



## Press Release

### RCS MediaGroup: Ordinary and Extraordinary Shareholders' Meeting – Board of Directors

#### Highlights:

#### Shareholders' Meeting - ordinary session

- **2006 Annual Accounts approved;**
- **dividend approved of Euro 0.05 per savings share and Euro 0.03 per ordinary share outstanding and the free allocation to the Shareholders of RCS MediaGroup, held by the company, of 2 ordinary shares for every 100 ordinary and/or saving shares held;**
- **confirmation of the Directors Claudio De Conto, Antonello Perricone and Virginio Rognoni, co-opted in 2006;**
- **authorisation renewed to purchase and hold treasury shares.**

#### Shareholders' Meeting – extraordinary session

- **powers for the Board of Directors to increase the share capital, for payment and/or without valuable consideration, and to issue convertible bonds in ordinary and/or saving shares of the Company with rights approved;**
- **proposals to amend the company by-laws in accordance with recent legislation approved.**

#### Board of Directors

- **the Board of Directors confirmed Antonello Perricone as Chief Executive Officer and as member of the Executive Committee of the Company;**
- **agreement approved for RCS MediaGroup to acquire 34.6% of Finelco, conferring RCS Broadcast (Play Radio) and acquiring the shares held by the MPS Venture closed funds. Shareholder agreement for the management of the company;**
- **resolved to assign a monetary Incentive Plan for employees with stock options attributed in 2005 and which they now renounce.**

*Milan, April 27, 2007* – The Extraordinary and Ordinary Shareholders' Meeting of RCS MediaGroup met today, under the chairmanship of Piergaetano Marchetti.

#### Shareholders' Meeting - ordinary session

**Annual accounts and dividends:** in ordinary session the Shareholders' Meeting approved the 2006 Annual Accounts and resolved to allocate the net profit for the year, equal to Euro 166,223,230, for Euro 22,864,656.61 to dividends with Euro 0.05 for every savings shares and Euro 0.03 for every ordinary share outstanding, to be paid, before any withholding taxes, from May 24, 2007, with

dividend coupon No. 5 dated May 21, 2007. The Shareholders' Meeting also approved the free allocation to the shareholders 14,851,777 ordinary shares of RCS MediaGroup, held by the company, on the basis of 2 ordinary shares for every 100 ordinary shares and/or savings shares held, which will be issued to the shareholders, from May 24, 2007, after receiving the above-mentioned coupon No. 5.

**Treasury shares:** The Shareholders' Meeting renewed the Board of Director's authorisation to purchase treasury shares within the limits permitted by law, for a maximum number of shares which will not exceed 10% of the share capital, in order to provide the Company, which today holds approximately 2.6% of the ordinary share capital (0.6% after the above-mentioned free allocation), with an important instrument of managerial and strategic flexibility - in particular, as an opportunity of investment and to improve the financial structure. The purchase can be made in one or more occasions, in the 18 months after the authorisation, at a price not lower and not above 10% of the average share price recorded on the market in the two previous trading days prior to the operation and the purchases are made through: public purchase offer and exchange on the markets regulated by Borsa Italiana S.p.A., in accordance with the methods established by this latter which does not permit the joint proposals to purchase with pre-determined proposals to sell; through the purchase and sale of derivative instruments on the relative regulated market of Borsa Italiana S.p.A., whose regulations comply with the provisions of article 144-bis, paragraph 1 let c) of the regulations enacted by Consob Resolution No. 11971/1999.

The Shareholders' Meeting also authorised, for a period of 18 months, the right to sell treasury shares which may not be for a price lower than 10% compared to the average price at the moment of the operation and may be made in one or more occasions, even before the completion of purchases, through sales on the stock exchange, to share blocks, public offers or as payment for the purchase of investments or any assignment in favour of Shareholders. Simultaneously, the Shareholders' resolution of April 27, 2006 relating to the authorisation for the purchase and holding of treasury shares was revoked.

**Appointment of Directors:** The Shareholders' Meeting confirmed the Directors Claudio De Conto, Antonello Perricone and Virginio Rognoni (Independent Director in accordance with the Self-Governance Code of listed companies as adopted by the Company), co-opted in 2006, as replacement for Carlo Buora, Vittorio Colao and Giangiacomo Nardozi Tonielli.

