



## Press Release

### RCS MediaGroup Board of Directors: RESULTS AT 30 SEPTEMBER 2008 APPROVED

#### Highlights<sup>1</sup>:

- Consolidated net revenues at EUR 1,968.1 million, from EUR 1,969 million (-3.3% including first quarter 2007 results for the unconsolidated Recoletos Group)
- Group advertising revenues up 2.1% from EUR 668 million to EUR 682.3 million (-2.7% including first quarter 2007 results for the unconsolidated Recoletos Group)
- EBITDA of EUR 165.5 million versus EUR 218.5 million in the same period of 2007 (down by EUR 66.2 million including first quarter 2007 results for the unconsolidated Recoletos Group)
- Net profit at 30 September 2008 of EUR 20.3 million
- New shareholders' agreement approved in relation to Dada SpA

Milan, 11 November 2008 – At its meeting today, the Board of Directors of RCS MediaGroup, under the chairmanship of Piergaetano Marchetti, approved the consolidated results at 30 September 2008.

The key results for the first nine months and third quarter of 2008 are shown below, with the corresponding figures for the same periods of 2007.

Consolidated figures ( <sup>1</sup> ) (EUR million)	30 September 2008	30 September 2007	3Q 2008	3Q 2007
Consolidated group revenues	1,969.0	1,968.1	614.2	657.6
EBITDA	165.5	218.5	38.3	71.4
EBIT	84.2	151.8	11.9	47.1
Net profit	20.3	165.1	(16.2)	20.9

Balance sheet figures (EUR million)	30/09/2008	31/12/2007	30/09/2007
Net debt	1.193.5	966.2	1.076.6

<sup>1</sup> Note that Recoletos and Digicast were fully consolidated from the second quarter of 2007. The activities of RCS Broadcast, CNR and Economica SGPS (a company controlled by Unidad Editorial) were sold on 26 July 2007, 17 December 2007 and 14 August 2008 respectively. Figures for the first nine months of 2008 have been restated to reflect the new accounting standards adopted by the Dada Group.

#### Alternative performance indicators:

- EBITDA refers to the operating result before depreciation, amortisation and fixed asset write-downs.
- Net debt, a financial structure indicator, is calculated as current and non-current financial debt, net of cash and equivalents, current financial assets and non-current financial receivables recognised for derivatives.

## Group results at 30 September 2008

The Group's consolidated net revenues at 30 September 2008 totalled EUR 1,969 million, compared with EUR 1,968.1 million at 30 September 2007. However, if the first quarter 2007 revenues for the Recoletos Group (unconsolidated) are included, this item shows a fall of 3.3%.

**Group advertising revenues** grew by 2.1% from EUR 668 million to EUR 682.3 million. If the (unconsolidated) figure for the Recoletos group for the first quarter of 2007 is taken into account, advertising revenues fell by EUR 18.5 million (-2.7%), mainly because of a fall in sales of Spanish Newspapers, which was only partly offset by the revenue growth of Dada and Blei.

**Other publishing revenues** went up by EUR 21.7 million, from EUR 219.6 million to EUR 241.3 million. The increase is EUR 5 million if the unconsolidated first quarter 2007 revenues of Recoletos and Digicast are included.

**Circulation revenues** fell by EUR 35.1 million from EUR 1,080.5 million to EUR 1,045.4 million. Including the unconsolidated circulation revenues of the Recoletos group in the first quarter of 2007, the fall is EUR 60.1 million. During the period, sales of add-on products fell in Spain and Italy for newspapers and magazines, while revenues from partworks were down owing to both the significant drop in the number of titles launched in Italy and the fall in the euro/sterling exchange rate, which hit the revenues of GE Fabbri. The fall was partly offset by the positive results from the Books division, in France, thanks to an increase in revenues from third-party distribution, and in Italy, despite the postponement of the launch of new products in the Fiction and Non-fiction division to the last quarter of the year.

