizio Costa, and examined and approved the results at 31 March 2015, as shown in the table above in which they are compared with 2014 figures for the same period.

### Group Operations as at 31 March 2015

Modest positive signs in the Italian economy were seen in the early months of 2015, even if the outlook continues to be characterized by uncertainty. In Spain the positive trend that started during 2014 continued. So far there has been no such effect in the Italian advertising market, which registered a 2.1% drop in January-March 2015 quarter (newspapers -5.8%, internet -2.4% - Source Nielsen), while in Spain a total increase of 7.4% was recorded (newspapers +0.9%, internet +13.2% - Source I2P ArceMedia).

The RCS Group continued to implement its plan guidelines based on **strategic investments, efficiency measures and focus** on the multimedia sphere to continue the development of its core business. During the early months of 2015 and to date the RCS Group has continued to reinforce its publishing core business, enhancing its digital product range, boosting the value of its publishing brands and developing revenues from events, particularly sports, allocating **approximately EUR 15 million to investments** in just the first quarter of the year. The Group pursued **structural efficiency measures** with determination at the same time which led to **benefits for EUR 13 million** in the first three months of the year taking the cumulative value of savings to date to EUR 177 million, consistent with the Group’s previously announced three year objective of EUR 220 million.

Actions aimed at improving publishing and enhancing the digital product range at the *Corriere della Sera* and *La Gazzetta dello Sport* continued in the quarter and the following months, aimed at reinforcing vertical channels with the launch of new themes, web series and initiatives specifically linked to the **70<sup>th</sup> anniversary of the Liberation** and the opening of **Expo 2015**. The opening of **Casa Corriere** at Expo and a special issue of *Corriere della Sera* entitled “**Orizzonti Expo**” (Expo Horizons) – with distribution of 4.5 million free copies for the opening of the event – were two of the most important. The **new Expansion website**, Spain’s leading financial newspaper was launched in March, while **Marca Buzz**, *Marca*’s new sports and entertainment portal aimed at a young target audience, launched in the following month. *Gazzetta dello Sport* completely overhauled its offering with the launch of **GazzettaTV**, which started on 26 February 2015 on digital terrestrial channel 59, while **YouReporter Sport** launched online. In magazines there were numerous initiatives with the **restyling of the *iodonna.it* website**, the transformation of the *Dove* multimedia system, the launch of the new **Style Magazine** and the installation of the second edition of the “**Art of Living**” show at the Triennale. In terms of advertising, **RCS Communication Solutions** and the **NuMix Agency** were launched. They will revolutionize marketing services for companies, and have already signed agreements and partnerships with Madai, Blurum and Mosaicoon. Major events included the **Milano City Marathon, Electric Run and Color Run**, the start of the 98<sup>th</sup> edition of **Giro d’Italia** in Sanremo and abroad the success of the second **Dubai Tour**. Lastly, two authors published by Rizzoli in Italy won the **2015 Pulitzer Prize**: “*The Pope and Mussolini: The Secret History of Pius XI and the Rise of Fascism in Europe*” by David Kertzer won best biography and “*All the Light We Cannot See*” by Anthony Doerr won in the fiction category.

The Group’s **consolidated net revenue** at 31 March 2015 was EUR 256.5 million, compared to EUR 262.9 million for the same period in 2014: the decrease is mainly due to the trend in advertising sales market, which also impacts the results of the RCS Group. **Revenue from the digital business now represents more than 14% of the Group’s total revenue (15.3% excluding the Books area) and exceeded EUR 36 million, a 2.5% growth over the first quarter of 2014.**

**Circulation revenue** totals EUR 134.1 million, in line with the same quarter in 2014, which returned EUR 134.8 million in circulation revenue. **Advertising revenue** totals EUR 96.3 million for the quarter, slightly down compared to the first quarter of 2014 (EUR -4.8 million), affected by the unfavorable trend in the market but at the same time showing **excellent results for online advertising in Spain**. **Other publishing revenue** remains stable compared to 31 March 2014 at EUR 26.1 million.

**EBITDA before non-recurring expenses and income** totals EUR -22.3 million, a **sharp improvement** compared to the EUR -29 million of the first quarter of 2014, **due to the positive performance of the main business areas. The increase is more than EUR 10 million**, once it is taken into consideration that the first quarter of 2014 does not include the investments and costs incurred in 2015 for the launch of Gazzetta TV and a higher number of initiatives and new product launches. **Starting from the third quarter of 2013 EBITDA before non-recurring expenses and income has seen a constant improvement** compared to the same period of the previous year. Non-recurring expenses for the quarter totaled approximately EUR 1 million (approximately EUR 17 million as at 31 March 2014). **EBITDA after non-recurring expenses and income is negative for EUR 23.4 million, an improvement of more than EUR 22 million** compared to the EUR -45.9 million of the first quarter in 2014.

Due to the dynamics described above, that are partly offset by higher amortization/depreciation costs of EUR 1.2 million, the negative **EBIT** figure of - EUR 39.1 million represents a **significant improvement compared to the figure for the first quarter of 2014** that was EUR -60.1 million.

**Net financial expenses decreased by EUR 1.3 million, at EUR 8.9 million at 31 March 2015**, basically due to interest rates.

The **net result for the period represents an improvement of approximately EUR 19 million compared to 31 March 2014**, totaling EUR -35.2 million (EUR -53.9 million in the first quarter of 2014).

