



## Press Release

### RCS MediaGroup's BOD APPROVES RESULTS AT SEPTEMBER 30, 2006

- Consolidated revenues grew by 9.1% to Euro 1,708.7 million (Euro 80.1 million of which from the Dada Group)
- Group advertising revenues increased by 10.8%, from Euro 500.5 million to Euro 554.6 million
- Total revenues in the Magazines Division grew 20%, equal to Euro 240.4 million
- EBITDA amounts to Euro 158.2 million (Euro 10.3 million of which from the Dada Group)
- Net profit of Euro 124.7 million (Euro 9.2 million of which from the Dada Group)

*Group's growth continues in both the traditional and multimedia areas:*

- Start up of *La Gazzetta dello Sport* "full-colour" version
- Agreement for the acquisition of 51% of Digicast, publisher of digital theme channels
- Stock options: completed the assignment of the tranche for 2006

Milan, November 13, 2006 - The Board of Directors of RCS MediaGroup met today under the Chairmanship of Piergaetano Marchetti and approved the results as at September 30, 2006.

The principal results for the first nine months and third quarter of 2006 compared with the same periods in 2005 are as follows:

Consolidated results (Euro Millions)	9 months 2006	9 months 2005 (*)	3Q 2006	3Q 2005 (*)
Group consolidated revenues	1,708.7	1,566.2	571.2	512.9
EBITDA(**)	158.2	168.7	38.2	34.3
EBIT	118.1	140.5	24.6	23.9
Net profit	124.7	179.6	35.3	10.0

(\*) Does not include the Dada Group consolidated on a line-by-line basis from November 2005

(\*\*) Operating result before amortisation/depreciation and write-downs

Balance Sheet (Euro Millions)	30/9/2006	31/12/2005	30/9/2005
Net financial debt	62.5	47.7	7.9

### Comment on Group performance in the first nine months of 2006

The **Group's consolidated net revenues** in the first nine months of 2006 rose 9.1% from Euro 1,566.2 million to Euro 1,708.7 million. This increase, which amounts to Euro 142.5 million, includes Euro 89.4 million from the Dada Group, Editrice Abitare Segesta and Pubblibaby consolidated on a line-by-line basis, and an increase in the Group's advertising revenues and of sales in the Magazines Division, while there was an expected drop in revenues from the sale of add-on products and from the partworks division. The increase based on a like-for-like perimeter of consolidation is Euro 53.1 million (+3.4%).

**Circulation revenues** are in line with the first nine months of 2005, while **Group advertising revenues** increased by 10.8%.

**EBITDA** amounted to Euro 158.2 million (Euro 10.3 million of which from the Dada Group) compared to Euro 168.7 million in 2005, which did not include the Dada group, fully consolidated from November 2005. The decrease of Euro 10.5 million is mainly due to non-recurring charges for changes in the Company's CEO and some Group managers (Euro 11.7 million), lower incentives on the purchase of paper of Euro 7.1 million, the assignment of stock options, and in particular to the Broadcast Division which recorded a decrease in advertising revenues and higher costs relating to the *PlayRadio* launch and the development of the press agency.

**EBIT** decreased from Euro 140.5 million to Euro 118.1 million (Euro 7.6 million of which from the Dada Group) and principally reflects an increase in depreciation for equipment acquired through leasing for the new format and the full colour edition of *Corriere della Sera* and the depreciation from the entry into the consolidation area of the Dada group (Euro 2.7 million).

The Group's **net profit** amounted to Euro 124.7 million (Euro 9.2 million of which from the Dada Group), compared to Euro 179.6 million in 2005, which did not include the Dada group. The previous year benefited from capital gains on the sale of non strategic investments amounting to Euro 73.2 million (Euro 35.4 million in 2006, of which Euro 33.2 million from the sale of part of the shares held in Banca Intesa), incentives for the purchase of paper of Euro 13.9 million (Euro 6.8 million in 2006) and other non-recurring income of Euro 2.5 million.

The **net financial debt** amounted to Euro 62.5 million. The increase of Euro 14.8 million compared to December 31, 2005 relates to the payment of dividends (Euro 82.3 million), investments made in the first nine months, the purchase of additional Dada shares and the acquisitions made by this latter in Nominalia and Upoc Networks. This was only in part offset by the partial sale of the shares held in Banca Intesa amounting to Euro 72 million, the operating liquidity generated by the Group and dividends received in the period.