**EBITDA** fell from EUR 218.5 million to EUR 165.5 million – a drop of EUR 53 million, or EUR 66.3 million taking into account the unconsolidated EBITDA of the Recoletos group for the first quarter of 2007. Despite a positive performance from Digicast and Dada, results in Spain were affected by a decline on the advertising market, a fall in sales of add-on products and a sharp increase in promotional and marketing costs, mainly in relation to *El Mundo*. EBITDA was also impacted by a fall in add-on sales in Italy, a lower contribution from the Books division as fewer partworks were launched during the period, and the postponement of new titles in the Fiction and Non-fiction division to the last quarter of the year. Lastly, it reflects the charges relating to the intensive promotional and advertising campaign for the launch of the full-colour *La Gazzetta dello Sport* and of *Corriere Fiorentino*, added to the investment in new initiatives in the New Media segment of the Magazines division and non-recurring costs of EUR 9 million relating to personnel expenses for the restructuring of some Group divisions.

**EBIT** was EUR 84.2 million, compared with EUR 151.8 million in the first nine months of 2007. In addition to reflecting the fall in EBITDA, this figure includes a EUR 14.6 million increase in amortisation charges, largely relating to the portion of goodwill attributable to the intangible assets of Recoletos and Digicast, higher depreciation charges for the full-colour *El Mundo*, and the change in the scope of consolidation following the acquisition of the Recoletos group and Digicast.

**Net financial charges** totalled EUR 46.7 million (EUR 22.4 million in the first nine months of 2007), an increase of EUR 24.3 million, largely due to a greater average debt level following the acquisition of Recoletos and higher interest rates compared to the same period of 2007.

The Group's **net profit** was EUR 20.3 million including the write-down of the stake in Poligrafici Editoriale (EUR 7.9 million) and the net proceeds (EUR 13.2 million) of the end-June sale of

Economica SGPS, the Portuguese publisher of the daily *Diario Economico* and weekly *Semanario Economico*. In the same period of 2007, net profit benefited from capital gains on the sale of non-strategic shareholdings (EUR 51.9 million) and dividends (EUR 11.7 million), and totalled EUR 165.1 million.

**Net debt**, at EUR 1,193.5 million, rose by EUR 227.3 million compared to 31 December 2007, due mainly to the purchase of minority stakes equivalent to 44.6% of VEO Television (EUR 89.2 million), the exercise of an option on minority stakes in Digicast (EUR 16.2 million), the acquisition of the Amen group (EUR 17.6 million) by Dada, investments made during the period, and a dividend payout (EUR 83.9 million). Cash flow from ordinary operations during the period was positive. The net debt figure also reflects the proceeds from the sale of Economica SGPS (EUR 26.7 million, net of EUR 0.8 million relating to net debt) and the receipt of a tax credit (EUR 46.5 million).

## Comments on performance in the first nine months of 2008

### Key figures

The **Italian Newspapers** division recorded revenues of EUR 531.3 million (EUR 546.1 million in the first nine months of 2007), mainly as a result of a drop in add-on sales, which was only partly offset by an increase in advertising revenues, the broadly stable circulation of *La Gazzetta dello Sport* and the continued growth of online operations.

In the first nine months of 2008, *Corriere della Sera* had an average daily circulation of 616,000 copies (-4.8%), while *La Gazzetta dello Sport* performed in line with the same period of 2007 – bucking the prevailing trend in the market for sports dailies – at a daily average of 393,000 copies.

The multimedia system centred around the two publications (including supplements, local editions, online and mobile versions) again put in a positive performance. In particular, *corriere.it* had 11.6 million unique users in September 2008 (+33% versus September 2007), with a weekday average of more than one million unique users. Also in September 2008, *gazzetta.it* reached a new record of 7.7 million unique users per month, with an excellent weekday average of 730,000 readers.

**Circulation revenues** fell from EUR 291.9 million to EUR 271.1 million due to the expected drop in add-on revenues. **Advertising revenues** increased from EUR 233.6 million to EUR 238.7 million (+2.2%), thanks to a strong performance from the *La Gazzetta dello Sport* system (+18.7%) – partly due to the European football championships – and from the free press (+2%).

