

RCS MediaGroup

First Half 2015 Results

Milan, August 25, 2015



we write the future, every day

Agenda

Highlights

Market & Business Trends

First Half 2015 Results

Business Units Backup

1H 2015 Delivery Report

Profitability

Continued improvement despite the tough comparison with last year

Efficiencies

In line with FY15 target of €56 M and with 3 year objective of €220 M

Operating Cash Flow

Continued positive trend with
€30 M improvement vs 1H 2014

Advertising

Different pace across media & countries
Market volatility continues

Books

Board of Directors mandated CEO to proceed with the negotiation and the definition of contractual terms

Non Core Disposals

Preliminary sale agreement reached for stake in Finelco Group
Price set at €21 M

IH 2015 Results

EUR million

REVENUE

IH 2015

vs. Targets

591.9

Slightly below

EFFICIENCIES

25.5

In line

EBITDA ex non recurring items

5.1

In line

NFD

526.3

In line

Focus on Q2 & Q3 2015 Initiatives

MEDIA ITALY

NEWS

- Special initiatives for Expo (*CasaCorriere*, *OrizzontiExpo*)
- Enrichment of *la Lettura* (Sunday issue)
- *Corriere della Sera* : launch of new Digital Edition in September

SPORT

- Gazzetta TV : live events (e.g. *Copa America*) boost audience
- Special initiatives for Expo (*Football Heroes*)

MEDIA SPAIN

NEWS

- *El Mundo*: launch of new Sunday edition and Saturday cover price increase
- *Expansión*: reached #1 in Comscore economics and financial information sites

SPORT

- Redesign of Marca.com
- Relaunch of Marca Motor magazine and site
- Successful branded sport events (Cycling, Running, MTB, Cliff Diving)

ADV & SPORT EVENTS

ADVERTISING

- Exclusive advertising collection for *Warner Music Italia's* YouTube channel

SPORT EVENTS

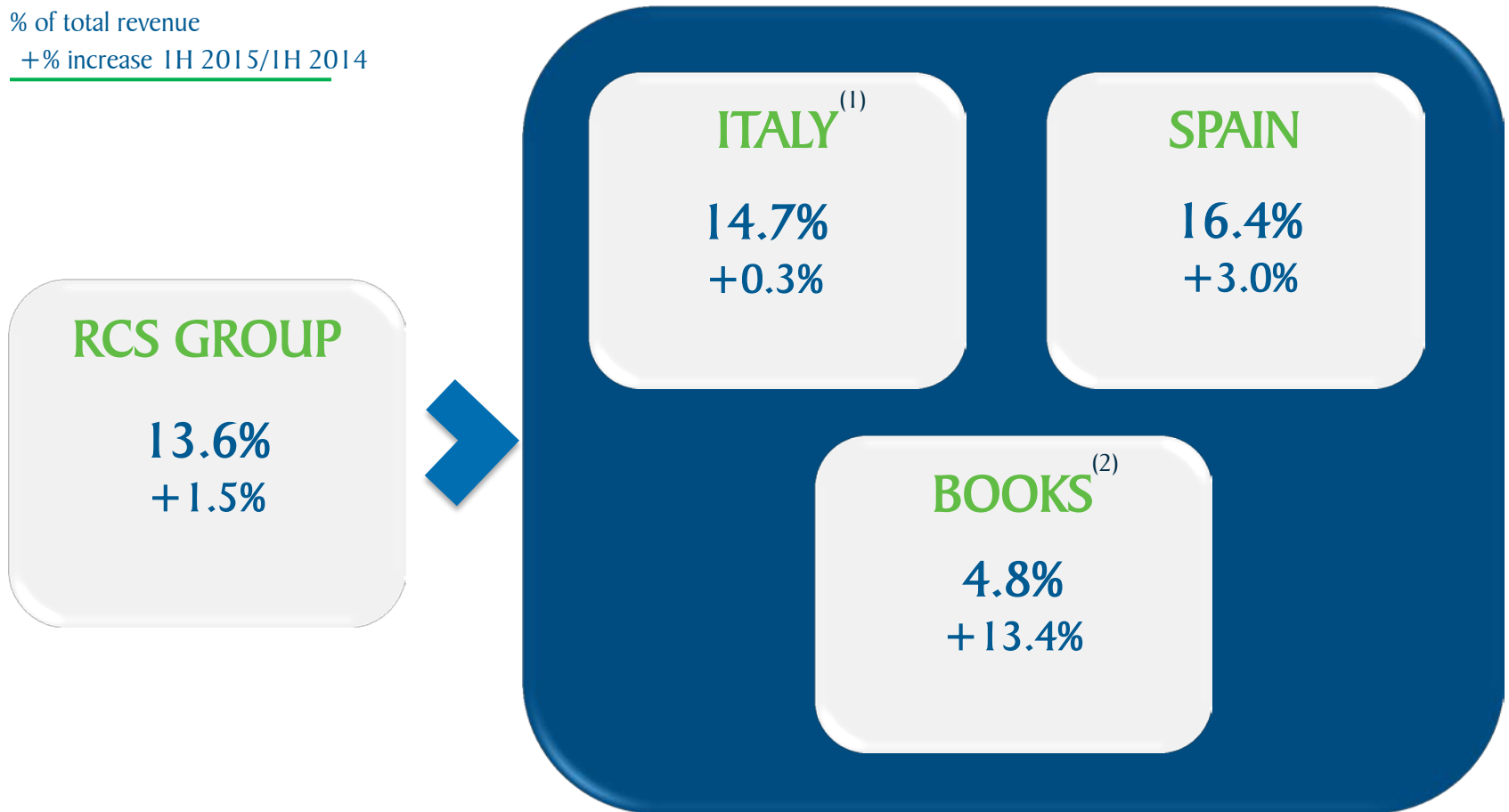
- 98th Giro d'Italia and Spring Classic cycling races
- *Color Run*: participation more than doubled
- New mass event format: 1st edition of *Edenred Ekirun*

BOOKS

- Strong Q2 titles, high potential launches and *Armani book* global launch in Q3
- Reopening of New York Rizzoli bookstore on July 27
- Education: positive performances in adoption of school textbooks

IH 2015 Digital Revenue

% of total revenue
+% increase IH 2015/IH 2014



(1) Italy excluding books and including Sfera

(2) % on trade books

Agenda

Highlights

Market & Business Trends

First Half 2015 Results

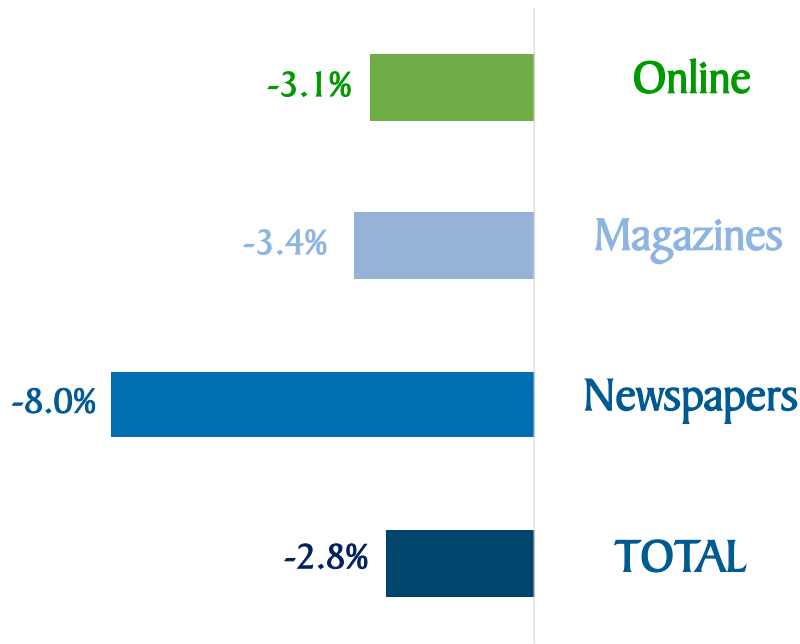
Business Units Backup

Advertising Trends: Italy vs Spain

Advertising Gross Revenue, 1H 15/1H 14 %



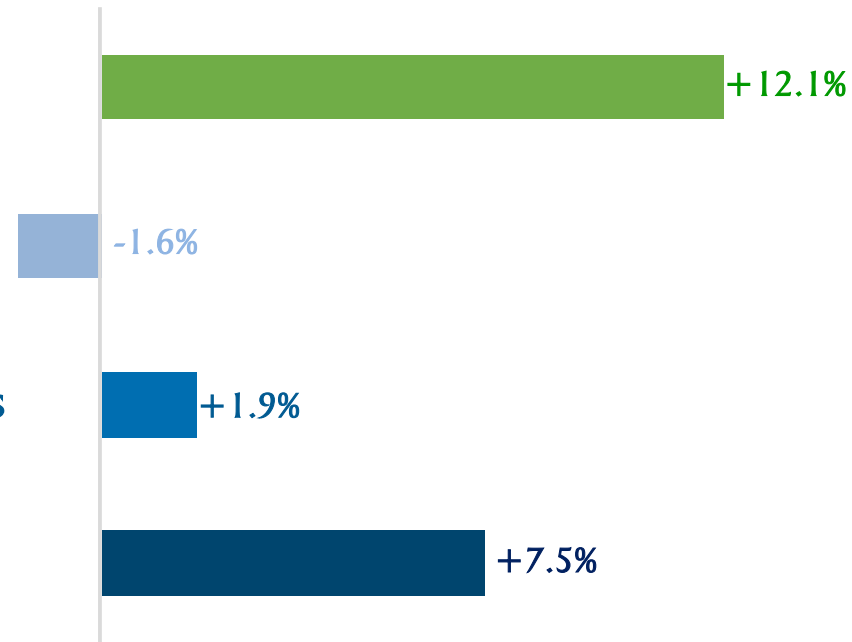
ITALIAN MARKET



✓ Market slowed its YoY negative trend in April and May, but trend still uncertain