### **Comment on operations in the first nine months**

The **Italian Newspaper Division** reported revenues of Euro 546.5 million, compared to Euro 536.5 million in the first nine months of 2005.

Circulation figures of *Corriere della Sera* in the first nine months averaged 671,000 copies per day, a slight increase compared to the same period in 2005. *La Gazzetta dello Sport* recorded an average circulation of 395,000 copies per day, in line with the first nine months of 2005 and a turnaround compared to the drop in sales at the beginning of the year.

The *corriere.it* and *gazzetta.it* websites reported an increase in average readers of 45% and 43% respectively.

**Circulation revenues** dropped from Euro 316.6 million to Euro 307.1 million, a decrease of 3%, due to the anticipated decrease in revenues from add-on products (-14%).

**Advertising revenues**, amounting to Euro 221.8 million compared to Euro 207.7 million in the first nine months of 2005, confirm the growth in advertising sales for all of the daily publications, and strong growth in the On Line segment (+70%).

**EBITDA** fell from Euro 101.9 million to Euro 94.4 million mainly due to a decrease in paper purchasing incentives and non-recurring charges.

**Unedisa (the Spanish Newspaper Division)** reported **consolidated revenues** of Euro 235.8 million, a growth of 6.8% in comparison with Euro 220.7 million in the first nine months of 2005, in which all of the business areas contributed, with the exception of the add-on products.

*El Mundo*, in a slowed-down market, consolidated its growth with an average circulation of 327,000 copies per day (+4.5%). The *elmundo.es* website, with a significant increase in readers, consolidated its position as the leading Spanish language information site.

**Circulation revenues** dropped from Euro 122.6 million to Euro 120.4 million, while **advertising revenues**, amounting to Euro 99.1 million, increased by 15.4% compared to the same period in 2005.

**EBITDA** decreased from Euro 32.7 million to Euro 31.4 million, mainly due to a decrease in margins for add-on products.

The **Books Division** highlighted revenues for Euro 509.8 million. The increase of Euro 1.5 million compared to the same period of 2005 reflects an improvement in all areas, with the exception of the **Partworks Italy Division**, due to a different publication launch schedule in 2006. In particular, it is noted the growth in the revenues in the **Divisions Other** (+3%) and **Education** (+3.2%).

**Revenues** in the **Flammarion** group amounted to Euro 150.3 million. This was a decrease of 0.6% compared to the first nine months of 2005 and relates to other publishing revenues. Revenues grew however in the Group's publishing companies and from circulation and distribution activities.

**EBITDA** decreased from Euro 30 million to Euro 29 million, due to the performance of the partworks division.

Total **revenues** in the **Magazines Division** grew from Euro 200.4 million to Euro 240.4 million (+20% compared to the first nine months of 2005, which did not include Editrice Abitare Segesta and Pubblibaby, fully consolidated from October 2005). **Circulation revenues** amounted to Euro 106.8 million (+14.5%) and **advertising revenues** increased from Euro 94 million to Euro 111.8 million (+18.9%). **EBITDA** amounted to Euro 9.6 million, in line with the same period of 2005, in spite of investments made for the re-launch of the weekly magazine *Anna*.

Revenues for the **Broadcast Division** increased by 4.3% - from Euro 18.6 million to Euro 19.4 million. The negative **EBITDA** of Euro 5.5 million (Euro -1.1 million in the first nine months of 2005) was impacted by the costs relating to the *PlayRadio* campaign launch and the development of the press agency, in addition to a drop in advertising revenues.

The **Dada Group**, which entered the consolidation area in November 2005, closed the first nine months with growth in **revenues** - from Euro 46.4 million to Euro 80.1 million (+72.6%). **EBITDA** increased from Euro 9.2 million to Euro 10.3 million. In relation to sales margins, it is recalled that

the Dada Group undertook significant investments in the quarter aimed at developing the customer base of the subscription services of the Consumer Division both nationally and internationally.