**EBITDA** decreased from EUR 84 million to EUR 73.3 million, mainly owing to the expected lower contribution of add-on sales and the costs relating to the launch of the full-colour tabloid version of *La Gazzetta dello Sport* and, to a lesser extent, *Corriere Fiorentino*.

**Unidad Editorial (Spanish Newspapers)**, which was boosted by the consolidation of Recoletos from the second quarter of 2007, reported an increase in **revenues** from EUR 427 million to EUR 477.1 million (+11.7%), despite the sale of Portuguese group Economica SGPS at the end of June. Taking into account the unconsolidated revenues of Recoletos for the first quarter of 2007, revenues would have shown a fall of EUR 18.5 million.

*El Mundo* registered average circulation of 324,000, confirming it as Spain's second-largest daily, despite a fall of around 9,000 copies mainly due to intensive promotional activity by the paper's competitors. The average circulation of sports daily *Marca* was 303,000 copies, a fall of 12,000 versus the first nine months of 2007, due to lower sales in the summer months compared to the previous year. However, kiosk sales of *Expansión* (Newspapers) and *Telva* and *Actualidad Economica* (Magazines) showed a positive trend, with circulation of all three titles increasing.

Looking at online products, *elmundo.es* was once again the leading Spanish-language news website both nationally and worldwide, with around 59 million visitors and 11.6 million unique users in September. In the same month, *Marca.com* achieved a record 7.4 million unique users, while visitor numbers jumped by 17.4% to more than 77 million. A positive performance also came from *expansión.com*, with a record 5.3 million visitors (+112% on the same month of 2007) and more than one million unique users.

**Circulation revenues** rose by 12.8%, from EUR 195.3 million to EUR 220.3 million. Taking into account first quarter 2007 figures for the Recoletos group (unconsolidated), the figure would have been broadly stable.

**Advertising revenues** were up 5.9%, from EUR 188.6 million to EUR 199.8 million. On a same-structure basis, the figure fell by EUR 21.6 million (-9.8%), chiefly owing to a drop in advertising sales for newspapers – reflecting the decline in the market – which was only partly offset by a strong performance from online operations (+24.7%). **EBITDA** fell from EUR 79.8 million to EUR 46.7 million, a drop of EUR 33.1 million. Taking into account the unconsolidated figures for Recoletos in the first quarter of 2007, the fall would have been EUR 46.4 million. The result was due to the sharp contraction in the advertising market mentioned above, and to the intensive promotional and marketing activities implemented in response to similar investments by competitors, plus non-recurring costs incurred as part of the ongoing restructuring process.

**Revenues** from the **Books Division** fell from EUR 537.4 million to 511.6 million, mainly because the Group adopted a different publishing schedule, which roughly halved the number of partwork launches in Italy, and because of the euro's appreciation against sterling, which hit the revenues of GE Fabbri. In Italy, partly thanks to distribution for external publishers and despite the postponement of new titles until the last quarter of the year, revenues from Italian Fiction and Non-fiction remained broadly unchanged. In France, Flammarion benefited from both the resilient sales of the Group's publishing houses and the positive trend in revenues from third-party distribution. The revenues of Rizzoli International Publications were affected by the unfavourable euro/dollar exchange rate, and the Education segment was hit by lower sales as a result of the increased use of second-hand books.

**EBITDA** fell from EUR 28.3 million to EUR 19.5 million, and was affected by the exchange rate mentioned above, the lower contribution from Partworks and the different publishing schedule for new titles compared to the same period of 2007 for Italian Fiction and Non-fiction. It did however benefit from the reorganisation of processes and restructuring of business areas during the period under review.

Total **revenues** in the **Magazines** division declined from EUR 236.8 million to EUR 223.9 million. **Publishing revenues** stood at EUR 81.5 million (EUR 96 million at 30 September 2007), owing to a 3.7% fall in circulation (in line with the market), and a decrease in add-on sales. Despite the unfavourable market conditions, **advertising revenues** remained broadly stable at EUR 117.5 million. **EBITDA** fell from EUR 10 million to EUR 7.1 million, for the reasons mentioned above, and because of investment in new initiatives in the New Media segment. The contraction in EBITDA was mitigated also by the cost-containment plan aimed at tackling the difficulties caused by the economic downturn and the consequent drop in advertising revenues.