The **net financial position** in the first three months of the year improved by more than EUR 13 million on a like-for-like basis, closing the quarter at EUR -507.5 million (EUR -520.8 million at 31 March 2014, EUR -482.5 million at 31 December 2014). Compared to the first quarter of 2014, **cash flow from current operations<sup>2</sup> improved by EUR 25 million**, closing substantially flat.

The Group's **exact headcount** at 31 March 2015 stands at **3,963** employees (before the current wage guarantee fund agreement), a decrease of 30 employees compared to the same period in 2014, and taking account of reorganization plans which involved practically all Group areas, acquisitions and corporate consolidation transactions and hiring aimed at developing new businesses/activities. The **average headcount** totaled **3,995** employees, a reduction of 49, reflecting changes in the business' scope and activities.

## Comments on operations as at 31 March 2015

**Italian Newspapers** posted **revenue** of EUR 121.4 million (-1.1% compared to the same period in 2014). The fall was the result of a continued decrease in advertising revenue, that was all but completely offset by the increase in publishing revenue thanks to the positive performance of additional products and the price increase for printed magazines. **Publishing revenue** totals EUR 72.9 million, an increase of 4.7% compared to the previous year. **Advertising revenue** totals EUR 43.2 million, a decrease of 9.1% compared to the previous year. **Income from on-line media reaches 22%** of the area's advertising revenue. **Other publishing** revenue totals EUR 5.3 million, a slight drop compared to the same period in 2014. For **Television Revenue** the decrease in revenue from subscribers to the *Caccia e Pesca* channel is offset by the increase in advertising sales from *Lei* and *Dove*.

**EBITDA**, negative by EUR 0.6 million for the first three months of 2015, **improved EUR 2.6 million (+81.3%)** on a like-for-like basis. If non-recurring expenses and income (totaling EUR 0.2 million of net expenses in the first quarter of 2015 and EUR 2.6 million in the same period in 2014) are excluded, EBITDA is EUR -0.4 million, an improvement of EUR 0.2 million compared to the same period in 2014.

**Corriere della Sera and La Gazzetta dello Sport confirmed their leading circulation rankings** in their sectors. *Corriere della Sera* confirmed its circulation leadership position inspite of the effects of an unfavorable market, reaching an average of 466 thousand distributed copies including digital copies (-3.5%

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<sup>2</sup> figure from management reporting.

equal to an average of 16 thousand copies – Source: internal). Average **digital copies** total 145 thousand, a **growth of 23.9%** compared to the first quarter of 2014. In addition, *Corriere della Sera*, in both printed and digital versions, ranks number one among the most read major Italian newspapers for adults over age 14 (Source: Audipress). The total circulation of *La Gazzetta dello Sport* in the first quarter of 2015, totaling 248 thousand average copies (including an average of 49 thousand digital copies), dropped 5.3% compared to the first quarter of 2014: the increase in average digital copies (+2.1% like-for-like) partly offset the decrease of printed copies (Source: Internal). *Gazzetta dello Sport* is the most read of the major Italian sports dailies by adults with more than double the readers of the second place competitor (Source: Audipress). The average of unique visitors on a monthly basis to the website of **corriere.it** reached 40.3 million, up 13.5% compared to the same period in 2014 (Source: Adobe Sitecatalyst), while the **gazzetta.it** website registered an average of 21.4 million unique visitors on a monthly basis, a 51.8% increase compared to the first three months of 2014 (Source: Adobe Sitecatalyst). The digital editions of the two newspapers registered 157 thousand active subscribers, a growth of 3.9% compared to the first quarter of 2014. In the first three months 2.7 million digital editions were downloaded, a growth of 19.6% compared to the same period in 2014. For the mobile versions of the two websites; *Corriere Mobile* registered 12.7 million unique visitors and *Gazzetta Mobile* reached 8.7 million unique visitors in the first quarter of 2015, both tripling the figures reported for the same period in 2014 (Source: Adobe SiteCatalyst). To further enhance the Gazzetta System, **GazzettaTV** began broadcasting on **digital terrestrial channel 59** in February, reinforcing the strategic innovation program which positions **Gazzetta at the leading edge as a major journalism workshop** which combines all types of media, guaranteeing its fans a 360° offering.

**Lastly the growth of the Vertical System websites continues**, with excellent performances in particular from *IoDonna.it*, whose restyling was launched on 13 April, *living.corriere.it* which confirms RCS' leadership in the luxury and furnishings segment and *oggi.it*, which registered a 25% increase unique visitors to reach 5.7 million in total.

The **Spain Newspapers** area recorded **revenue** of EUR 73 million compared to EUR 79.7 million for the first quarter of 2014. **Advertising revenue** totals EUR 30.6 million, in line with the EUR 30.9 million at 31 March 2014, and total advertising sales for **online media reached around 32%** of total net advertising revenue. **Publishing revenue** totals EUR 34.2 million, posting a decrease of EUR 5.6 million as a result of the general market fall in circulations. **Other revenue**, totaling EUR 8.2 million, registered a decrease of EUR 0.8 million compared to the same period of 2014, mainly due to the effect of the closing of two television channels. **EBITDA** is negative by EUR 2.5 million (negative by EUR 20.6 million as at 31 March 2014), an improvement of EUR 18.1 million; excluding non-recurring income and expenses it stands at EUR -2.4 million compared to EUR -7 million for the same period in 2014.