### **Holdings under joint control**

Revenues for the **IGPDecaux Group**, amounting to Euro 131.3 million, increased by 6.9% compared to the first nine months of 2005. The group result as at September 30, 2006 was a loss of Euro 2.8 million (loss of Euro 2.1 million as at September 30, 2005), of which RCS's share was Euro 1.9 million, compared to Euro 0.7 million in 2005.

Consolidated revenues for **M-dis Distribuzione Media S.p.A.** grew in the first nine months from Euro 266.8 million to Euro 341.1 million. The consolidated net profit for the period was Euro 3.3 million (Euro 8.9 million as at September 30, 2005), of which RCS's share was Euro 1.5 million (Euro 3.7 million in 2005).

### **Outlook for the current year**

The performance in October, although positive in relation to circulation figures and advertising revenues, was negatively impacted by the numbers of days lost from strike action.

The circulation revenues for daily newspapers were in line with expectations; the circulation of the *La Gazzetta dello Sport* confirmed a slightly negative trend compared to the previous year, already witnessed in the first part of the year.

The circulation revenues of the magazine titles, in a very competitive and in decline market, are in line with the company's forecasts for the year and higher than the previous year, although also impacted by the strikes.

Revenues from add-on products are in line with expectations.

Advertising revenues are in line with forecasts, in spite of the negative impact of the strikes in October.

In the absence of unforeseen circumstances, based on the information presently available and in spite of the promotional investments to support the initiatives of *Corriere della Sera* and RCS Broadcast - both of which are expected to impact even on the performance in 2007- it is forecast that the operating result for the current year will be higher than the previous year.

### **Principal events subsequent to the end of the third quarter**

Last October it was launched *Corriere Anteprima*, the first daily free press distributed in the afternoon, which contains an early edition of the main news features of the *Corriere della Sera* in newspaper stands the following day.

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The Board of Directors of RCS MediaGroup passed a number of company or subsidiary company operations, with the objective of:

- supporting the commitment of *Corriere della Sera* to a wide ranging programme, without time limit, in order to consolidate and expand the nationwide presence of the newspaper and within the principal regions of the country;
- supporting the development, modernization and advertising competitiveness of *La Gazzetta dello Sport*, in addition to increasing penetration among the younger readership;
- maintaining the growth in the Group's traditional areas;
- promoting the Group's multimedia development through a significant presence in new business areas and high-quality products.

In particular, they relate to the following operations:

### **RCS MediaGroup**

**Acquisition of a 51% stake from the company Digifin S.p.A. in Digicast S.p.A** - owner of the **theme channels**, which are principally distributed through the Sky platform: *Jimmy, Caccia e Pesca, Sailing Channel and Planet*. The acquisition is subject to approval from the Competition Authority and the Communications Authority.

In 2005, Digicast recorded consolidated revenues of approximately Euro 27 million, an EBIT of approximately Euro 5 million and an EBITDA of Euro 5.3 million.

The consideration of the investment acquired is Euro 16.3 million (apart from adjustments calculated taking into account the balance sheet and financial position at December 31, 2006) to be paid on the closing of the acquisition, and includes "call" and "put" options which will increase RCS's investment to 100% of the share capital, except any advanced sale due to divergences between the shareholders, in 2010 for an exercise price calculated based on the turnover of 2009, with a minimum based on the value recognised for the acquisition of 51%.

### **RCS Quotidiani**

The transformation – except for unforeseen events, by the first half of 2008 – of *La Gazzetta dello Sport* into a "**full colour**" daily newspaper which will result in, among other matters, the change of the format and increase the maximum number of pages. The capital expenditure amounts to a total of approximately Euro 65 million over a three-years period, principally for the purchase of printing presses, auxiliary plant and civil works.

The extension of the rental contract of the newspaper *La Gazzetta dello Sport* (expiry in 2015) until 2040.

The commencement, through a 50% joint-venture between RCS Quotidiani and local entrepreneurs, currently being identified, of the publication (from the beginning of 2007) of *Corriere Bologna*, a new 16 page daily newspaper sold in Bologna and the surrounding province together with *Corriere della Sera* without any price increase, to be published in a similar editorial format to that already established by *Corriere del Mezzogiorno*, *il Corriere del Veneto* and *il Corriere del Trentino e dell'Alto Adige*. The total investment expected for RCS in the first three-year period is estimated at approximately Euro 2 million.