✓ June trend is impacted by 2014 FIFA World Cup effect

SPANISH MARKET



✓ 5 consecutive quarters of YoY improvements in advertising market

✓ Newspapers back to positive thanks to local advertising. National still negative

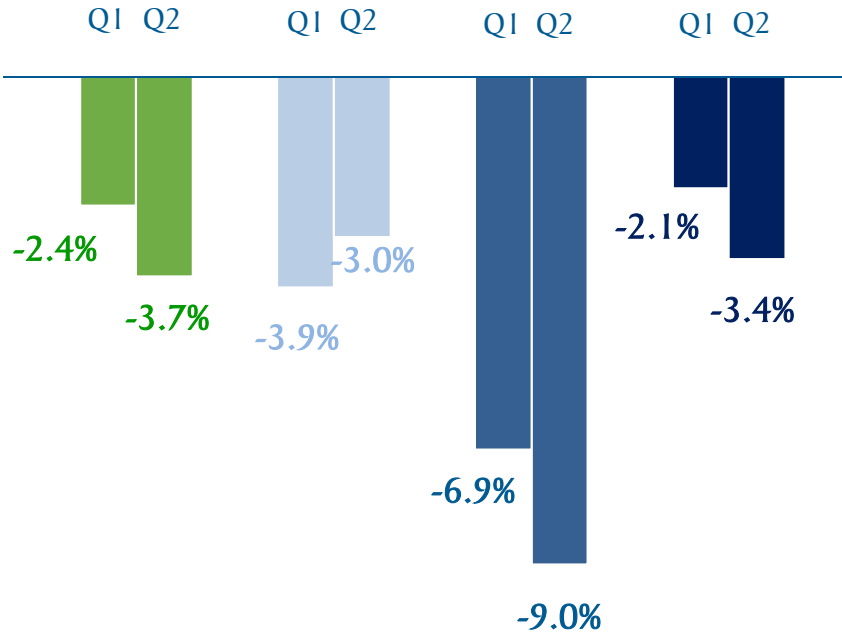
✓ Expected FY growth mainly driven by TV and online

Italian Advertising Trends: Market & RCS



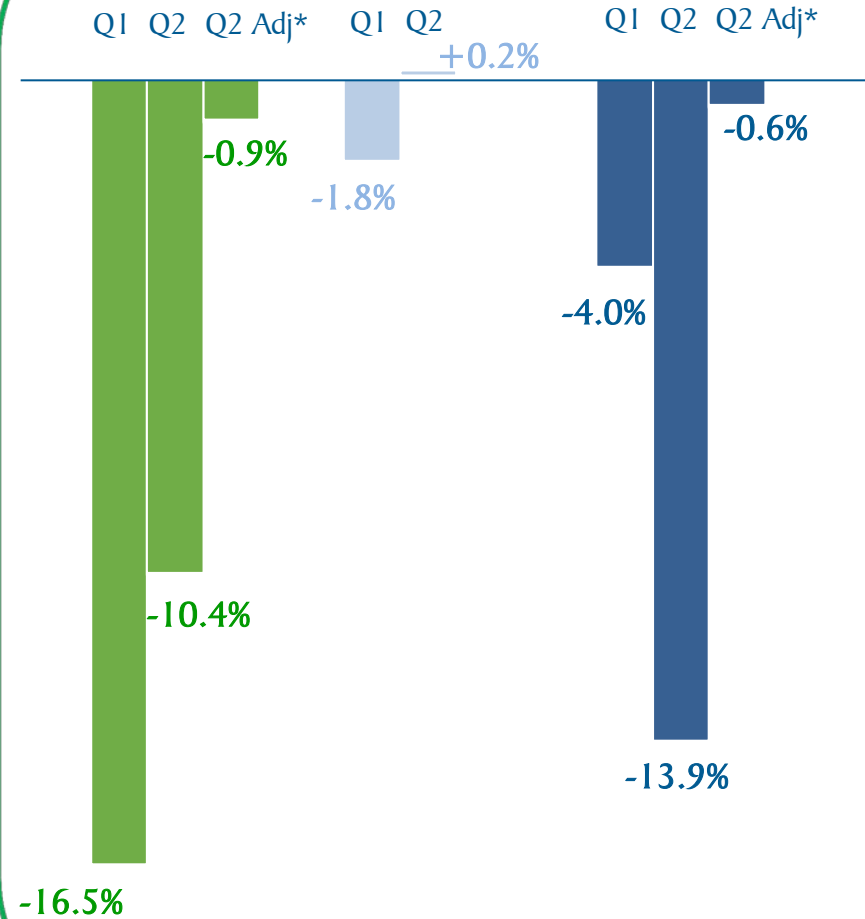
Advertising Gross Revenue, YoY %

MARKET (Jan-Jun)



Online Magazines Newspapers TOTAL

RCS (Jan-Jun)

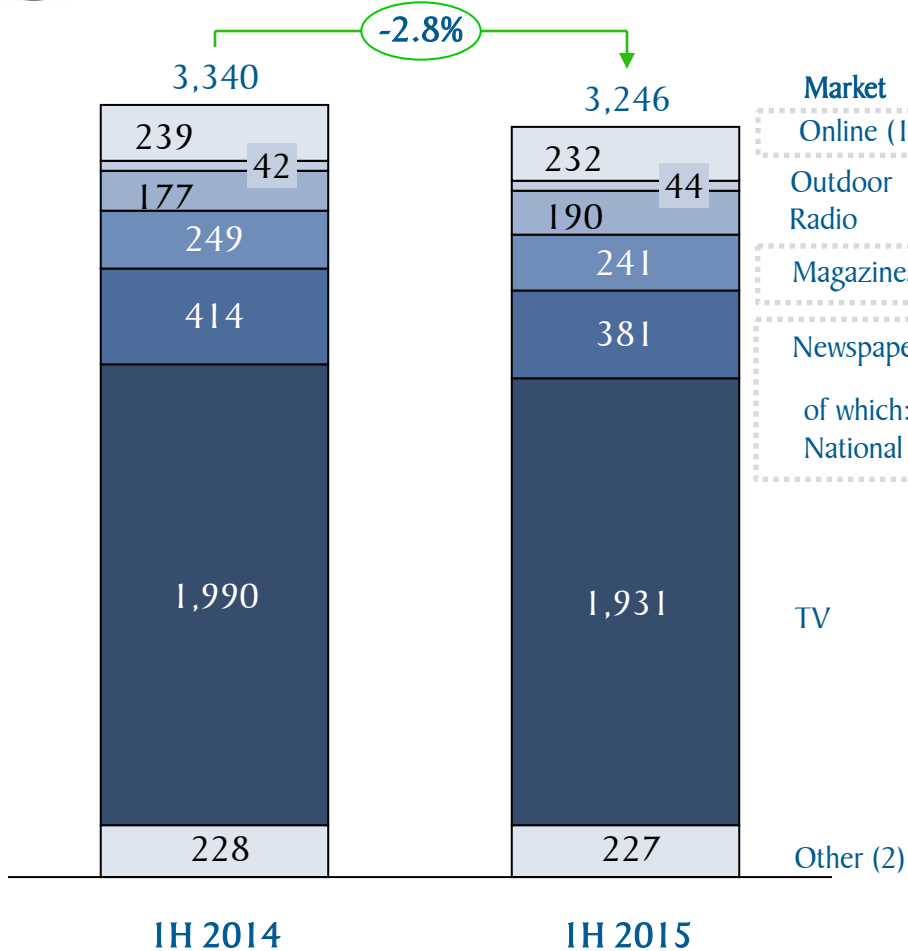


Online Magazines Newspapers

Italy: Advertising Trends



Advertising Gross Revenue, EUR million



TOTAL MARKET

(1) Excluding Search Adv

(2) Including: Cinema, Direct Mail, Transit, Out of home TV

RCS including third party

Source: Nielsen Media Research

Market	Δ (%)	Δ (%)		Δ (%)	
		IH 15/IH 14	IH 15/IH 14	Q2 15/Q2 14	Q2 15/Q2 14
Market	-2.8%				
Online (1)	-3.1%	-13.1%	-8.1%	-10.4%	-0.9%
Outdoor	+4.2%				
Radio	+7.5%				
Magazines	-3.4%	-0.7%	-0.7%	+0.2%	+0.2%
Newspapers	-8.0%	-9.9%	-2.1%	-13.9%	-0.6%
of which:					
National	-11.5%	-11.3%	-1.7%	-14.5%	+1.5%
TV	-3.0%				
Other (2)	-0.4%				