### **Shareholders' Meeting – extraordinary session**

In the Extraordinary session, the Shareholders' Meeting attributed powers to the Board of Directors, for a period of five years, to increase the share capital, for payment and/or without valuable consideration, in one or more occasions and which may be divisible and may include a share premium, for a total maximum nominal amount of Euro 200 million, through the issue of ordinary and/or savings shares of the company, to be assigned or reserved as options with rights. The Shareholders also gave powers to the board to issue, in one or more occasions, convertible bonds into ordinary and/or saving shares of the company with rights, up to a total amount of Euro 800 million (provided each single amount does not exceed the limits permitted by law) and also assigned the right to resolve the corresponding share capital increase for the conversion and/or exercise of the warrants for a total maximum amount of Euro 200 million; the total amount of the

paid-in share capital increase (including any share premium) and the bonds issued may not exceed Euro 800 million.

The Shareholders' Meeting also approved the proposal for amendments to the current articles 11, 12, 14 and 20 of the Company by-laws and introduced a new article 20, principally to comply with the recent legislation in relation to protection on savings.

## **Board of Directors**

The Board of Directors of RCS MediaGroup, in a meeting held at the end of the Shareholders' Meeting, confirmed Antonello Perricone as Chief Executive Officer and as member of the Executive Committee of the Company.

The Board of Directors also approved the conclusion of an agreement between RCS MediaGroup and the shareholders of the Finelco S.p.A. Group, a company which owns the radio stations Radio 105 Network and Radio Monte Carlo. This agreement, conditional to authorisation by the relevant Authorities, provides for the contribution in kind into the Finelco S.p.A Group, with the prior spin-off of the AGR and CNR sectors, of the investments held by RCS MediaGroup in RCS Broadcast (98.99% of the share capital), a company which owns the national radio concessions of the Play Radio broadcaster, against which RCS will receive, after the share capital increase, a shareholding equal to 25% of the company.

Simultaneous to the contribution in kind, RCS MediaGroup will acquire the shares of the Finelco S.p.A Group currently held by MPS Venture SGR S.p.A. on behalf of the closed investment funds MPS Venture 1 (8.57%) and Ducato Venture (4.29%), equal to 12.86% (pre share capital increase), for a payment of Euro 20.75 million.

The total investment of RCS MediaGroup in Finelco at the end of the above operation will therefore be approximately 34.6%.

The agreement includes the signing of a Shareholder Agreement for a period of five years between RCS MediaGroup and the other shareholders of the Finelco Group, which provides that the radio operations will be under the management of Mr. Alberto Hazan, governance regulations which protect the shareholder RCS, "put" rights of the other shareholders of Finelco in the fourth year after the signing of the Agreement, as well as "put" and "call" rights in the case of an impasse and, during the fifth year, in the event of non-renewal of the Shareholder Agreement.

The valuation of the investment in the event of the exercise of the options will be determined by a primary Merchant Bank, which will act as an independent arbitrator.

The Board of Directors, on the proposal of the Group Remuneration Committee, resolved to offer to each employee of the Company and its subsidiaries beneficiaries of the stock options assigned on November 11, 2005 (in relation to the Stock Option Plan 2005-2013 approved by the Board on the same date following the Shareholders' resolution of April 29, 2005) the right to participate, with the prior renouncement of the respective options by May 7, 2007, in a long-term monetary incentive plan. The beneficiaries are 56 employees of the Company - not including the Chief Executive Officer and the Managing Director - holders of a total of approximately 10 million options, equal

to approximately 1.3% of the ordinary share capital, for the subscription of a similar amount of ordinary shares of the Company.

The Plan, offered to maintain the original incentive and loyalty, provides for a fixed monetary payment, equal to Euro 0.80 per share, calculated on the current valuation of the options already assigned, which was made utilising the so-called “binomial model”.

The right of the payment in cash, fixed at June 30, 2008, is subject to the reaching of the same objectives which were established in the regulations of the stock option plan.

The Incentive Plan, which may result in a maximum payment of approx. Euro 8 million, in the event of total subscription by the beneficiaries, does not constitute an additional charge in the consolidated income statements compared to that recorded in accordance with IFRS of the relative stock option plan costs as initially deliberated.

For further information:

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