The creation of a **partnership** between **RCS Quotidiani**, as 51% majority shareholder, and the company **Game Media Networks – subsidiary of Digital Bros**, a company listed on the TechStar segment of the Italian Stock Exchange – to develop the business of on-line games, with a total initial investment by the shareholders of Euro 1.5/2 million.

## **RCS Libri**

**The increase in the investment** held through the subsidiary **RCS International Books BV in Editions d'Art Albert Skirà SA** (holding the publishing Group operating in Italy and abroad prevalently in the arts segment with sales in 2005 of Euro 16 million) **from the current 24% to 48%**, for a consideration of Euro 4.2 million. In 2010, RCS and the seller will have respectively a “call” and “put” option on a further 12% of the share capital, at an exercise price calculated based on the current valuation of the company, and, from 2012, a further “call” and “put” option on the remaining 40%.

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## **Stock options: completed the assignment of the tranche for 2006**

The Board of Directors approved the assignment to around 70 employees with positions of strategic importance within the Company and the Group – including the CEO in his capacity as General Manager – totalling 14,274,763 stock options, for the subscription of a similar amount of newly issued ordinary shares (equal to approximately 1.95% of the current ordinary share capital) at a price equal to the average official share price of the Company in the period from October 13, 2006 to today's date.

This assignment integrates the tranche already assigned in the current year (July 14, 2006), and completes the execution of the Stock Option Plan, approved by the Shareholders' Meeting on April 29, 2005.

Based on the Regulations – whose principal terms were already communicated on November 11, 2005 – the options assigned today can normally be exercised three years from the end of the relative “Vesting Period”, in pre-determined periods until June 15, 2013 and following the achievement of the cumulative earnings per share levels for the three year period 2005-2007 set out in the Strategic Plan approved by the Board of Directors.

For certain beneficiaries, including the CEO, there is a requirement that part of any proceeds received from the sale of shares following the exercise of the options be re-invested in Company shares and, subject to Board authorisation, a limit on the transfer of these shares, once acquired, until the end of the second year after the expiry of the “Vesting Period”, that is until November 13, 2011.

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The Board of Directors co-opted to the Board Virginio Rognoni as replacement for Mr. Giangiacomo Nardozzi Tonielli, who previously resigned (Press Release of September 12, 2006). The Board also took notice of the resignation, received on November 10, 2006, of the Director Mr. Carlo Buora (not a member of any Board Committee nor an Independent Director) and will nominate a replacement in the next board meeting.



The Board approved the change of the registered office of the Company from via Rizzoli, 2 to via San Marco, 21 at Milan as of December 1, 2006.

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The Board of Directors of RCS MediaGroup took notice that by the end of the year **Enrico Romagna-Manoja** will assume the role as **Director of *Il Mondo***, published by the subsidiary RCS Periodici.

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## RCS MediaGroup

### Reclassified consolidated income statement

(Euro millions)	Year To Date September 30, 2006	%	Year To Date September 30, 2005	%	Difference
	A		B		A-B
<b>Net revenues</b>	<b>1,708.7</b>	<b>100.0</b>	<b>1,566.2</b>	<b>100.0</b>	<b>142.5</b>
<i>Circulation revenues</i>	1,011.0	59.2	1,011.1	64.6	(0.1)
<i>Advertising revenues (1)</i>	554.6	32.5	500.5	32.0	54.1
<i>Other publishing revenues</i>	143.1	8.4	54.6	3.5	88.5
Operating costs	(1,223.5)	71.6	(1,104.5)	70.5	(119.0)
Payroll costs	(313.8)	18.4	(282.3)	18.0	(31.5)
Provision for doubtful debts	(11.2)	0.7	(9.2)	0.6	(2.0)
Provision for risks	(2.0)	0.1	(1.5)	0.1	(0.5)
<b>EBITDA (2)</b>	<b>158.2</b>	<b>9.3</b>	<b>168.7</b>	<b>10.8</b>	<b>(10.5)</b>
Amortisation of intangible assets	(15.4)	0.9	(11.0)	0.7	(4.4)
Depreciation of property, plant and equipment	(24.7)	1.4	(16.3)	1.0	(8.4)
Other fixed asset write-downs	0.0	0.0	(0.9)	0.1	0.9
<b>EBIT</b>	<b>118.1</b>	<b>6.9</b>	<b>140.5</b>	<b>9.0</b>	<b>(22.4)</b>
Net financial income/(charges)	5.5	0.3	(1.2)	0.1	6.7
Income/(charges) from financial assets/liabilities	41.8	2.4	76.6	4.9	(34.8)
Income/(charges) from share of equity valuations	(2.1)	0.1	1.5	0.1	(3.6)
<b>Profit before taxes</b>	<b>163.3</b>	<b>9.6</b>	<b>217.4</b>	<b>13.9</b>	<b>(54.1)</b>
Income taxes	(29.9)	1.7	(35.0)	2.2	5.1
<b>Profit from continuing operations</b>	<b>133.4</b>	<b>7.8</b>	<b>182.4</b>	<b>11.6</b>	<b>(49.0)</b>
Profit/(loss) from discontinued operations	0.0	0.0	(0.1)	0.0	0.1
<b>Profit before minority share</b>	<b>133.4</b>	<b>7.8</b>	<b>182.3</b>	<b>11.6</b>	<b>(48.9)</b>
Minority interest share of (profit)/loss	(8.7)	0.5	(2.7)	0.2	(6.0)
<b>Net profit for the period</b>	<b>124.7</b>	<b>7.3</b>	<b>179.6</b>	<b>11.5</b>	<b>(54.9)</b>