RCS

RCS

RCS

RCS

ex. Sport Events & Special Initiatives

ex. Sport Events & Special Initiatives

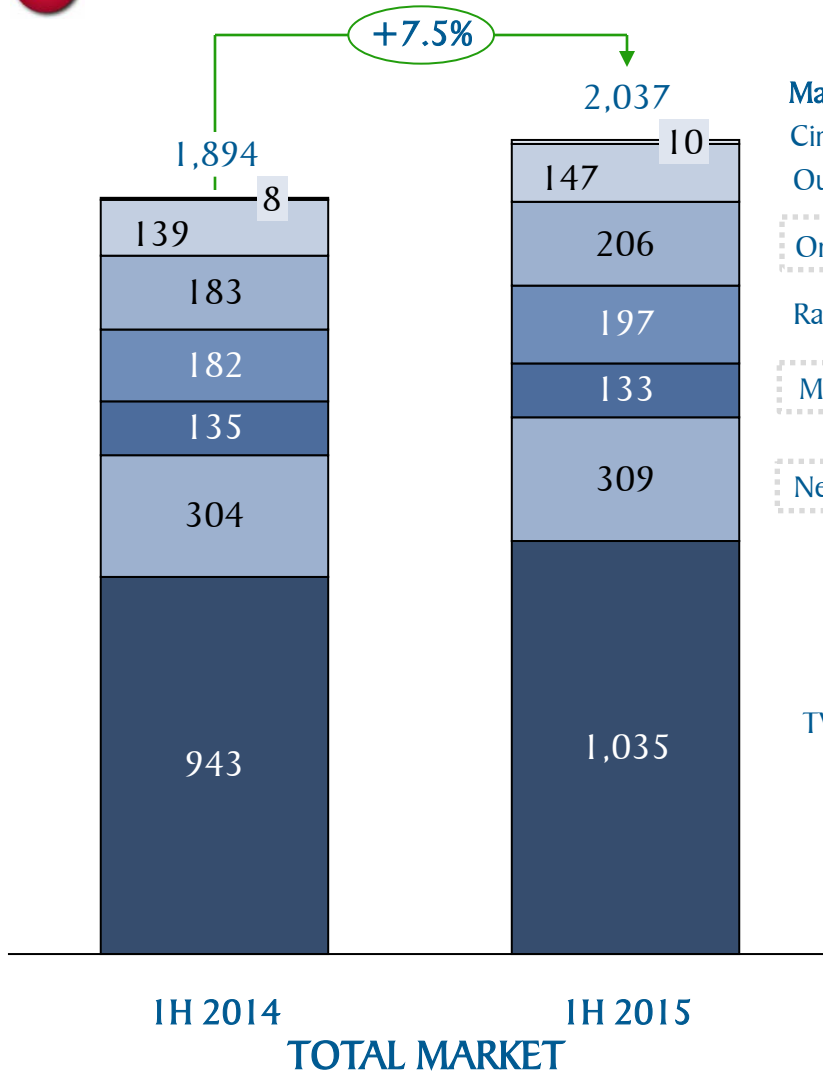


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Spain: Advertising Trends



Advertising Gross Revenue, EUR million



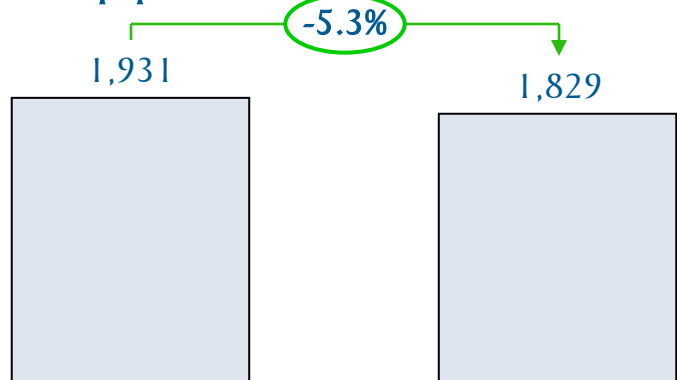
Market	Δ (%)	Δ (%) IH 15/IH 14		Δ (%) Q2 15/Q2 14	
		RCS	RCS ex. Sport Events	RCS	RCS ex. Sport Events
Market	+7.5%				
Cinema	+32.5%				
Outdoor	+5.5%				
Online	+12.1%	+9.1%	+11.5%	+6.0%	+10.1%
Radio	+8.5%				
Magazines	-1.6%	-9.9%	-9.9%	-9.9%	-9.9%
Newspapers (1)	+1.9%	-4.1%	-1.7%	-5.9%	-1.8%
TV	+9.7%				

Italy: Newspaper Circulation Trends

Circulation, copies/000 per day

MARKET

National Newspapers ⁽¹⁾



IH 2014

IH 2015

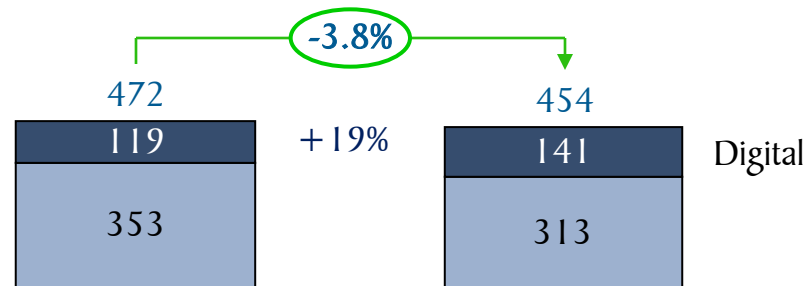
-7.8%
ex.financial daily

RCS

CORRIERE DELLA SERA



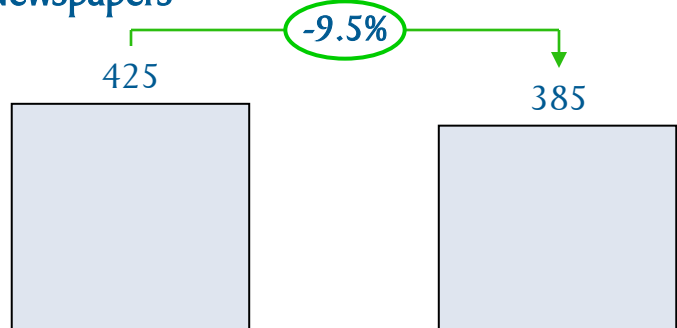
2.6 million readers
most widely read among generalist titles



IH 2014

IH 2015

Sports Newspapers



IH 2014

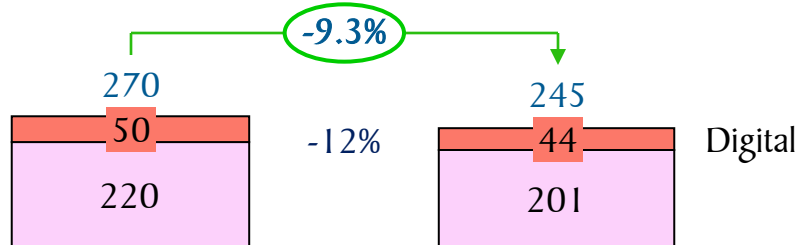
IH 2015

La Gazzetta dello Sport

Tutto il rosa della vita



3.5 million readers
most widely read among all newspapers



IH 2014

IH 2015

(1) Includes newspapers with circulation > 90,000 copies
Source: ADS + Internal Estimates (digital copies included) and Audipress 2014 III



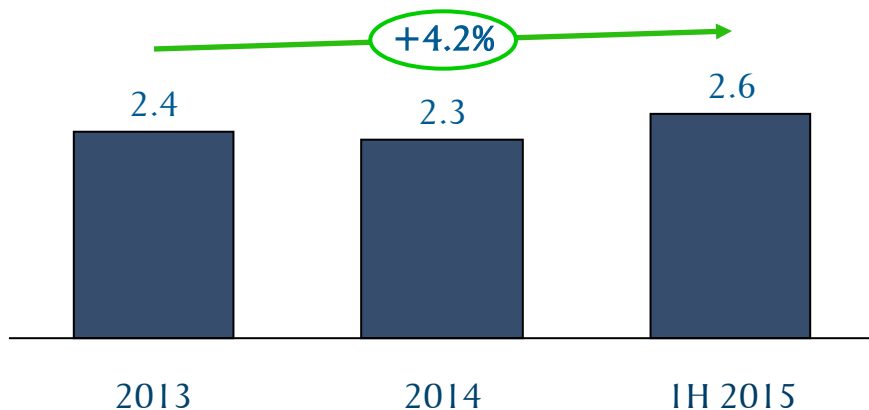
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Italy: Online Readership