**El Mundo was once again the second largest national newspaper** by circulation with 164 thousand copies sold on average daily, including digital copies, while **Marca – a leading sports information publication** - reached 162 thousand copies, including its digital editions. The *elmundo.es* website has an average of 36.4 million unique visitors monthly (up 13.8% compared to the first quarter of 2014); the website *marca.com* reached an average of 37.7 million unique visitors monthly (up 10.6% compared to the same 2014 period); while *expansion.com* reported an increase of 34.5% compared to 31 March 2014, reaching an average of 8 million monthly unique visitors.

Via the **ORBYT platform**, Unidad Editorial now reaches around 85 thousand subscribers in March. Since its launch around 137 thousand apps for iPhone and around 278 thousand applications for iPad have been downloaded.

**Revenue from the Books area** reaches EUR 28.9 million, a **growth** of approximately 10% compared to the same period in 2014.. **Italian Miscellaneous Works reported an increase of 9.3%** compared to the first quarter of 2014, with publishing revenue from publishers essentially stable and **double digit total growth for digital revenue**, revenue from the sale of rights, no book revenue and publishing revenue from third party publishers and associates. **EBITDA** for the period is negative by EUR 6.9 million, an improvement of EUR 1.8 million over 2014.



Specifically *sell outs* at **Bompiani** and **BUR** resulted in significant growth in value in the first months of 2015, up 26.7% and 13.5% respectively thanks to the launch of very successful books.

Consolidated revenue from **Rizzoli International Publications** increased EUR 0.9 million thanks to the appreciation of the dollar compared to the euro and the increase in sales and were only partially impacted by lower revenue from the temporary closing of the historic Rizzoli bookstore in NYC, which is scheduled to reopen during summer in its new location.

Bompiani topped the charts in January and February, and continued to be in the top ten in March, with two new successful releases; Umberto Eco's latest book *Numero Zero* and *Sottomissione* by Michel Houellebecq; Jessie Burton's *The Miniaturist* was also highly acclaimed. Rizzoli has continued to be in the top ten in the first weeks of 2015 in part due to the continued success of books such as *The fault in our stars* by John Green and *I tre giorni di Pompei* by Alberto Angela.

First quarter revenue from e-books was essentially in line with the market: the value of e-books sold accounts for around 5% of total revenue of Miscellaneous works (printed and e-books).

The **Education** sector is characterized by a highly seasonal nature, with a strong concentration in the final quarter of the year: thus the trend in revenue and result at the end of March are not particularly significant in terms of the year, but revenue on a like-for-like basis saw an **improvement totaling 8.6%** compared to the same period in 2014.

**RCS Libri confirmed its number two position in the Miscellaneous Works sector, reaching a share of 12.4% in terms of value and 11.5% in terms of copies.** Among the major publishing groups, **RCS Group, despite an overall market which has contracted compared to the same quarter of last year, further increased the value of its market share** by an additional 0.6 percentage points.

## Outlook

The first months of 2015 showed modest positive signs of recovery in the Italian economy, even if its prospects are still characterized by uncertainty. Italian GDP remained unchanged compared to the first quarter of 2014 (+0.3% compared to the previous quarter – Source Istat) and is expected to increase by 0.7% in 2015 (Source: Istat). In Spain the positive trend which started in the first half of 2014 continues. Spain's GDP is expected to increase by 2.8% in 2015 (Source: European Commission).

In terms of the Media sector in Italy, and even taking into account the positive effects expected from EXPO 2015, advertising sales for printed media are forecast to continue to fall, although less than in previous years, while a slight increase in internet media advertising sales is expected. In Spain growth is forecast in both online advertising and traditional printed media advertising sales.

Within this macroeconomic context, **RCS expects consolidated revenue to increase slightly in 2015 compared to 2014, on a same perimeter basis**, also thanks to specific initiatives. **Advertising revenue growth** is expected to be limited and will come from the previously mentioned recovery in Spain, while circulation revenue – despite a drop in volumes – may be partially offset by increasing prices. A slight growth is forecast for revenue from the Books area, mainly thanks to the digital component.

To respond to the unfavorable market backdrop, the RCS Group has continued in 2015 to pursue additional efficiency measures. **A total of EUR 220 million in benefits, of which EUR 177 million have already been achieved at the end of March 2015** (EUR 13 million in the first quarter of 2015) are expected to be achieved by the end of the three year 2013-2015 Development Plan.



Based on this, **consolidated EBITDA is expected to continue to rise for 2015 and to reach profit margins (before non-recurring expenses) of around 9% of 2015 revenue**, absent a further significant contraction in the advertising market, particularly in Italy, compared to the fall that is already forecast for 2015.

Consequently, subject to the above, **a return to positive EBIT at consolidated level is expected for 2015**, sufficient to substantially balance the weight of financial expenses, a necessary **factor for a return in the near future to consolidated profit**.

The Company has continued its work to sell non-core assets in order to further reduce its consolidated NFP. It is currently involved in negotiations to sell further assets (as well as negotiating the sale of its interest in RCS Libri S.p.A.).