(1) Advertising revenues for the first nine months of 2006 include Euro 391.5 million through the Group agency RCS Pubblicità (of which Euro 221.8 million from Newspapers Italy, Euro 85.2 million from Magazines, Euro 13.6 million from Broadcast and Euro 70.9 million from selling spaces of other publishers) and Euro 163.1 million directly by the publishers (of which Euro 99.1 million from Newspapers Spain, Euro 32.3 million from Blei, Euro 26.6 million from Magazines, Euro 3.8 million from Dada, Euro 0.8 million from Broadcast and Euro 0.5 million from Books).

In the first nine months of 2005 the revenues through RCS Pubblicità amounted to Euro 361.5 million (of which Euro 207.7 million from Newspapers Italy, Euro 71.6 million from Magazines, Euro 14.6 million from Broadcast, Euro 0.1 million from Books and Euro 67.5 million from selling spaces of other publishers) and Euro 139 million directly by the publishers (of which Euro 85.9 million from Newspapers Spain, Euro 29.4 million from Blei, Euro 22.4 million from Magazines, Euro 0.9 million from Broadcast and Euro 0.4 million from Books).

(2) Operating result before amortisation/depreciation and write-downs.

## RCS MediaGroup

### Reclassified consolidated income statement – third quarter 2006

(Euro millions)	3Q 2006	%	3Q 2005	%	Difference
	A		B		A-B
<b>Net revenues</b>	<b>571,2</b>	<b>100,0</b>	<b>512,9</b>	<b>100,0</b>	<b>58,3</b>
<i>Circulation revenues</i>	375,8	65,8	362,7	70,7	13,1
<i>Advertising revenues (1)</i>	148,4	26,0	136,0	26,5	12,4
<i>Other publishing revenues</i>	47,0	8,2	14,2	2,8	32,8
Operating costs	(426,6)	74,7	(382,0)	74,5	(44,6)
Payroll costs	(104,0)	18,2	(91,8)	17,9	(12,2)
Provision for doubtful debts	(2,7)	0,5	(4,1)	0,8	1,4
Provision for risks	0,3	0,1	(0,7)	0,1	1,0
<b>EBITDA (2)</b>	<b>38,2</b>	<b>6,7</b>	<b>34,3</b>	<b>6,7</b>	<b>3,9</b>
Amortisation of intangible assets	(5,4)	0,9	(3,7)	0,7	(1,7)
Depreciation of property, plant and equipment	(8,2)	1,4	(6,7)	1,3	(1,5)
Other fixed asset write-downs	0,0	0,0	0,0	0,0	0,0
<b>EBIT</b>	<b>24,6</b>	<b>4,3</b>	<b>23,9</b>	<b>4,7</b>	<b>0,7</b>
Net financial income/(charges)	(2,0)	0,4	(3,0)	0,6	1,0
Income/(charges) from financial assets/liabilities	34,9	6,1	0,2	0,0	34,7
Income/(charges) from share of equity valuations	(4,9)	0,9	0,1	0,0	(5,0)
<b>Profit before taxes</b>	<b>52,6</b>	<b>9,2</b>	<b>21,2</b>	<b>4,1</b>	<b>31,4</b>
Income taxes	(16,4)	2,9	(12,0)	2,3	(4,4)
<b>Profit from continuing operations</b>	<b>36,2</b>	<b>6,3</b>	<b>9,2</b>	<b>1,8</b>	<b>27,0</b>
Profit/(loss) from discontinued operations	0,0	0,0	0,0	0,0	0,0
<b>Profit before minority share</b>	<b>36,2</b>	<b>6,3</b>	<b>9,2</b>	<b>1,8</b>	<b>27,0</b>
Minority interest share of (profit)/loss	(0,9)	0,2	0,8	0,2	(1,7)
<b>Net profit for the period</b>	<b>35,3</b>	<b>6,2</b>	<b>10,0</b>	<b>1,9</b>	<b>25,3</b>