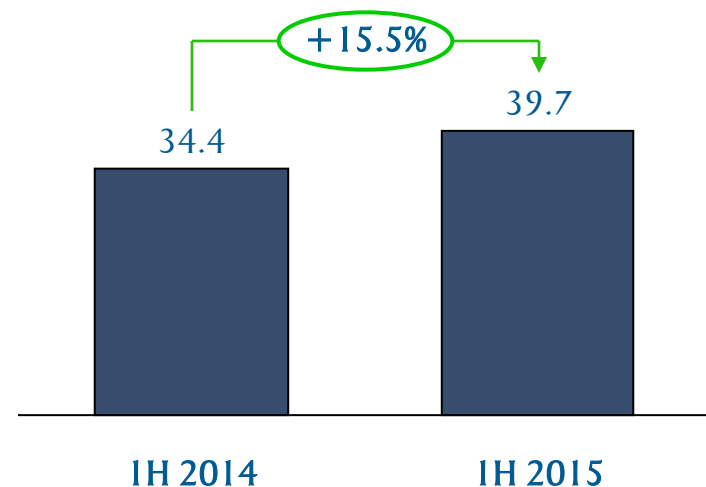
Million Users

Workday Unique Browsers

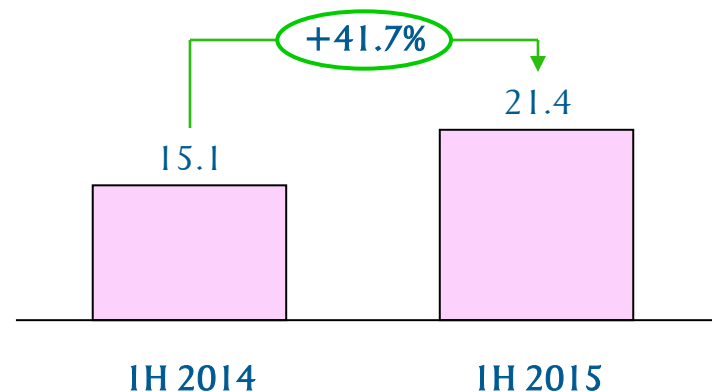
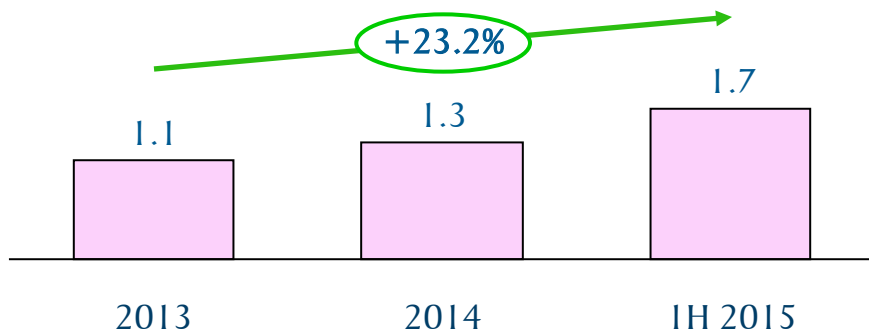
CORRIERE DELLA SERA.it



Monthly Unique Browsers



La Gazzetta dello Sport.it
Tutto il rosa della vita



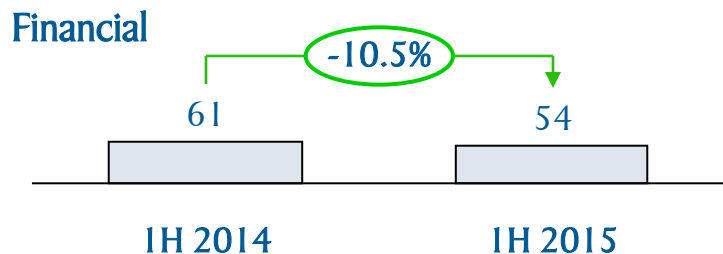
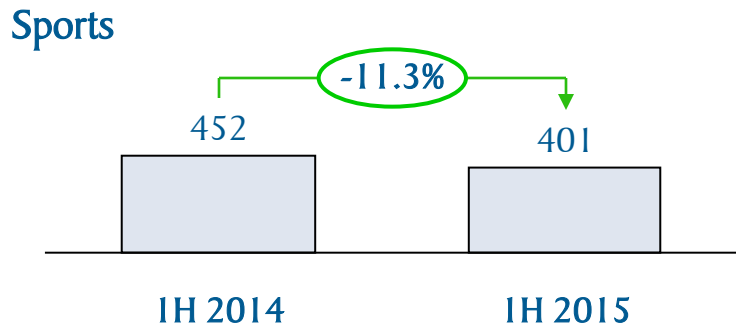
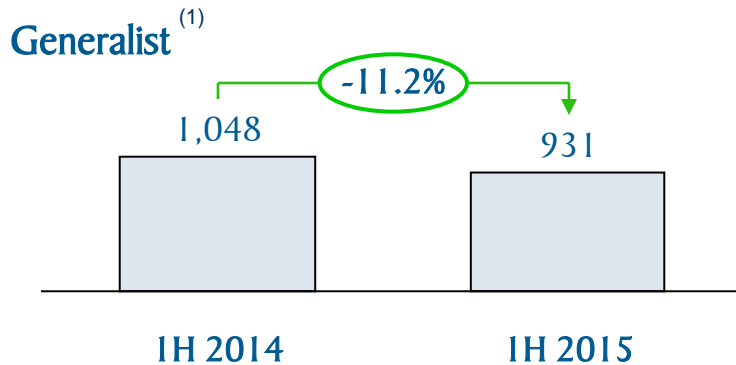
RCS

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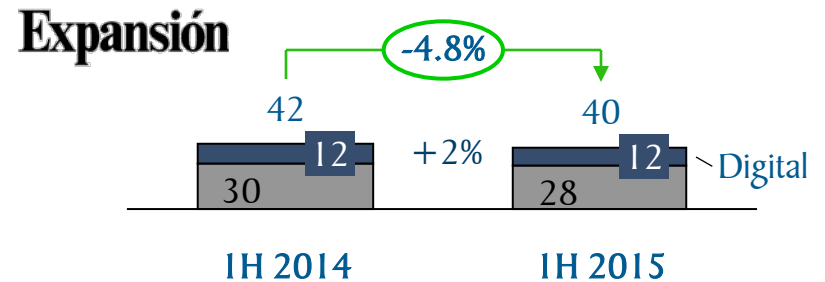
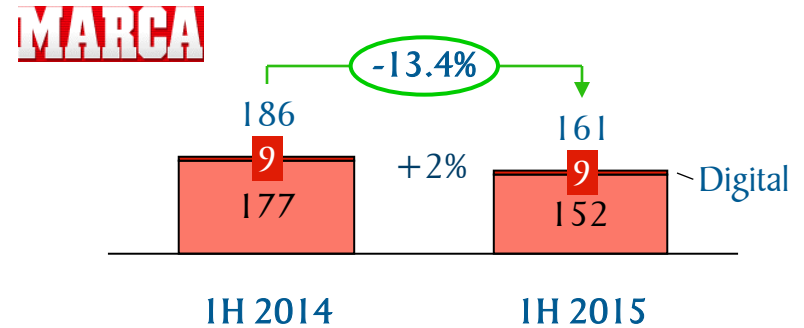
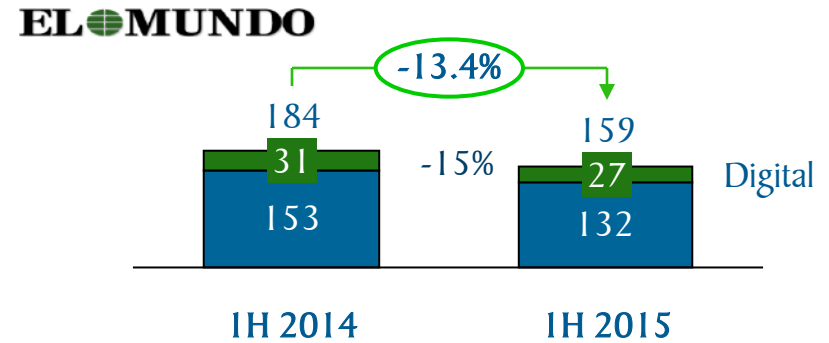
Spain: Newspaper Circulation Trends

Circulation, copies/000 per day

MARKET



RCS (2)