Revenues at **Dada** increased by 9.6% from EUR 115.1 million to EUR 126.1 million, divided as follows: Dada.net 55%; Dada pro 45%. Foreign activities accounted for 47% of consolidated revenues during the nine months. **EBITDA** rose by 29.2%, from EUR 16.1 million to EUR 20.8 million.

The **Television Division (Digicast)**, consolidated since the second quarter of 2007, recorded revenues growth of 39.9%, from EUR 14.3 million to EUR 20 million. **EBITDA** doubled from EUR 4.5 million to EUR 9.2 million. Taking into account the unconsolidated results for the first quarter of 2007, revenues would show a fall of EUR 0.9 million, while EBITDA would show an increase of EUR 3 million, owing to cost curbs and to greater investment in productions with a useful life of several years.

## **Outlook for 2008**

The gradual deterioration in the current macroeconomic scenario is having a negative effect on the international media sector. In this context, it is difficult to make forecasts even for the medium term, particularly on the trend in advertising revenues both in Italy and Spain, which continues to show signs of progressive decline, meaning that a reversal of this trend can be ruled out for the last quarter of the year. The main risks and uncertainties that the Group will face in the last quarter of 2008 mainly relate to trends in macroeconomic variables and their influence on the media sector.

The decline in volumes and results affected the whole of the Group's activities, with the exception of New Media.

The rise in internet advertising continues, with better-than-expected growth of more than 50% in Italy and around 25% in Spain in the first nine months of the year compared to the same period of 2007. The online business is performing particularly well as regards the number of unique users per month, which reached record levels of around 12.8 million readers for the *corriere.it* website (which also boasts a record of more than one million average users per day), approximately 7.7 million for *gazzetta.it*, around 11.9 million for *elmundo.es* (the leading Spanish-language news website), 7.7 million for *marca.com* and about 1.1 million for *expansion.com*.

Also in New Media, note the Dada Group's positive operating performance, confirming the company's good positioning on its market and its continued international growth. Based on the trend in activities for the current year and also taking into account the extraordinary operations carried out in July, and barring any unforeseeable decline in the market, the Group confirms that it expects a result for the full year of 2008 in line with expectations, as already announced on 1 August.

The deterioration of the economy, which has entered a recession, therefore confirms that, in the absence of any unforeseeable events, results will be significantly lower than they were in the previous year. Despite this, the Group is trying to contain the negative effects resulting from the economic situation through the measures it has taken, while given the seasonal nature of the publishing business, EBITDA is likely to show a strong improvement in the last quarter of the year compared to the previous quarter.

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

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## **Approval of new shareholders' agreement for Dada SpA following the expiry of the agreement reached in 2005**

In view of the expiry as of today of the agreement reached in November 2005 between RCS and a number of shareholders among Dada's management team, the Board has approved a new shareholders' agreement with Paolo Barberis, founder, Chairman and shareholder of Dada and a participant in the expiring agreement, aimed at ensuring that reciprocal undertakings remain in place. All the respective shareholdings are included in the agreement (these currently stand at around 48.5% and 5.4% of Dada's share capital).

The new shareholders' agreement, which will be valid from 12 November 2008 until 11 November 2011, establishes the following among other:

- a) a series of restrictions (with some exemptions) on the transfer of shares covered by the agreement, and an undertaking on the part of Paolo Barberis not to purchase any additional RCS shares to those held at the date of signing of the agreement without prior written permission from RCS, with the exception of the shares deriving from already approved or future stock option plans;
- b) some rights over the Dada shares, including (i) a right of first offer for RCS on any shares that Paolo Barberis plans to sell within the terms of the agreement, and (ii) an option to sell 630,000 shares, conferred by RCS on Paolo Barberis, which may be exercised within a certain period of time after the expiry of the agreement;
- c) an advance consultation obligation between the parties, especially as regards some issues relating to the management and strategic direction of the company. The results of the consultation are non-binding;
- d) undertakings regarding corporate governance, and in particular the obligation for the parties to do their utmost to ensure that, at the first opportunity, and in any event by the end of the current Board of Directors' mandate and for the remaining duration of the shareholders' agreement: (i) Dada's Board of Directors comprises 14 members, and that the parties present and vote from a joint list for the election of the Board, of whom eleven candidates (including at least two who qualify as independent directors) must be nominated by RCS and three (of whom at least one must be independent) must be nominated by Paolo Barberis; (ii) the Chairman of Dada's Board of Directors is Paolo Barberis, while the Chief Executive Officer and Chief Financial Officer are appointed by RCS.