(1) Advertising revenues for Q3 2006 include Euro 104 million through the Group agency RCS Pubblicità (of which Euro 57.8 million from Newspapers Italy, Euro 24.7 million from Magazines, Euro 3.7 million from Broadcast and Euro 17.8 million from selling spaces of other publishers) and Euro 44.4 million directly by the publishers (of which Euro 26.1 million from Newspapers Spain, Euro 9.1 million from Blei, Euro 7.5 million from Magazines, Euro 1.3 million from Dada, Euro 0.3 million from Broadcast and Euro 0.1 million from Books).

In 3Q 2005 the revenues through RCS Pubblicità amounted to Euro 97.1 million (of which Euro 54.8 million from Newspapers Italy, Euro 20.6 million from Magazines, Euro 4.6 million from Broadcast, Euro 1.1 million from other misc. and Euro 16 million from selling spaces of other publishers) and Euro 38.9 million directly by the publishers (of which Euro 22 million from Newspapers Spain, Euro 9 million from Blei, Euro 6.2 million from Magazines and Euro 1.7 million from other misc).

(2) Operating result before amortisation/depreciation and write-downs.

## RCS MediaGroup

### Reclassified consolidated balance sheet

(Euro millions)	Sept. 30, 2006	%	Dec. 31, 2005	%
Intangible assets	467.4	38.4	448.2	38.2
Property, plant and equipment	364.1	29.9	360.2	30.7
Financial assets	384.0	31.6	438.8	37.4
<b>Non-current assets</b>	<b>1,215.5</b>	<b>99.9</b>	<b>1,247.2</b>	<b>106.2</b>
Inventories	157.4	12.9	147.6	12.6
Trade receivables	642.5	52.8	599.2	51.0
Trade payables	(572.2)	(47.0)	(574.8)	(48.9)
Other assets/liabilities	22.0	1.8	19.9	1.7
<b>Net working capital</b>	<b>249.7</b>	<b>20.5</b>	<b>191.9</b>	<b>16.3</b>
Provisions for risks and charges and deferred taxes	(142.5)	(11.7)	(155.4)	(13.2)
Employee benefit provisions	(106.5)	(8.8)	(109.0)	(9.3)
<b>Net capital employed</b>	<b>1,216.2</b>	<b>100.0</b>	<b>1,174.6</b>	<b>100.0</b>
<b>Shareholders' equity</b>	<b>1,153.6</b>	<b>94.9</b>	<b>1,126.9</b>	<b>95.9</b>
Medium/long term financial payables	253.7	20.9	242.3	20.6
Short-term financial payables	97.2	8.0	90.2	7.7
Liquid assets and short-term financial receivables	(288.4)	(23.7)	(284.8)	(24.2)
<b>Net debt (cash)</b>	<b>62.5</b>	<b>5.1</b>	<b>47.7</b>	<b>4.1</b>
<b>Total sources of financing</b>	<b>1,216.2</b>	<b>100.0</b>	<b>1,174.6</b>	<b>100.0</b>