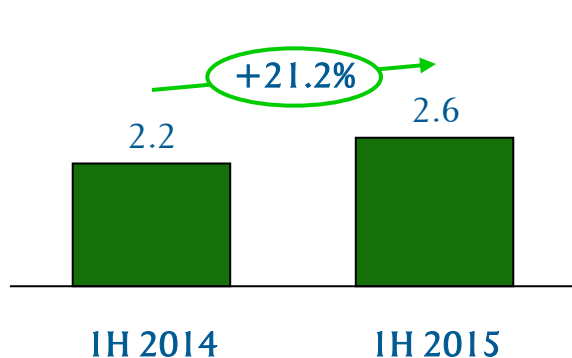


Spain: Online Readership

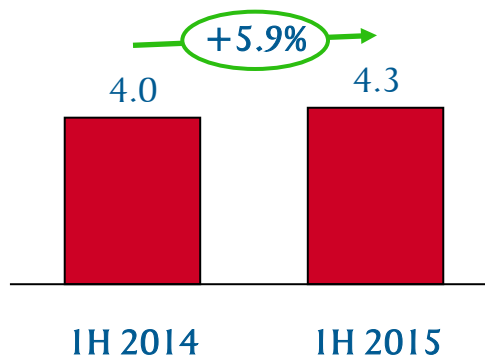
Million Users

Weekly Unique Browsers

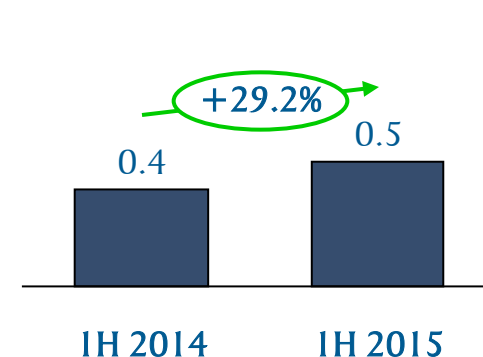
ELMUNDO.es



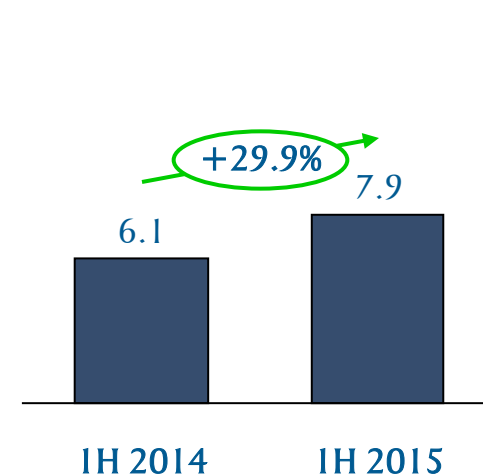
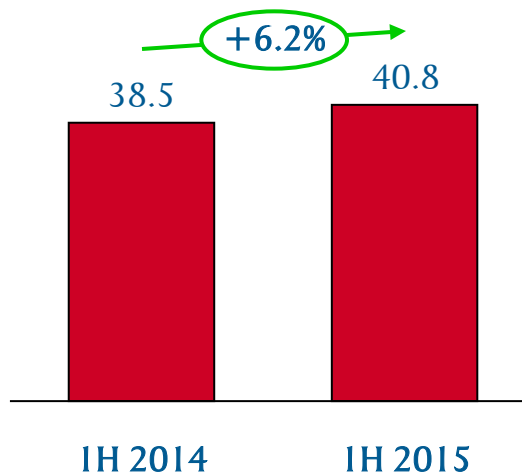
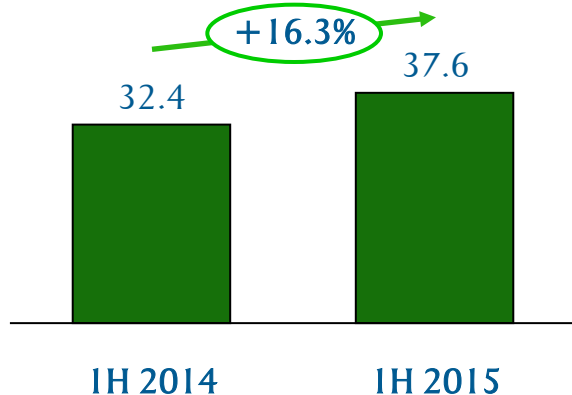
MARCA.COM



Expansión.com

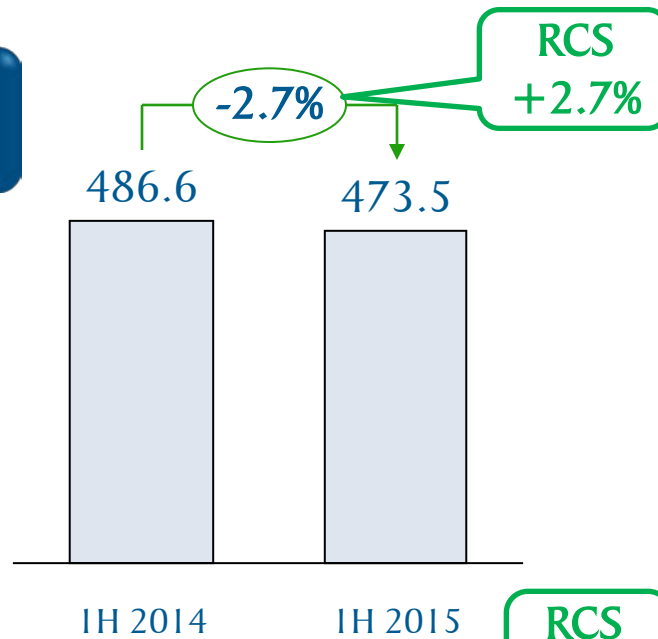


Monthly Unique Browsers

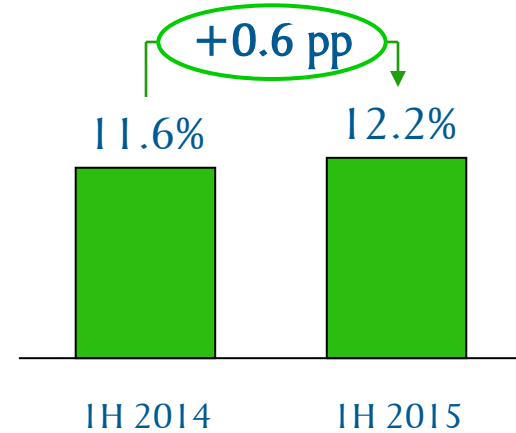


Books: Market vs RCS Trade

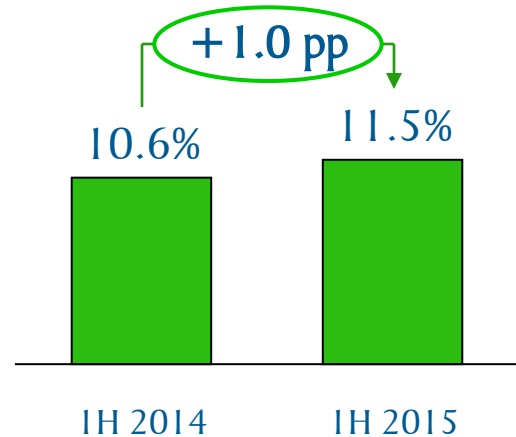
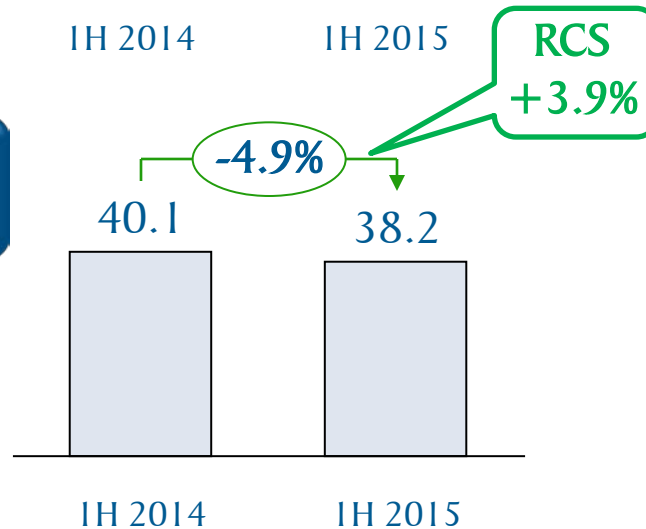
TOTAL MARKET (EUR million)



RCS MARKET SHARE



TOTAL MARKET (Millions of copies)



Agenda

Highlights

Market & Business Trends

First Half 2015 Results

Business Units Backup

IH 2015 Results – Summary

EUR million

	Q2 2015			Q2 2014			Δ%			IH 2015			IH 2014 ⁽¹⁾			Δ%		
Total Revenue	335.4	100%		348.2	100%		(3.7%)	591.9	100%		611.1	100%		(3.1%)				
Circulation	153.1			153.3			(0.1%)	287.2			288.1			(0.3%)				
Advertising	139.7			149.7			(6.7%)	236.0			250.8			(5.9%)				
Other	42.6			45.2			(5.8%)	68.7			72.2			(4.8%)				
EBITDA ex NR Items	27.4	8.2%		24.8	7.1%		10.5%	5.1	0.9%		(4.2)	(1.2%)		>100%				
Non Recurring Items	(7.0)			(8.1)				(8.1)			(25.0)							
EBITDA	20.4	6.1%		16.7	4.8%		22.2%	(3.0)	(0.5%)		(29.2)	(4.8%)		ns				
EBIT	(46.5)			(5.1)				(85.5)			(65.1)							
Net Result	(60.2)			(16.1)				(95.4)			(70.0)							
NFP								(526.3)			(518.2)							