The new shareholders' agreement was formalised at the end of the Board of Directors' meeting, and, since it qualifies as significant pursuant to art. 122 of Legislative Decree 58/1998, it will be published in accordance with the procedures and deadlines set out under the law.

*"I would like to express my great satisfaction about the renewal of the agreement with RCS," commented Paolo Barberis, Chairman of Dada, at the end of the meeting. "For Dada it represents a further injection of energy, allowing us to tackle a market that is facing ever greater challenges, and confirms that the two groups are fully in tune with each other."*

“The renewal of the agreement confirms the great importance that RCS attributes to Dada as a cornerstone of the Group’s growth strategy in the multimedia sector, and, in particular, for the whole of the non-publishing digital business,” *stated Antonello Perricone, CEO of RCS MediaGroup.*

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## RCS MediaGroup

### Restated consolidated income statement at 30 September 2008

(EUR million)	30 September 2008		30 September 2007		Difference
	A	%	B	%	
			(5) - (6)		A-B
<b>Net revenues</b>		<b>100.</b>		<b>100.</b>	
	<b>1,969.0</b>	<b>0</b>	<b>1,968.1</b>	<b>0</b>	<b>0.9</b>
<i>Publishing revenues</i>	1,045.4	53.1	1,080.5	54.9	(35.1)
<i>Advertising revenues (1)</i>	682.3	34.7	668.0	33.9	14.3
<i>Other publishing revenues (2)</i>	241.3	12.3	219.6	11.2	21.7
Operating costs		(70.4)		(69.5)	
	(1,386.4)	)	(1,367.2)	)	(19.2)
Personnel costs		(20.5)		(18.7)	
	(403.6)	)	(368.6)	)	(35.0)
Loan write-downs	(9.6)	(0.5)	(10.0)	(0.5)	0.4
Risk provisions	(3.9)	(0.2)	(3.8)	(0.2)	(0.1)
<b>EBITDA (3)</b>	<b>165.5</b>	<b>8.4</b>	<b>218.5</b>	<b>11.1</b>	<b>(53.0)</b>
Amortisation of intangible assets	(42.4)	(2.2)	(33.5)	(1.7)	(8.9)
Depreciation of tangible assets	(38.9)	(2.0)	(32.6)	(1.7)	(6.3)
Other asset write-downs	0.0	0.0	(0.6)	(0.0)	0.6
<b>EBIT</b>	<b>84.2</b>	<b>4.3</b>	<b>151.8</b>	<b>7.7</b>	<b>(67.6)</b>
Net financial income (expenses)	(46.7)	(2.4)	(22.4)	(1.1)	(24.3)
Income (expenses) from financial assets/liabilities	(8.8)	(0.4)	60.4	3.1	(69.2)
Income (expenses) from shareholdings valued at equity	(2.1)	(0.1)	1.7	0.1	(3.8)
<b>Pre-tax profit</b>	<b>26.6</b>	<b>1.4</b>	<b>191.5</b>	<b>9.7</b>	<b>(164.9)</b>
Tax	(18.0)	(0.9)	(20.1)	(1.0)	2.1
<b>Profit/loss from continuing operations</b>	<b>8.6</b>	<b>0.4</b>	<b>171.4</b>	<b>8.7</b>	<b>(162.8)</b>
Profit from assets held for sale or sold (4)	13.2	0.7	7.1	-	6.1
<b>Net profit before minority interests</b>	<b>21.8</b>	<b>1.1</b>	<b>178.5</b>	<b>9.1</b>	<b>(156.7)</b>
Net (profit)/loss pertaining to minority interests	(1.5)	(0.1)	(13.4)	(0.7)	11.9
<b>Net profit</b>	<b>20.3</b>	<b>1.0</b>	<b>165.1</b>	<b>8.4</b>	<b>(144.8)</b>