### Breakdown of revenues by division

(Euro millions)	Year To Date 30/09/06					Year To Date 30/09/05				
	REV	EBITDA	% on revs.	EBIT	% on revs.	REV	EBITDA	% on revs.	EBIT	% on revs.
Newspapers Italy	546.5	94.4	17%	82.6	15%	536.5	101.9	19%	95.5	18%
Newspapers Spain	235.8	31.4	13%	24.0	10%	220.7	32.7	15%	24.9	11%
<b>Total Newspapers</b>	<b>782.3</b>	<b>125.8</b>	<b>16%</b>	<b>106.6</b>	<b>14%</b>	<b>757.2</b>	<b>134.6</b>	<b>18%</b>	<b>120.4</b>	<b>16%</b>
Books	509.8	29.0	6%	25.7	5%	508.3	30.0	6%	27.0	5%
Magazines	240.4	9.6	4%	9.0	4%	200.4	9.7	5%	6.1	3%
Broadcasting	19.4	(5.5)	(28)%	(10.4)	(54)%	18.6	(1.1)	(6)%	(5.5)	(30)%
Advertising	424.8	4.9	1%	4.9	1%	390.9	4.5	1%	4.4	1%
Dada	80.1	10.3	13%	7.6	9%	n.a	n.a	n.a	n.a	n.a
Corporate functions	44.2	(15.9)	n.a	(25.3)	n.a	42.4	(9.0)	n.a	(14.9)	n.a
Other and eliminations	(392.3)	0.0	0%	0.0	0%	(351.6)	0.0	0%	3.0	(1)%
<b>Consolidated</b>	<b>1,708.7</b>	<b>158.2</b>	<b>9%</b>	<b>118.1</b>	<b>7%</b>	<b>1,566.2</b>	<b>168.7</b>	<b>11%</b>	<b>140.5</b>	<b>9%</b>

## RCS MediaGroup

### Consolidated cash flow statement

(Euro millions)	30/09/06	30/09/05
<b>A) Cash flows from operating activities</b>		
Group and minority interest net profit/(loss)	133,4	182,3
Amortisation, depreciation and write-downs	40,1	28,2
(Gains) losses and other non monetary items	(35,4)	(73,2)
Write-down/revaluations of equity investments	5,8	(0,8)
Assignment of stock options	2,7	0,0
Net result of financial management (including dividends received)	(15,6)	(3,9)
Increase (decrease) of provisions	(21,5)	(24,1)
Increase (decrease) of deferred tax assets/liabilities	(2,0)	18,1
Change in working capital	(41,5)	30,9
<b>Total</b>	<b>66,0</b>	<b>157,5</b>
<b>B) Cash flows from investing activities</b>		
Investments in equity investments (net of dividends received)	(5,0)	(2,2)
Fixed asset investments	(51,3)	(72,4)
Purchase/sales of other non-current financial assets	12,4	(11,5)
Receipt from sale of investments	73,9	174,3
Receipt from sale of fixed assets	1,7	2,5
Other changes	(0,6)	1,1
<b>Total</b>	<b>31,1</b>	<b>91,7</b>
<i>Free cash flow (A+B)</i>	<i>97,1</i>	<i>249,2</i>
<b>C) Cash flows from financing activities</b>		
Net change in financial payables and other financial assets	71,7	(66,5)
Net interest received	5,5	2,8
Dividends paid	(82,3)	(30,0)
Change in equity reserves	(6,2)	(6,1)
<b>Total</b>	<b>(11,2)</b>	<b>(99,8)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>85,8</b>	<b>149,4</b>
Opening cash and cash equivalents	119,8	6,7
Closing cash and cash equivalents	205,6	156,1
<b>Increase (decrease) in the period</b>	<b>85,8</b>	<b>149,4</b>

#### ADDITIONAL INFORMATION ON CASH FLOW STATEMENT

(Euro millions)		
<b>Opening cash and cash equivalents consist of</b>	<b>119,8</b>	<b>6,7</b>
Cash and cash equivalents	154,4	30,2
Current bank loans and overdrafts	(34,6)	(23,5)
<b>Closing cash and cash equivalents consist of</b>	<b>205,6</b>	<b>156,1</b>
Cash and cash equivalents	228,4	161,3
Current bank loans and overdrafts	(22,8)	(5,2)
<b>Increase (decrease) in the period</b>	<b>85,8</b>	<b>149,4</b>