In the absence of unforeseen events and achievement of the EBITDA forecast for 2015, the finalization of the sales of non-core assets and the other assets mentioned above (accompanied by operating cash flow, already positive in 2014 and expected to significantly improve in 2015) are instrumental in reducing consolidated NFP and complying with the covenants in the loan agreement for 31 December 2015 (NFP of less than 3.5 times EBITDA and NFP of less than EUR 440 million).

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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 Interim Management Statement at 31 March 2015 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](http://www.rcsmediagroup.it), within the required deadlines.*

For additional information:

**RCS MediaGroup – Corporate Communications**

Maria Verdiana Tardi – +39 347 7017627 - [verdiana.tardi@rcs.it](mailto:verdiana.tardi@rcs.it)

**RCS MediaGroup - Investor Relations**

Federica De Medici – +39 335 230278 - [federica.demedici@rcs.it](mailto:federica.demedici@rcs.it)

[www.rcsmediagroup.it](http://www.rcsmediagroup.it)



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

(EUR million)	31 March 2015		31 March 2014		Difference	Difference
	A	%	(4)	(5)		
					A-B	%
<b>Net revenue</b>	<b>256,5</b>	<b>100,0</b>	<b>262,9</b>	<b>100,0</b>	<b>(6,4)</b>	<b>(2,4%)</b>
<i>Circulation revenue</i>	<i>134,1</i>	<i>52,3</i>	<i>134,8</i>	<i>51,3</i>	<i>(0,7)</i>	<i>(0,5%)</i>
<i>Advertising revenue (1)</i>	<i>96,3</i>	<i>37,5</i>	<i>101,1</i>	<i>38,5</i>	<i>(4,8)</i>	<i>(4,7%)</i>
<i>Other publishing revenue (2)</i>	<i>26,1</i>	<i>10,2</i>	<i>27,0</i>	<i>10,3</i>	<i>(0,9)</i>	<i>(3,3%)</i>
Operating costs	(195,2)	(76,1)	(202,6)	(77,1)	7,4	(3,7%)
Cost of labor	(80,0)	(31,2)	(100,3)	(38,2)	20,3	(20,2%)
Receivable impairment	(2,6)	(1,0)	(4,1)	(1,6)	1,5	(36,6%)
Provisions for risks	(2,1)	(0,8)	(1,8)	(0,7)	(0,3)	16,7%
<b>EBITDA (3)</b>	<b>(23,4)</b>	<b>(9,1)</b>	<b>(45,9)</b>	<b>(17,5)</b>	<b>22,5</b>	<b>(49,0%)</b>
Intangible asset amortization	(10,0)	(3,9)	(8,6)	(3,3)	(1,4)	
Property, plant and equipment depreciation	(5,2)	(2,0)	(5,4)	(2,1)	0,2	
Real estate investment depreciation	(0,2)	(0,1)	(0,2)	(0,1)	0,0	
Other asset impairment	(0,3)	(0,1)	0,0	0,0	(0,3)	
<b>EBIT</b>	<b>(39,1)</b>	<b>(15,2)</b>	<b>(60,1)</b>	<b>(22,9)</b>	<b>21,0</b>	
Net financial income (expense)	(8,9)	(3,5)	(10,2)	(3,9)	1,3	
Income (expense) from financial assets/liabilities	(0,2)	(0,1)	0,0	0,0	(0,2)	
Income (expense) from equity investments equity method	0,3	0,1	(0,3)	(0,1)	0,6	
<b>EBT</b>	<b>(47,9)</b>	<b>(18,7)</b>	<b>(70,6)</b>	<b>(26,9)</b>	<b>22,7</b>	
Income taxes	12,3	4,8	12,5	4,8	(0,2)	
<b>Profit (loss) from continuing operations</b>	<b>(35,6)</b>	<b>(13,9)</b>	<b>(58,1)</b>	<b>(22,1)</b>	<b>22,5</b>	
Profit (loss) from discontinued operations (5)	0,0	0,0	3,9	1,5	(3,9)	
<b>Profit (loss) before non-controlling interests</b>	<b>(35,6)</b>	<b>(13,9)</b>	<b>(54,2)</b>	<b>(20,6)</b>	<b>18,6</b>	
(Profit) loss pertaining to non-controlling interests	0,4	0,2	0,3	0,1	0,1	
<b>Group's profit (loss) for the period</b>	<b>(35,2)</b>	<b>(13,7)</b>	<b>(53,9)</b>	<b>(20,5)</b>	<b>18,7</b>	

(1) Advertising revenue at 31 March 2015 includes EUR 57.4 million realized by the Group's Advertising division (of which EUR 47.3 million from Italian Newspapers, EUR 9.5 million from space of third party publishers, EUR 0.5 million from Spanish newspapers and EUR 0.1 million from various Events) and EUR 38.9 million directly from publishers (of which EUR 30.2 million refer to Spanish Newspapers, EUR 3.3 million to Sports Events, EUR 3.2 million to Italian Newspapers, EUR 2.5 million from Corporate Functions and Other Activities and EUR 0.3 million to eliminations to Group companies).

Advertising revenue at 31 March 2014 includes EUR 61.8 million realized by the Group's Advertising division (of which EUR 53.4 million from Italian Newspapers, EUR 8 million from space of third party publishers, EUR 0.4 million from Spanish newspapers) and EUR 39.3 million directly from publishers (of which EUR 30.5 million refer to Spanish Newspapers, EUR 4 million to Sports Events, EUR 2.6 million to Italian Newspapers, EUR 2.4 million to Corporate Functions and Other Activities and EUR 0.2 million to eliminations to Group companies).