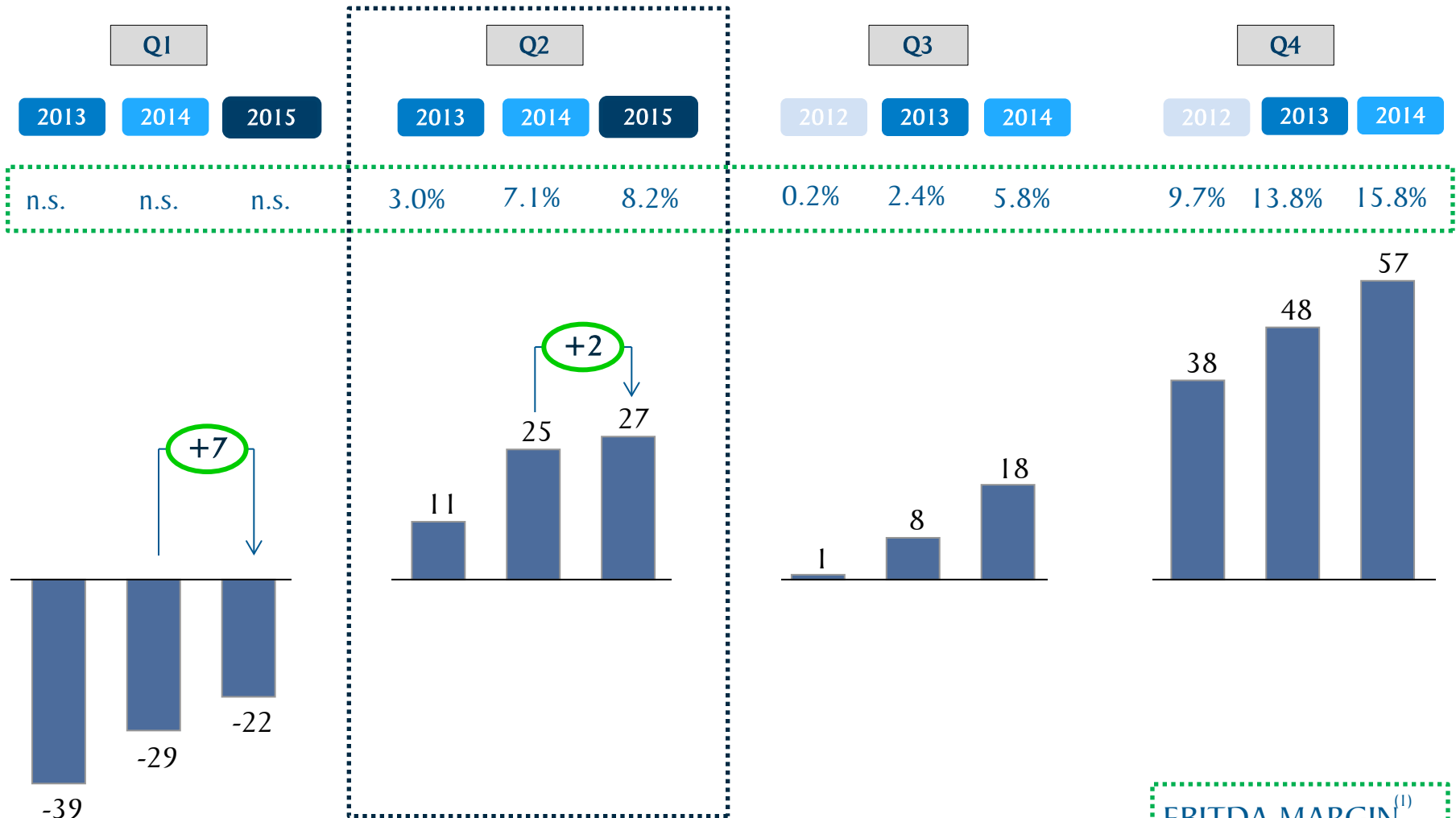
Q2 & 1H 2015 Results

EUR million	Q215		Q214		1H15		1H14 ⁽¹⁾		Δ%
Circulation	153.1	45.6%	153.3	44.0%	287.2	48.5%	288.1	47.1%	(0.3%)
Advertising	139.7	41.7%	149.7	43.0%	236.0	39.9%	250.8	41.0%	(5.9%)
Other	42.6	12.7%	45.2	13.0%	68.7	11.6%	72.2	11.8%	(4.8%)
TOTAL REVENUE	335.4	100%	348.2	100%	591.9	100%	611.1	100%	(3.1%)
Operating costs (ex non recurring costs)	(224.6)	(67.0%)	(241.7)	(69.4%)	(419.4)	(70.9%)	(444.1)	(72.7%)	(5.6%)
Labour costs (ex non recurring costs)	(79.8)	(23.8%)	(78.0)	(22.4%)	(159.1)	(26.9%)	(161.8)	(26.5%)	(1.7%)
Writedowns	(2.6)	(0.8%)	(2.9)	(0.8%)	(5.2)	(0.9%)	(7.0)	(1.1%)	(25.7%)
Provisions	(1.0)	(0.3%)	(0.8)	(0.2%)	(3.1)	(0.5%)	(2.4)	(0.4%)	29.2%
EBITDA ex Non Recurring Items	27.4	8.2%	24.8	7.1%	5.1	0.9%	(4.2)	(0.7%)	> 100%
Non Recurring Items	(7.0)	(2.1%)	(8.1)	(2.3%)	(8.1)	(1.4%)	(25.0)	(4.1%)	ns
EBITDA	20.4	6.1%	16.7	4.8%	(3.0)	(0.5%)	(29.2)	(4.8%)	ns
D&A	(16.4)	(4.9%)	(14.9)	(4.3%)	(31.7)	(5.4%)	(29.0)	(4.7%)	
Impairment writeoffs	(50.5)	(15.1%)	(6.9)	(2.0%)	(50.8)	(8.6%)	(6.9)	(1.1%)	
EBIT	(46.5)	(13.9%)	(5.1)	(1.5%)	(85.5)	(14.4%)	(65.1)	(10.7%)	
Net financial income (charges)	(9.4)	(2.8%)	(10.6)	(3.0%)	(18.3)	(3.1%)	(20.9)	(3.4%)	
Gain (losses) on financial assets/liabilities	(7.9)	(2.4%)	0.0	0.0%	(8.1)	(1.4%)	0.0	0.0%	
Income (charges) from equity investments	0.5	0.1%	(1.3)	(0.4%)	0.7	0.1%	(1.7)	(0.3%)	
PRE-TAX RESULT	(63.3)	(18.9%)	(17.0)	(4.9%)	(111.2)	(18.8%)	(87.7)	(14.4%)	
Taxes	2.2	0.7%	1.4	0.4%	14.5	2.4%	13.9	2.3%	
Net Result from Discontinuing and Discontinued Op.	1.1	0.3%	(0.6)	(0.2%)	1.1	0.2%	3.4	0.6%	
Minorities	(0.2)	(0.1%)	0.1	0.0%	0.2	0.0%	0.4	0.1%	
NET RESULT	(60.2)	(17.9%)	(16.1)	(4.6%)	(95.4)	(16.1%)	(70.0)	(11.5%)	