(1) Advertising revenues at 30 September 2008 include EUR 400.6 million realised through RCS Pubblicità (including EUR 279.6 million from Italian Newspapers, EUR 111.4 million from Magazines and EUR 9.6 million from the sale of advertising space on behalf of external publishers), as well as EUR 281.7 million generated directly by the Group's publishers (EUR 199.8 million by Spanish Newspapers, EUR 37.9 million by Blei, EUR 23.2 million by Dada, EUR 21.5 million by Magazines, EUR 1.6 million by Digidcast, EUR 1.3 million by Italian Newspapers and EUR 3.6 million by eliminations between Group companies).

Advertising revenues at 30 September 2007 include EUR 410.3 million realised through RCS Pubblicità (including EUR 275.1 million from Italian Newspapers, EUR 110.2 million from Magazines and EUR 25 million from the sale of advertising space on behalf of external publishers), as well as EUR 257.7 million generated directly by the Group's publishers (EUR 188.6 million by Spanish Newspapers, EUR 34.2 million by Blei, EUR 22.8 million by Magazines, EUR 12 million by Dada, EUR 2 million by Digidcast, EUR 0.1 million by Italian Newspapers and EUR 2 million by eliminations between Group companies).

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

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

(4) This refers to the assets of Economica SGPS, a company controlled by Unidad Editorial which was sold on 14 August 2008, and to RCS Broadcast and CNR, which were sold on 26 July 2007 and 17 December 2007 respectively.

(5) Figures at 30 September 2007 have been restated based on the changed accounting standard adopted by Dada, shown in note 2 of the notes to the accounts.

(6) The Recoletos Group and Digidcast were fully consolidated and the associated financial effects included in the consolidated accounts from 2Q07. In 1Q07, the Recoletos Group (excluding assets held for sale) posted revenues of EUR 68.7 million and EBITDA of EUR 13.3 million. In the same period, Digidcast posted revenues of EUR 6.6 million and EBITDA of EUR 1.7 million.

## RCS MediaGroup

### Restated consolidated balance sheet at 30 September 2008

(EUR million)	30 September 2008	%	31 December 2007	%
Intangible assets	1,681.4	69.5	1,679.8	71.5
Tangible assets	498.1	20.6	478.1	20.4
Long-term investments	285.7	11.8	304.6	13.0
<b>Net assets</b>	<b>2,465.2</b>	<b>101.9</b>	<b>2,462.5</b>	<b>104.9</b>
Inventories	200.1	8.3	175.4	7.5
Trade receivables	821.3	34.0	845.7	36.0
Trade payables	(729.0)	(30.1)	(779.9)	(33.2)
Other assets/liabilities	(29.5)	(1.2)	(35.9)	(1.5)
<b>Working capital (1)</b>	<b>262.9</b>	<b>10.9</b>	<b>205.3</b>	<b>8.7</b>
Provisions for risks and future liabilities	(60.6)	(2.5)	(63.8)	(2.7)
Provisions for deferred taxes	(154.9)	(6.4)	(157.7)	(6.7)
Provisions for employee benefits	(94.5)	(3.9)	(98.0)	(4.2)
<b>Net invested capital: operations</b>	<b>2,418.1</b>	<b>100.0</b>	<b>2,348.3</b>	<b>100.0</b>
<b>Net invested capital: assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net invested capital</b>	<b>2,418.1</b>	<b>100.0</b>	<b>2,348.3</b>	<b>2,348.3</b>
<b>Shareholders' equity</b>	<b>1,224.6</b>	<b>50.6</b>	<b>1,382.1</b>	<b>58.9</b>
Medium/long-term debt	864.2	35.7	914.3	38.9
Short-term debt	437.3	18.1	162.1	6.9
Non-current financial receivables recognised for derivatives	(8.5)	(0.4)	(5.5)	(0.2)
Cash and short-term financial receivables	(99.5)	(4.1)	(104.7)	(4.5)
Net debt (cash) pertaining to assets held for sale	0.0	0.0	0.0	0.0
<b>Net debt (cash)</b>	<b>1,193.5</b>	<b>49.4</b>	<b>966.2</b>	<b>41.1</b>
<b>Total funding sources</b>	<b>2,418.1</b>	<b>100.0</b>	<b>2,348.3</b>	<b>100.0</b>