(2) Other publishing revenue includes revenue from the sale of film rights of Spanish Newspapers, revenue from the television business of Italian Newspapers and Spanish Newspapers, revenue from disposal of royalties to other companies, revenue from events and shows in Italy and Spain, revenue from e-commerce business, as well as revenue from the sale of customer lists and children's book sets of the Sfera group companies, under the Corporate Functions and Other activities.

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

(4) On 1 March 2014 the La Tribuna publishing company business unit and brand was sold. This change resulted in a total of EUR 0.3 million less in consolidated revenue and an improvement of EBITDA totaling EUR 0.4 million.

(5) On 31 March 2014 the profit and loss from discontinued operations (totaling EUR 7.1 million in the intermediate management report of 31 March 2014) was retreated to take into account the result of the first quarter of 2014 and related to the interests in IGPDcaux and the Fineco Group, classified as discontinued operations starting from the end of FY 2014.



**RCS MediaGroup**  
**Reclassified consolidated balance sheet**  
(tables not subject to audit)

(EUR million)	31 March 2015	%	31 December 2014	%
Intangible Assets	511,9	68,3	508,8	67,3
Property, plant and equipment	115,4	15,4	118,7	15,7
Real Estate Investments	24,7	3,3	24,9	3,3
Financial Assets	238,6	31,8	225,8	29,9
<b>Net Non-current Assets</b>	<b>890,6</b>	<b>118,7</b>	<b>878,2</b>	<b>116,2</b>
Inventories	90,6	12,1	78,8	10,4
Trade receivables	321,4	42,9	392,6	52,0
Trade payables	(377,1)	(50,3)	(395,2)	(52,3)
Other assets/liabilities	(7,5)	(1,0)	(22,8)	(3,0)
<b>Net Working Capital</b>	<b>27,4</b>	<b>3,7</b>	<b>53,4</b>	<b>7,1</b>
Provisions for risks and charges	(77,3)	(10,3)	(83,7)	(11,1)
Deferred tax liabilities	(75,5)	(10,1)	(75,6)	(10,0)
Employee benefits	(52,1)	(6,9)	(53,7)	(7,1)
<b>Net Operating Capital Invested</b>	<b>713,1</b>	<b>95,1</b>	<b>718,6</b>	<b>95,1</b>
<b>Net invested capital - discontinued operations</b>	<b>36,9</b>	<b>4,9</b>	<b>36,9</b>	<b>4,9</b>
<b>Net invested capital</b>	<b>750,0</b>	<b>100,0</b>	<b>755,5</b>	<b>100,0</b>
<b>Shareholders' equity</b>	<b>242,5</b>	<b>32,3</b>	<b>273,0</b>	<b>36,1</b>
Medium-long term financial payables	432,6	57,7	393,8	52,1
Short-term financial payables	75,2	10,0	97,7	12,9
Non-current financial liabilities for derivatives	15,5	2,1	16,5	2,2
Non-current financial assets for derivatives	-	-	-	-
Cash and short-term financial receivables	(15,8)	(2,1)	(25,5)	(3,4)
<b>Net financial debt (1)</b>	<b>507,5</b>	<b>67,7</b>	<b>482,5</b>	<b>63,9</b>
<b>Total sources of financing</b>	<b>750,0</b>	<b>100,0</b>	<b>755,5</b>	<b>100,0</b>

(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 31 March 2015 and 31 December 2014 are equal to zero and therefore the financial ratio of RCS at 31 March 2015 and 31 December 2014, coincides with the net financial position as defined in the aforesaid CONSOB communication.

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

(EUR million)	Figures at 31/03/2015						
	Revenue	EBITDA BEFORE NON- RECURRING	% of revenue	EBITDA	% of revenue	EBIT	% of revenue
Italian Newspapers	121,4	(0,4)	(0,3)%	(0,6)	(0,5)%	(4,8)	(4,0)%
Spanish Newspapers	73,0	(2,4)	(3,3)%	(2,5)	(3,4)%	(7,4)	(10,1)%
Books (1)	28,9	(6,4)	(22,1)%	(6,9)	(23,9)%	(7,8)	(27,0)%
Advertising and Events	68,0	(4,3)	(6,3)%	(4,5)	(6,6)%	(4,5)	(6,6)%
Corporate Functions and Other Activities	17,3	(8,8)	(50,9)%	(8,9)	(51,4)%	(14,6)	n.a.
Sundry and eliminations	(52,1)		0,0%	0,0	0,0%	0,0	n.a.
<b>Consolidated</b>	<b>256,5</b>	<b>(22,3)</b>	<b>(8,7)%</b>	<b>(23,4)</b>	<b>(9,1)%</b>	<b>(39,1)</b>	<b>(15,2)%</b>