2013-2015 EBITDA⁽¹⁾ Evolution by Quarter

EUR million

✓ 8 consecutive quarters of YoY improvements



EBITDA MARGIN⁽¹⁾

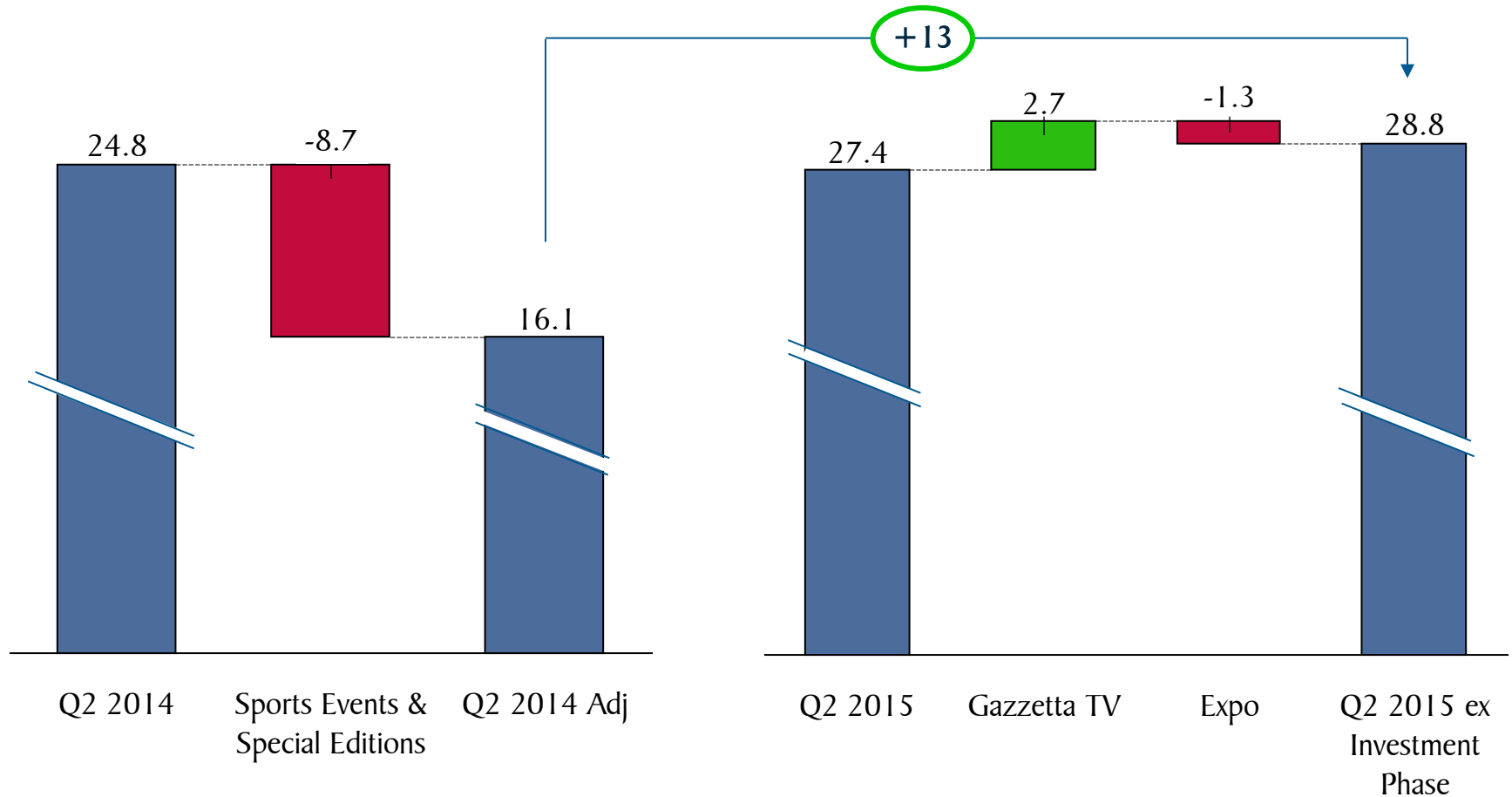
(1) EBITDA before non recurring costs

2013 figures were restated further to the adoption of the amendment to IFRS 10 and IFRS 11 related to the perimeter of consolidation.

Variance Q2 2015 EBITDA*

✓ 13M € increase in Q2 2015 vs Q2 2014 when adjusted for:

- Sport Events
- Corriere della Sera and Gazzetta dello Sport's special editions
- Gazzetta TV launch and start-up costs



Q2 and 1H 2015 Results – Revenue & EBITDA

EUR million

	Q2 2015				
	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%
Media Italy	137.4	15.6	11.4%	14.3	10.4%
Media Spain	87.1	10.2	11.7%	5.2	6.0%
Books	47.7	0.4	0.8%	0.0	0.0%
Advertising & Events	110.7	8.7	7.9%	8.4	7.6%
Corporate Activities	19.6	(7.5)	(38.3%)	(7.5)	(38.3%)
Others and eliminations	(67.1)	0.0	0.0%	0.0	ns
TOTAL RCS	335.4	27.4	8.2%	20.4	6.1%

	Q2 2014				
	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%
Media Italy	137.9	15.4	11.2%	15.2	11.0%
Media Spain	96.9	11.1	11.5%	4.0	4.1%
Books	45.7	(1.7)	(3.7%)	(2.3)	(5.0%)
Advertising & Events	120.1	5.8	4.8%	5.6	4.7%
Corporate Activities	20.8	(5.8)	(27.9%)	(5.8)	(27.9%)
Others and eliminations	(73.2)	0.0	0.0%	0.0	ns
TOTAL RCS	348.2	24.8	7.1%	16.7	4.8%

	HI 2015				
	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%
Media Italy	258.7	15.1	5.8%	13.6	5.3%
Media Spain	160.2	7.8	4.9%	2.7	1.7%
Books	76.6	(6.0)	(7.8%)	(6.9)	(9.0%)
Advertising & Events	178.6	4.4	2.5%	3.9	2.2%
Corporate Activities	36.9	(16.2)	(43.9%)	(16.3)	(44.2%)
Others and eliminations	(119.1)	0.0	0.0%	0.0	ns
TOTAL RCS	591.9	5.1	0.9%	(3.0)	(0.5%)

	HI 2014 ⁽¹⁾				
	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%
Media Italy	260.6	14.8	5.7%	12.0	4.6%
Media Spain	176.6	4.1	2.3%	(16.6)	(9.4%)
Books	72.1	(9.9)	(13.7%)	(11.0)	(15.3%)
Advertising & Events	194.0	1.2	0.6%	0.8	0.4%
Corporate Activities	37.8	(14.4)	(38.1%)	(14.4)	(38.1%)
Others and eliminations	(130.0)	0.0	0.0%	0.0	ns
TOTAL RCS	611.1	(4.2)	(0.7%)	(29.2)	(4.8%)

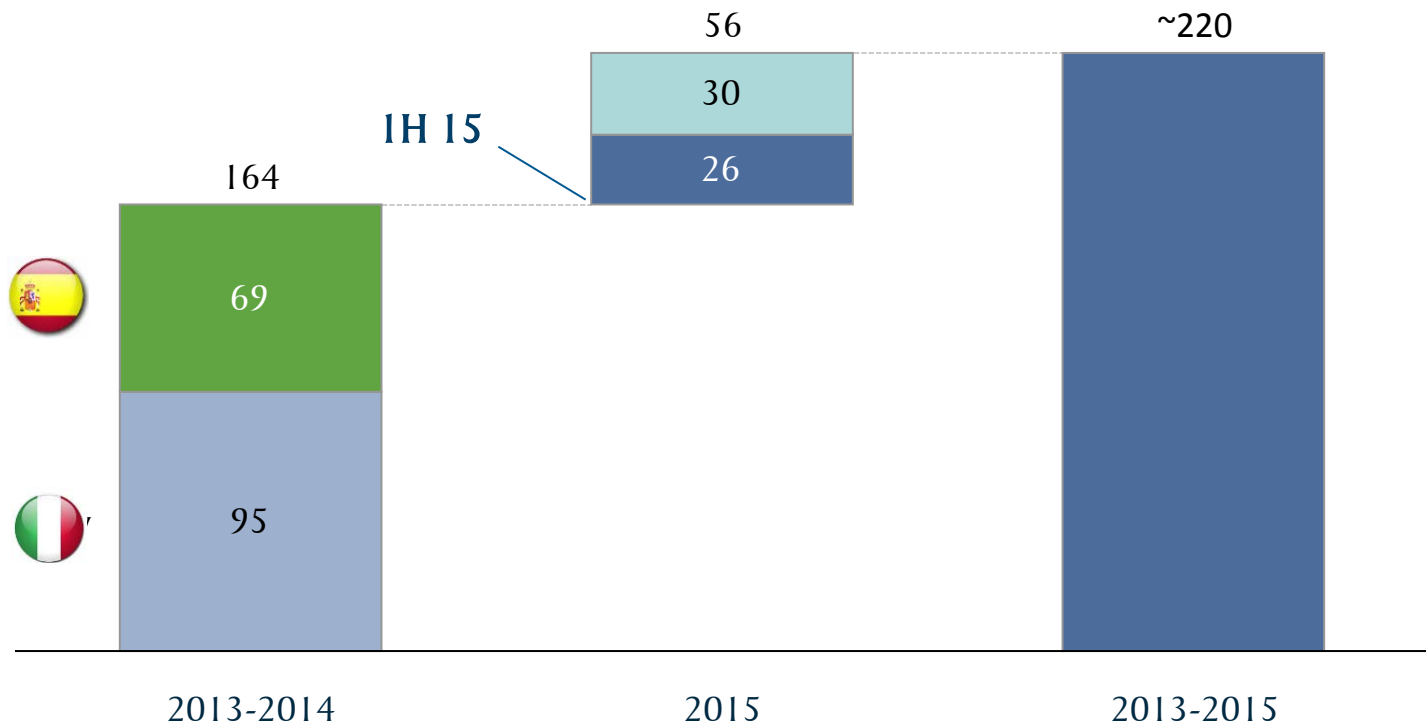
⁽¹⁾ The Casa Editrice La Tribuna business was sold on March 1, 2014

2015 Efficiency Program

EUR million

✓ Additional €26 M at June 2015

✓ €190 M delivered vs enhanced target of €220 M by end 2015



Balance Sheet

EUR million

	30/06/2015		31/12/2014	
Net fixed assets	834.8	117.7%	878.2	116.2%
<i>Tangible & Intangible fixed assets</i>	594.5	83.8%	652.4	86.4%
<i>Financial fixed assets</i>	240.3	33.9%	225.8	29.9%
Net working capital	50.9	7.2%	53.4	7.1%
Reserve for risk and charges	(147.2)	(20.7%)	(159.3)	(21.1%)
Employee termination indemnity	(49.4)	(7.0%)	(53.7)	(7.1%)
Net invested capital: assets held for sale	20.3	2.9%	36.9	4.9%
CAPITAL EMPLOYED	709.4	100.0%	755.5	100.0%
Net financial debt (cash)	526.3	74.2%	482.5	63.9%
Equity	183.1	25.8%	273.0	36.1%
EQUITY & NFP	709.4	100.0%	755.5	100.0%

