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Testo del comunicato

Vedi allegato.

Press Release

RCS MediaGroup Board of Directors

Results as at 31 December approved[1]

Consolidated revenue decreased 2.6%, but increased slightly on a like-for-like basis.

Advertising revenue at EUR 491.2 million, an increase of over 3% over 2013, outperforming the market.

EBITDA margin positive before non-recurring income and expenses and sharply improved in all Business areas:
Media Italy +12%, Media Spain +8%, Books +4% with a breakeven for Advertising and Events.

EBITDA before non-recurring income and expenses increased for the sixth successive quarter and was positive by over EUR 56 million in the fourth quarter.

Target for efficiency savings exceeded: EUR 72 million in 2014, EUR 25 million in the fourth quarter 2014.

Cash flow from operations increased EUR 87 million compared to 2013.

Loss halved: net loss EUR -110.8 million (EUR -218.5 million in 2013).

NFP at EUR -482.5 million, down EUR 36 million versus 30 June 2014.

Consolidated Figures (EUR million)	31/12/2014	31/12/2013	Δ
Consolidated revenue	1,279.4	1,314.1	**-34.7**
EBITDA before non-recurring income and expense	70.1	27.1	**+43**
EBITDA after non-recurring income and expense	30	(83.4)	**+113.4**
EBIT	(53.5)	(201.2)	**+147.7**
Net loss	(110.8)	(218.5)	**+107.7**

Equity Figures (EUR million)	31/12/2014	31/12/2013
Net financial debt	482.5	474.3

[1] On 1 August 2013 the Collectables business unit was sold, on 11 December 2013 the Edition d'Art Albert Skirà was sold and on 1 March 2014 the business unit and brand La Tribuna publishing company was sold. These changes resulted in a total of EUR 24 million less in consolidated revenue and an improvement of EBITDA totalling EUR 10.2 million at 31 December 2014, as well as lower consolidated revenue for EUR 1.1 million and an improvement of EBITDA totalling EUR 1 million in the fourth quarter of 2014. The figures of 31 December 2014 and the fourth quarter 2013 have been revised to reflect the retroactive adoption of accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective as of 1 January 2014.

EBITDA - considered as the operating income before depreciation, amortisation and write-downs of assets. EBITDA margin considered as the operating income before depreciation, amortisation and write-downs of assets as a percentage of revenues.

Net financial debt - The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets. Non-current financial assets related to RCS' financial instruments at 31 December 2014 are equal to zero (zero at 31 December 2013) and therefore the financial ratio of RCS matches the net financial position as defined in the aforesaid Consob communication.

Milan, 11 March 2015 – The Board of Directors of RCS MediaGroup, met today under the chairmanship of Angelo Provasoli and examined and approved the results as at 31 December 2014, as shown in the table above and compared with 2013 figures.

Group Operations at 31 December 2014

The year 2014 was once again negative for the Italian economy which experienced a third year of recession with GDP shrinking by 0.4% according to preliminary figures, even though in the fourth quarter there was a slight inversion in the trend. By contrast the Spanish economy has continued its recovery with GDP up 1.4% for the full year 2014. The economic environment in the two countries naturally also impacted the advertising market. Italy experienced a 2.5% decrease (print media -8.5%, internet +2.1%: Source Nielsen) while Spain reported an overall increase of 5% (print media -1.1%, internet +5%: source I2P/ArceMedia). Forecasts for 2015 predict growth in GDP of 0.6% in Italy and 2.3% in Spain (source OECD).

The RCS Group continued its strategy of **investment in and focus** on the multimedia sphere in order to support the development of its core business. During 2014 - and beyond - the RCS Group has continued its efforts to strengthen its editorial core business, to enhance its digital product range, to add value to its publishing brands and to generate revenue from events, particularly in the area of sports, with **total investments for EUR 65.9 million** in 2014.