(EUR million)	Figures at 31/03/2014						
	Revenue	EBITDA BEFORE NON- RECURRING	% of revenue	EBITDA	% of revenue	EBIT	% of revenue
Italian Newspapers	122,7	(0,6)	(0,5)%	(3,2)	(2,6)%	(6,8)	(5,5)%
Spanish Newspapers	79,7	(7,0)	(8,8)%	(20,6)	(25,8)%	(25,4)	(31,9)%
Books (1)	26,3	(8,3)	(31,6)%	(8,7)	(33,1)%	(9,0)	(34,2)%
Advertising and Events	73,9	(4,6)	(6,2)%	(4,8)	(6,5)%	(4,9)	(6,6)%
Corporate Functions and Other Activities	17,1	(8,6)	(50,3)%	(8,6)	(50,3)%	(14,0)	n.a.
Sundry and eliminations	(56,8)	0,1	(0,2)%	-	n.a.	0,0	n.a.
<b>Consolidated</b>	<b>262,9</b>	<b>(29,0)</b>	<b>(11,0)%</b>	<b>(45,9)</b>	<b>(17,5)%</b>	<b>(60,1)</b>	<b>(22,9)%</b>

(1) On 1 March 2014 the La Tribuna publishing company business unit and brand was sold. This change resulted in a total of EUR 0.3 million less in consolidated revenue and an improvement of EBITDA totaling EUR 0.4 million.

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**INTEGRATIONS REQUIRED BY CONSOB ON 27 MAY 2013, IN ACCORDANCE WITH ART. 114, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/1998**

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

(EUR million)	Carrying amount		Change
	31/03/2015	31/12/2014	
Non-current financial assets for derivatives	-	-	-
<b>TOTAL NON-CURRENT FINANCIAL ASSETS</b>	-	-	-
Securities	-	-	-
Financial receivables	2,7	11,8	(9,1)
Current financial assets for derivatives	-	-	-
<b>Current financial receivables and assets</b>	<b>2,7</b>	<b>11,8</b>	<b>(9,1)</b>
Cash and cash equivalents	13,1	13,7	(0,6)
<b>TOTAL CURRENT FINANCIAL ASSETS</b>	<b>15,8</b>	<b>25,5</b>	<b>(9,7)</b>
Non-current financial payables and liabilities	(432,6)	(393,8)	(38,8)
Non-current financial liabilities for derivatives	(15,5)	(16,5)	1,0
<b>TOTAL NON-CURRENT FINANCIAL LIABILITIES</b>	<b>(448,1)</b>	<b>(410,3)</b>	<b>(37,8)</b>
Current financial payables and liabilities	(75,2)	(97,7)	22,5
Current financial liabilities for derivatives	-	-	-
<b>TOTAL CURRENT FINANCIAL LIABILITIES</b>	<b>(75,2)</b>	<b>(97,7)</b>	<b>22,5</b>
<b>Total Net Financial Debt (1)</b>	<b>(507,5)</b>	<b>(482,5)</b>	<b>(25,0)</b>

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 31 March 2015 and 31 December 2014 are equal to zero and therefore the financial ratio of RCS at 31 March 2015 and 31 December 2014, coincides with the net financial position as defined in the aforesaid CONSOB communication.

The net financial position at 31 March 2015 is negative for EUR 507.5 million and registered an increase of EUR 25 million compared to 31 December 2014, primarily due to payments related to new investments and non-recurring expenses. Current operations reduced the use of seasonal cash flow by EUR 25 million (Source: Management Reporting) compared to the first quarter of 2014.

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

(EUR million)	31 March 2015	31 December 2014	Change
<b>Current financial receivables</b>			
Cash and cash equivalents	1,0	0,7	0,3
Current financial receivables	39,6	47,9	(8,3)
<b>A) Total current financial receivables</b>	<b>40,6</b>	<b>48,6</b>	<b>(8,0)</b>
<b>Current financial payables</b>			
Payables due to c/a banks	( 29,2)	( 36,8)	7,6
Current financial payables	( 512,2)	( 585,2)	73,0
Financial liabilities for derivatives	-	-	-
<b>B) Total current financial payables</b>	<b>( 541,4)</b>	<b>( 622,0)</b>	<b>80,6</b>
<b>(A+B) Total net current financial (debt)</b>	<b>( 500,8)</b>	<b>( 573,4)</b>	<b>72,6</b>
<b>Non-current financial receivables</b>			
Financial assets for derivatives	-	-	-
<b>C) Total non-current financial receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current financial payables</b>			
Non-current financial payables	( 473,0)	( 380,8)	( 92,2)
Non-current financial liabilities for derivatives	( 15,5)	( 16,6)	1,1
<b>D) Total non-current financial payables</b>	<b>( 488,5)</b>	<b>( 397,4)</b>	<b>( 91,1)</b>
<b>(C+D) Total net non-current financial (debt)</b>	<b>( 488,5)</b>	<b>( 397,4)</b>	<b>( 91,1)</b>
<b>TOTAL Net Financial (Debt)</b>	<b>( 989,3)</b>	<b>( 970,8)</b>	<b>( 18,5)</b>

The Company's net financial debt as of 31 March 2015 was negative for EUR 989.3 million and recorded an increase over 31 March 2014 of EUR 18.5 million.

This change is primarily generated by payments for new investments, non-recurring expenses incurred for the ongoing restructuring process, payments to the capital reserve/to cover losses for subsidiaries plus the use of cash flow from current operations due to the season, which has improved compared to the amount used in the first quarter 2014.