(1) On 1 January 2008 Dada began recording the costs relating to new subscriptions directly on the income statement, while in previous years it recorded these costs on the basis of expected future revenues. The change, made in compliance with the Exposure Draft of the international accounting standards improvement project issued at end-2007, required the comparison figures at 31 December 2007 to be restated. This led to a EUR 6.2 million fall in working capital at 31 December 2007, and a decrease of the same amount in shareholders' equity.

## RCS MediaGroup

### Breakdown of revenues by business at 30 September 2008

(EUR million)	Figure at 30/09/08					Figure at 30/09/07 (3) (4)				
	Revenues	EBITDA	% of revenues	EBIT	% of revenues	Revenues	EBITDA	% of revenues	EBIT	% of revenues
Italian Newspapers	531.3	73.3	13.8%	57.9	10.9%	546.1	84.0	15.4%	69.1	12.7%
Spanish Newspapers	477.1	46.7	9.8%	18.8	3.9%	427.0	79.8	18.7%	57.0	13.3%
Books	511.6	19.5	3.8%	14.4	2.8%	537.4	28.3	5.3%	22.8	4.2%
Magazines	223.9	7.1	3.2%	6.1	2.7%	236.8	10.0	4.2%	9.1	3.8%
Advertising	442.3	(0.2)	(0.0)%	(0.5)	(0.1)%	447.2	5.1	1.1%	5.0	1.1%
Dada (1)	126.1	20.8	16.5%	14.1	11.2%	115.1	16.1	14.0%	11.4	9.9%
Television	20.0	9.2	46.0%	0.6	3.0%	14.3	4.5	31.5%	0.3	2.1%
Corporate	47.8	(10.3)	(21.5)%	(26.6)	n.a	48.5	(9.3)	(19.2)%	(22.9)	n.a
Sundry and eliminations	(411.1)	(0.6)	n.a	(0.6)	n.a	(404.3)	0.0	n.a	0.0	n.a
<b>Consolidated</b>	<b>1,969.0</b>	<b>165.5</b>	<b>8.4%</b>	<b>84.2</b>	<b>4.3%</b>	<b>1,968.1</b>	<b>218.5</b>	<b>11.1%</b>	<b>151.8</b>	<b>7.7%</b>
Assets held for sale or sold (2)	6.2	0.4		0.3		19.1	(5.7)		(6.8)	
Sundry and eliminations		(0.9)		(0.9)		(12.2)	-		-	
<b>Total</b>	<b>1,975.2</b>	<b>165.0</b>	<b>8.4%</b>	<b>83.6</b>	<b>4.2%</b>	<b>1,975.0</b>	<b>212.8</b>	<b>10.8%</b>	<b>145.0</b>	<b>7.3%</b>

(1) EBIT recorded by Dada at 30 September 2008 and the same period of 2007 includes goodwill amortisation of EUR 1.1 million relating to its first-time consolidation.

(2) This refers to the assets of Economica SGPS, a company controlled by Unidad Editorial which was sold on 14 August 2008, and to RCS Broadcast and CNR, which were sold on 26 July 2007 and 17 December 2007 respectively.

(3) Figures for the first nine months of 2007 have been restated based on the changed accounting standard adopted by Dada, shown in note 2 of the notes to the accounts.

(4) The Recoletos Group and Digicast were fully consolidated and the associated financial effects included in the consolidated accounts from 2Q07. In 1Q07, the Recoletos Group (excluding assets held for sale) posted revenues of EUR 68.7 million and EBITDA of EUR 13.3 million. In the same period, Digicast posted revenues of EUR 6.6 million and EBITDA of EUR 1.7 million.