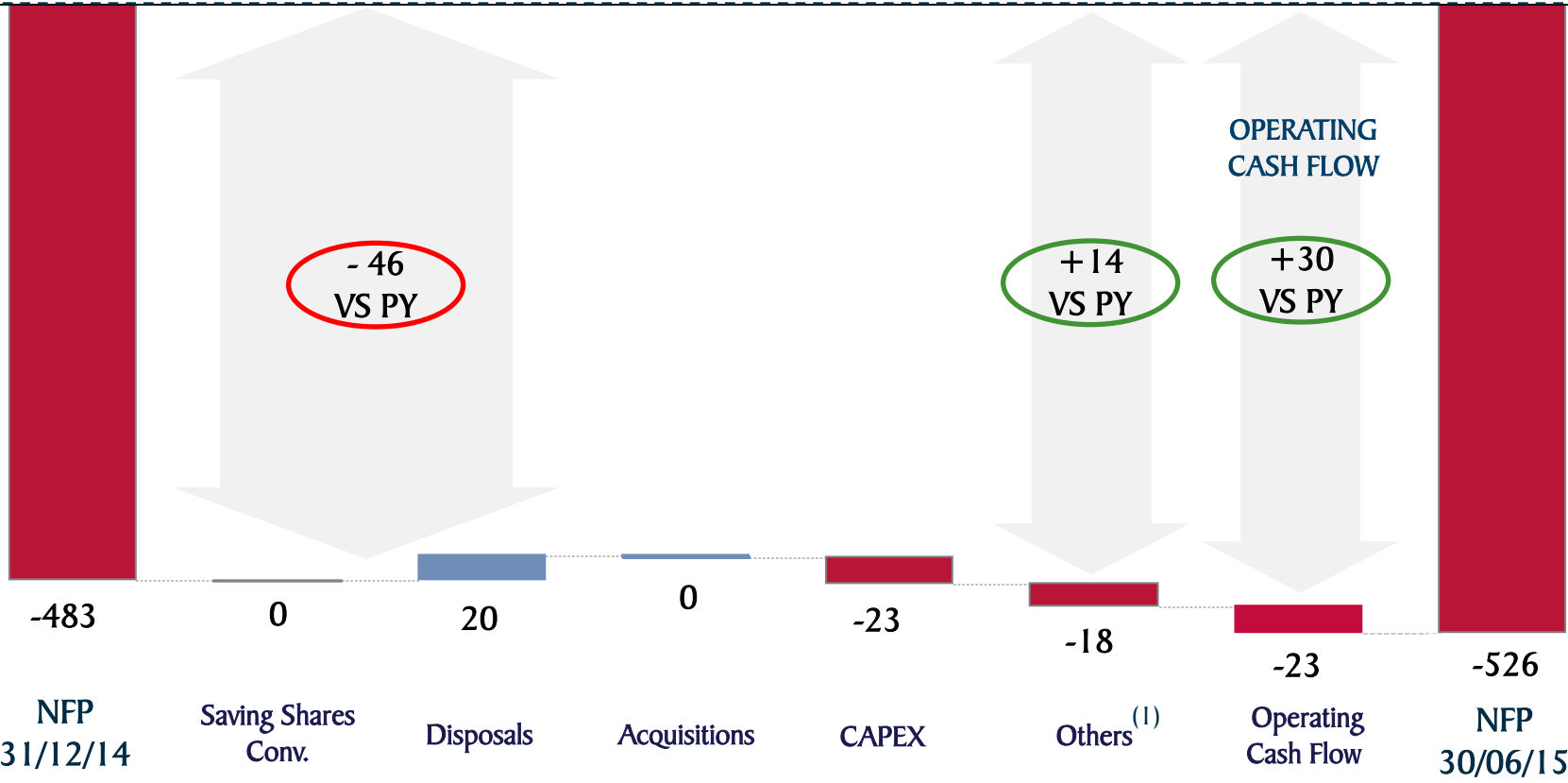
IH 2015 Cash Flow

EUR million

NFP 01/01/2014

NFP 30/06/2014

1H
2014



(1) Non recurring items and other minor

Cash flow representation as of management reporting



we write the future, every day

Agenda

Highlights

Market & Business Trends

First Half 2015 Results

Business Units Backup

Media Italy – P&L

CORRIERE DELLA SERA

La Gazzetta dello Sport

Tutto il rosa  della vita

A M I C A

OGGI

CORRIERE DELLA SERA
DOVE

ABITARE
SINCE 1961

CORRIERE DELLA SERA
Living

CORRIERE DELLA SERA
IO
DONNA

CORRIERE DELLA SERA
SETTE

SW
SPORTWEEK

CORRIERE DELLA SERA
STYLE
MAGAZINE

 **DIGICAST**

EUR million

	2Q15	2Q14	YoY	1H15	1H14	YoY
Circulation	72.4	68.7	5.4%	145.3	138.3	5.1%
Advertising	59.5	63.5	(6.3%)	102.7	111.0	(7.5%)
Other	5.5	5.7	(3.5%)	10.7	11.3	(5.3%)
TOTAL REVENUE	137.4	137.9	(0.4%)	258.7	260.6	(0.7%)
<i>O/W add on</i>	<i>23.0</i>	<i>17.4</i>		<i>45.5</i>	<i>35.3</i>	
EBITDA ex NR Items	15.6	15.4	1.3%	15.1	14.8	(2.0%)
Non Recurring Items	(1.3)	(0.2)		(1.5)	(2.8)	
EBITDA	14.3	15.2	(5.9%)	13.6	12.0	(13.3%)

advertising
on-line
23%

Media Spain – P&L

EL MUNDO

MARCA

Expansión

VO
DONA
DEL MUNDO ART

TELVA

METROPOL

MARCA

SIETE LEGUAS
[ESTABLE DEL MUNDO ART]

LastLap
Eventos y Comunicación

**ACTUALIDAD
ECONÓMICA**

**fuera
de Serie**

EUR million

	2Q15	2Q14	YoY	1H15	1H14	YoY
Circulation	35.4	41.2	(14.1%)	69.7	81.0	(14.0%)
Advertising	41.5	44.3	(6.3%)	72.1	75.2	(4.1%)
Other	10.2	11.4	(10.5%)	18.4	20.4	(9.8%)
TOTAL REVENUE	87.1	96.9	(10.1%)	160.2	176.6	(9.3%)
<i>O/W add on</i>	1.0	0.4		2.3	0.9	
EBITDA ex NR Items	10.2	11.1	(8.1%)	7.8	4.1	90.2%
Non Recurring Items	(5.0)	(7.1)		(5.1)	(20.7)	
EBITDA	5.2	4.0	30.0%	2.7	(16.6)	>100%

advertising
on-line
29%

RCS

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Books – P&L

Rizzoli



edigita



Rizzoli ETAS

Marsilio

BUR

SONZOGNO

RIZZOLI
NEW YORK



EUR million

	2Q15	2Q14	YoY	1H15	1H14	YoY
Fiction & non-Fic. Italy	26.3	25.2	4.4%	47.5	44.6	6.5%
Education	15.8	15.8	0.0%	18.4	18.6	(1.1%)
Rizzoli International	5.6	4.8	16.7%	10.7	8.9	20.2%
Other	0.0	(0.1)	n.s.	0.0	0.0	ns
TOTAL REVENUE	47.7	45.7	4.4%	76.6	72.1	6.2%
EBITDA ex NR Items	0.4	(1.7)	>100	(6.0)	(9.9)	39.5%
Non Recurring Items	(0.4)	(0.6)		(0.9)	(1.1)	
EBITDA	0.0	(2.3)	100.0%	(6.9)	(11.0)	37.3%



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Advertising & Events – P&L



EUR million

	2Q15	2Q14	YoY	1H15	1H14	YoY
Advertising and Events	79.7	87.3	(8.7%)	138.0	149.9	(7.9%)
<i>O/W RCS publishing</i>	64.8	72.5		112.7	126.3	
<i>3rd party publishers</i>	12.6	13.9		22.1	21.9	
Sport Events	31.0	32.8	(5.5%)	40.6	44.1	(7.9%)
TOTAL REVENUE	110.7	120.1	(7.8%)	178.6	194.0	(7.9%)
EBITDA ex NR Items	8.7	5.8	50.0%	4.4	1.2	n.s.
Non Recurring Items	(0.3)	(0.2)		(0.5)	(0.4)	
EBITDA	8.4	5.6	50.0%	3.9	0.8	n.s.



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RCS MediaGroup

First Half 2015 Results

Q&A



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Disclaimer

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Roberto Bonalumi, the Manager responsible for drawing up the company's accounting statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the "Testo Unico della Finanza" (Legislative Decree n. 58/1998), that the information contained in this presentation corresponds to those one contained in the group's documents and books accounting records.