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

(EUR million)

Analysis overdue debt positions								
31/03/2015	30 days	31 - 90 days	91 - 180 days	181-360 days	> 360 days	Total Due	Total maturing	Total
Trade Debt Positions	11,4	21,6	6,7	5,9	22,7	68,3	309,0	377,3
Financial Debt Positions							75,2	75,2
Tax debt positions							11,8	11,8
Social security debt positions							10,2	10,2
Other debt positions		0,1		0,1	0,1	0,3	94,8	95,1
<b>Total debt position</b>	<b>11,4</b>	<b>21,7</b>	<b>6,7</b>	<b>6,0</b>	<b>22,8</b>	<b>68,6</b>	<b>501,0</b>	<b>569,6</b>

The total current liabilities of the RCS Group on 31 March stood at EUR 620.8 million (EUR 675.4 million on 31 December 2014), reporting a decrease compared to the EUR 54.6 million on 31 December 2014. If posts with no contractual deadline are eliminated, such as the short term portion of provisions for risks and charges as well as payables resulting from measurement of Group investments at equity, this figure would amount to EUR 569.6 million. The non-overdue positions, of EUR 501 million, represent approximately 88% of the total. On 31 March 2015 there were no overdue accounts on financial, tax or social security debt positions.

Overdue debt positions, mainly commercial in nature, total EUR 68.6 million (EUR 75.7 million at 31 December 2014), reporting a decrease of EUR 7.1 million mainly from the Parent Company.

Overdue debt positions include EUR 11.4 million in accounts less than 30 days overdue (EUR 12.8 million at 31 December 2014), which essentially relate to the company's operations (operating payables). The positions expiring on 31 March 2015 were conventionally classified among the debts due for payment, and amount to approximately EUR 15.8 million. The remainder, of EUR 57.2 million, includes accounts payable to agents, totaling EUR 22.4 million (39.2% of the total residual overdue amount). In relations with agents, industry practice requires the payment of a monthly advance on their activities which is reported under trade receivables on the balance sheet. Advances to agents, which refer to overdue debts, totaled EUR 26.8 million, an amount that is greater than the specific overdue amount. It should be noted that payables due to agents overdue more than 360 days represent approximately 67.9% of this category of overdue accounts. Overdue trade accounts of EUR 68.3 million (EUR 75.1 million at 31 December 2014) mainly refer to the Parent Company (EUR 43 million).

Compared to December 2014 overdue accounts decreased by EUR 7.1 million. This value is mainly the result of a decrease in the 31-90 day accounts (EUR -3.5 million), >360 day (EUR -3 million) and accounts less than 30 days (EUR -1.4 million). The 91-180 day accounts (EUR +0.6 million) and 181-360 days (EUR +0.2 million) are basically stable.

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

**c) Transactions with the Company and RCS Group related parties**

For the details regarding transactions with Company and RCS MediaGroup S.p.A. related parties, see note number 11 in the Interim Management Statement.



**d) Potential non-compliance with covenants, negative pledges and other clauses in the Group's borrowing commitments which could limit the use of financial resources, together with up-to-date details of the level of compliance**

The Loan Agreement signed in June 2013 for a total maximum amount of EUR 600 million decreased to EUR 465.6 million as of 31 March 2015.

The Loan is composed of three separate credit facilities:

- Line of Credit a (bullet), term line of EUR 22,000,000.00 to repay in a lump sum at the earlier date between (i) the third anniversary of the relative date of use and (ii) 31 July 2016 and whose use at 31 March 2015 has remained unchanged from 31 December 2014 at EUR 113.6 million. It should be noted that this line is repaid early with the income from the sale of non-core assets;
- Line of Credit B (amortizing), term line of EUR 275,000,000 to repay at the earlier date between (i) the fifth anniversary of the relative date of use and (ii) 31 July 2018, based on an amortization plan attached to the Loan Agreement and whose use has remained unchanged from 31 December 2014 at EUR 252 million; and
- Revolving Line of Credit, revolving line of EUR 100,000,000 to repay at the earlier date between (i) the fifth anniversary of the relative first date of use and (ii) 31 July 2018.

The Loan Agreement includes a default covenant of NFP not greater than EUR 440 million at the end of 2015. The covenant was determined based on the provisions of the 2013-2015 Development Plan and forecast sale of non-core assets for an amount not less than EUR 250 million by the end of the year. The Company signed an agreement amending some of the terms of the same Loan Agreement with the lending banks on 11 August 2014.

Specifically, the Loan agreement requires compliance with the following financial covenants, which the Company considers in line with the economic and financial forecasts of the Development Plan:

<b>Reference Date</b>	<b>Financial Covenant</b> (at Group consolidated financial statements level)
31 December 2015	(i) Net Financial Position < or equal to EUR 440 million; (ii) Net Financial Position / EBITDA ratio (Leverage Ratio), less than 3.50x.
31 December 2016	(i) Net Financial Position < or equal to EUR 410 million; (ii) Net Financial Position / EBITDA ratio (Leverage Ratio), less than 3.25x.
31 December 2017	(i) Net Financial Position < or equal to EUR 380 million; (ii) Net Financial Position / EBITDA ratio (Leverage Ratio), less than 3.00x.

