



Press Release

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

Summary:

The Ordinary Meeting

- approved the financial statements for the year 2004;
- approved the distribution of a dividend amounting to Euro 0.06 for each savings share and to Euro 0.04 for each ordinary share; the free allocation of RCS MediaGroup ordinary shares, owned by Company, in the amount of one ordinary share every 100 ordinary shares and/or savings shares owned;
- increased the number of directors to 19 (previously 18);
- confirmed the Directors, Vittorio Colao, Diego Della Valle, Cesare Geronzi and Jonella Ligresti who had been co-opted in 2004;
- appointed the new Directors: John P. Elkann, Gabriele Galateri di Genola, Piergaetano Marchetti, Paolo Merloni;
- renewed the authorization for the purchase and disposal of owned shares.

The Extraordinary Meeting

- assigned the authorization to the Board of Directors for a capital increase following the Stock – Option plan.

The Board of Directors

- appointed Piergaetano Marchetti Chairman of Board of Directors and of Executive Committee, and Gabriele Galateri di Genola Vice Chairman.
- confirmed Vittorio Colao to the office of Chief Executive Officer and member of Executive Committee;
- John P. Elkann new member of the Executive Committee decreased from 8 to 5 members. Confirmed the members Renato Pagliaro and Carlo Pesenti.

Milan, 29th April 2005 – RCS MediaGroup Ordinary and Extraordinary Shareholders' Meeting were held today.

Ordinary Meeting

Financial Statements and Dividend – The Ordinary Shareholders' Meeting approved:
– the Financial Statements for the year 2004, that closed with net income equalling Euro 58.2 million (compared with Euro 52.5 million the year before);

- the proposal to allocate Euro 29,996,450.26 from the year net for the year income for dividends – to be divided into Euro 0.06 for each outstanding savings share and Euro 0.04 for each outstanding ordinary share – to be paid gross of any withholding, from May 26, 2005 with the shares going ex-div (detachment of coupon no. 3) on May 23, 2005;
- the proposal to allocate the remaining net income of Euro 28,154,215.74 to profits carried forward;
- the proposal to make a bonus grant of 7,352,365 ordinary shares in RCS MediaGroup currently held by the same, in the ratio of one ordinary share for every 100 ordinary and/or savings shares owned, that will be released to the Shareholders' as soon as the shares go ex-div.

Directors – The Meeting acknowledged the resignations handed in by the Chairman Guido Roberto Vitale and by the Directors Giuseppe Lucchini and Paolo Savona and

- increased the number of Directors to 19, previously 18;
- confirmed the Directors Vittorio Colao, Diego Della Valle, Cesare Geronzi, Jonella Ligresti, whom the Board had been co-opted in the financial year 2004;
- appointed new Directors: John P. Elkann, Gabriele Galateri di Genola, Piergaetano Marchetti, Paolo Merloni.

The appointed Directors shall remain in their office until the office of the current Board expires, therefore until the Meeting held to approve the Budget for the year to 31st December 2005.

Owned shares – The Shareholders' Meeting re-authorized the Board of Directors to buy back and dispose of treasury shares, on one or more occasions, over the next 18 months, over the next 18 months, in a price range set between no more than 10% below or above the average official stockmarket price in the two sessions prior to each transaction, and revoke the resolution dated April 29, 2004.

As at 18th March 2005, RCS MediaGroup owned 26,782,590 own ordinary shares, amounting to 3.655% of the company's capital.

After the free allotment of owned shares to the Shareholders, the amount shall equal 19,430,225 owned ordinary shares, for a total 2,652 % of the company's capital.

Extraordinary Meeting

The Stock – Option plan – The Shareholders' Meeting attributed to the Board of Directors the faculty to increase the Company's Capital to be paid in, in one or several times, and for a maximum time frame of five years, for a maximum amount of nominal Euro 25,740,704, by issuing max. 25,740,704 ordinary shares in one or several Stock – Option plans targeted at employees within the Group, considering their respective professional assignments.

Moreover, the Meeting modified the Articles of Association n. 8, to acknowledge the legislative modifications occurred in terms of convocation, intervention and representation of the Meeting.

Board of Directors

The Board of Directors of RCS MediaGroup was held today after the Meeting and appointed Piergaetano Marchetti Chairman and confirmed Vittorio Colao to the office of Chief Executive Officer.

Moreover the Board of Directors appointed Piergaetano Marchetti as Chairman, Gabriele Galateri di Genola as Vice Chairman, John P. Elkann, and to confirm Vittorio Colao, Renato Pagliaro and Carlo Pesenti as member of Executive Committee, which decreases from 8 to 5 members. Piergaetano Marchetti, as Chairman, and Diego Della Valle was also appointed in the Group's Remuneration Committee.

The committees will be then composed as follows:

Executive Committee: Piergaetano Marchetti, as Chairman, Vittorio Colao, John P. Elkann, Renato Pagliaro, Carlo Pesenti.

Committee for internal control: Raffaele Agrusti, President, Giangiacomo Nardozzi, Alessandro Pedersoli.

Group's Remuneration Committee: Piergaetano Marchetti, as Chairman, Diego Della Valle, Franzo Grande Stevens, Natalino Irti, Renato Pagliaro.

Transition to IFRS/IAS accounting principles

RCS MediaGroup has launched an activity plan aimed at introducing the international accounting principles in the company accounting procedures, with the final objective to draw up a group consolidated result in accordance with the IFRS/IAS principles as of the six-month report for the year 2005; within such date, then, the data resulting from the transition process will have been submitted to revision, both as far as the situation as at 1st January 2004 and as at 31st December 2004 is concerned. The financial statements of RCS Mediagroup S.p.A. shall be drawn in accordance with the international accounting principles as of the year 2006.

For the purpose of information, we inform that the balance-sheet items that will be mainly concerned as far as the differences between the currently adopted evaluation criteria and those provided for by the IFRS are as follows: intangible assets – in the light of the provision according to which the goodwill items cannot be subject to depreciation but they must be regularly assessed by the application of the impairment test to confirm their possible recapture; tangible assets – therefore RCS MediaGroup has decided to adopt the "deemed cost" criterion exclusively for the category of immovable assets; the benefits for employees and some provisions for risks and charges, that are subject to actuarial assessments; the treatment of extraordinary operations to purchase minority interests in subsidiaries, with concomitant registration of the emerging goodwill items in the net patrimony; the classification of owned shares to be deducted from the company net patrimony.

The conversion of the opening budget as at 1st January 2005 is currently underway in accordance with the international accounting principles and with the additional application of the principles IAS 39 and IFRS 5 for which the company had decided a postponed adoption.

For any additional information:

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