In the event of violation of the applicable financial covenants, if other qualifying events occur such as, among others, failure to pay the amounts due under the Loan Agreement, cross default in relation to the Group's financial debt or starting of proceedings by creditors, for amounts over certain thresholds, violations of obligations undertaken pursuant to the Loan Agreement, change of control or the occurrence of events which have a significant negative effect as defined herein, the banks have the right to ask for repayment of lines of credit as per the Loan Agreement. In terms of Change of Control, the cancelation of the Shareholders' Agreement which occurred last October is not considered change of control as governed by the loan agreement.

The amended agreement signed on 11 August 2014, changed some of the terms and conditions of the loan agreement. In order to obtain greater flexibility for the deadline for the sale of non-core assets, the deadlines for the following obligations have been changed from the end of 2014 to the end of September 2015:

- (i) obligation to exercise – by 31 December 2015 and within time for permitting the subscription and actual payment of the capital injection subject of the Mandate by 31 March 2016 - the mandate granted on 30 May 2013 to the Company's Board of Directors for a rights issue, which may be performed separately, and up to the maximum amount of EUR 190,000,000.00 (the “Mandate”), an amount equal to the difference between EUR 600,000,000.00 and the amount of the capital injection of the Company subscribed and actually paid before the first disbursement as per the Loan Agreement, if one of the following events occurs (known as Triggering Events):
- (a) on the date of approval for the quarterly consolidated statements related to the quarter closing 30 September 2015 and based on such figures (and, in terms of EBITDA calculation, also based on the consolidated financial statements of the Company at 31 December 2014 and the consolidated quarterly financial statements of the same at 30 June 2015), the Net Financial Positions / EBITDA ratio (to be calculated before non-recurring expense up to an amount equal to EUR 40 million) and on a rolling last twelve months basis based on the above quarterly financial statements at 30 September 2015 (as well as in relation to EBITDA, of the consolidated financial statements at 31 December 2014 and half-year at 30 June 2015) is greater than 4.5x and/or
  - (b) the income actually collected by the company from the date of signing the Loan Agreement and by 30 September 2015 from documents to dispose of the Non-Core Assets is less than EUR 250,000,000.00 (net of any amounts already paid for voluntary early repayment of Line of Credit A); and/or

with the understanding that, if by 31 March 2016 the capital injection which is the subject of the Mandate has been paid for an amount less than EUR 200,000,000.00 the Company will have the obligation to sell assets other than Non-Core Assets (x) for cash (without extension of payment and earn out and the sales contracts for the above must be finalized by 31 March 2016; (y) the collection of the relative income must actually occur by 31 March 2016 for a total amount equal to the difference between (a) EUR 200,000,000.00 and (b) the amount actually paid as well as earmarked for early repayment of the Loan in compliance with the Loan Agreement following performance of the rights issue subject of the Mandate actually subscribed; (z) the income from the sale must be used for obligatory early repayment of Line of Credit “A”, until it is fully repaid and Line of Credit “B”, to perform by reducing the amount of the instalments starting from the next instalment.

**e) Progress of the industrial plan, showing any discrepancies between the forecast and actual data**

Prospects for an economic recovery in Italy were characterized by uncertainty in the initial months of 2015. Italy's GDP for the first quarter of 2015 remained unchanged compared to the first quarter of 2014 (+0.3% compared to the previous quarter – Source Istat).

The advertising market was down 2.1% at the end of March 2015 versus the same period of the previous year. Printed media registered a total drop of 5.8%, with newspapers down 6.9%, with a negative trend both for national and local sales, and magazines down by 3.9% (Source Nielsen) confirming the negative performance of recent years.

An unfavorable trend persists for circulation in 2015 as well for printed products due to the acceleration of digital and multimedia versions and increase of the prices of the main publications which occurred in the second part of 2014 and in January 2015.

On the contrary, the positive trend in Spain, demonstrated by the country's GDP and which began in the first half of 2014, continues (+1.4% for FY 2014). Specifically, growth was 0.9 percent for the first quarter of 2015 and 2.6% on an annual basis (Source Ine).



The advertising market on the whole reported an increase of 7.4% compared to the first quarter of 2014, and in particular internet rose by 13.2% (source I2P/ArceMedia) and newspapers by 1.2% driven by the good performance of local newspapers while national newspapers decreased. The negative trend in circulation also continued in Spain for newspaper sales (Source OJD).

To respond to the unfavorable performance of its markets, the RCS Group continued in 2015 to pursue additional efficiency measures, with cost-saving benefits greater than the forecasts for the 2013-2015 Development Plan and was thus able to maintain results in line with those forecast in the Budget for the first quarter of the year.

Specifically, the Group achieved results in line with the EBITDA, Efficiency Measures and Net Financial Debt targets contained in the 2015 Budget for the first quarter of the year. Revenue for the first quarter was slightly less than the goals set for the period for the 2015 Budget (-1.5%), affected by the aforesaid advertising market in Italy, a drop in printed circulation in Spain, in line with the performance of a market which is still clearly unfavorable and only partly offset by the growth trend in digital editions of Spanish publications.

Despite the decrease in revenue, EBITDA improved in relation to the first quarter of 2014.

Consolidated net financial debt at 31 March 2015, also in line with the Budget, reported an improvement of EUR 14 million compared with 31 March 2014.

The time forecast to reduce it as progress is made in obtaining value from the Non-Core Assets has been prolonged, as already stated in recent announcement to the market. Negotiations continue aimed at obtaining value from non-core assets, their positive effects on NFP (consolidated net debt) will occur during 2015.