Specifically, the strategy to reinforce and enhance the Group's editorial assets included a new **berliner format** for ***Corriere della Sera***, following the relaunch of both web and mobile versions, the launch of new vertical channels and web series, the **restyling of *El Mundo***, which celebrated its 25th anniversary and launched a Mexican edition, the return of ***Abitare*** both to newsstands and in a digital version, the restyling of *Oggi* to mark its 75th anniversary and the special international edition of *Amica*. *La Gazzetta dello Sport* was also completely overhauled, with a new print format, a new website, the ***GazzaGold*** app and the brand new ***GazzettaTV*** which began broadcasting on digital terrestrial channel 59 on 26 February 2015. Following the launch of the new *www.rcslibri.it* portal, the new **Rizzoli Galleria bookshop** was opened in Milan with an accompanying and continuing excellent sales performance. *MyStudio*, an innovative digital suite aimed at schools was also launched in September. In the area of advertising,the Gold 5 video display advertising concession began operations and at the beginning of 2015 **RCS Communication Solutions** and **NuMix Agency** opened for business. These provide for a completely new approach to addressing the marketing services requirements of companies by increasing the advertising sales offer while also providing the expertise of a agency specialising in data, content, events and innovative platforms. Major events for the year included the successful three day **Il Tempo delle Donne**, **Universiday** and **Cibo a Regola D'Arte**. IN the area of sports it's worth noting the excellent results of the **Color Run** which drew 60,000 people for its six stages, the **Giro d'Italia, We Glow** and the successful **Dubai Tour** outside Italy.

The Group's **consolidated net revenue** as at 31 December 2014 was EUR 1279.4 million, compared to EUR 1314.1 million for 2013: the reduction is mainly attributable to the sale or cancellation of some non-core magazines, as well as to the effect of the disposal of companies and business units. **Excluding these factors, revenue rose by EUR 5.7 million**, and revenue for the fourth quarter of 2014 was also ahead of the previous year's comparable figure. **Revenue from the digital business accounted for 12.6%** of the Group's total revenue (14.7% excluding the Books business) and **exceeded EUR 160 millio, an increase of 8.7% over 2013**.

Circulation revenue totalled EUR 658.5 million (-4.2% on a like-for-like basis compared to 2013), a reduction – including in the fourth quarter - that reflected primarily the implementation of the Group's non-core activity disposal plan and the circulation trend in the Spanish market.

Advertising revenue increased EUR 15.1 million compared to 2013, reaching EUR 491.2 million, outperforming **the market in both in Italy and Spain**. This increase was accounted for by an increase in advertising revenue generated with other publishers (+ EUR +34 million) and an increase in advertising revenue in the Media Spain business (EUR + +9.9 million) that also increased significantly in the fourth quarter (EUR +8.4 million). **The Group's advertising revenue increased by 8.5% in the fourth quarter, confirming an inversion in the previous trend for the third quarter in succession, and outperforming the market**.

Other publishing revenue reported a **net increase of EUR 11.6 million,** primarily from an increase in sports events, including the Dubai Tour and the Euroleague Basketball Final Four, as well as to higher revenue related to Giro d'Italia.

Efficiency measures and cost containment led to **benefits for EUR 72 million** during the year, of which more than EUR 25 million in the fourth quarter, largely surpassing the initial target of EUR 50/60 million that was set for 2014..

EBITDA before non-recurring expense and income is positive for EUR 70.1 million, compared to EUR 27.1 of 2013, an **improvement of EUR 43 million due to the positive performance of the main business areas**. It should be noted that, s**tarting from the third quarter of 2013, EBITDA before non-recurring expense and income recorded a steady improvement** compared to the same period of the previous year: it reached EUR 56.5 million in the fourth quarter of 2014. Non-recurring costs for the year totalled approximately EUR 40 million (EUR 110.5 million in 2013). **EBITDA after non-recurring expenses and income is positive for EUR 30 million, an improvement of more than EUR 113 million,** compared to the EUR -83.4 million of 2013; **the fourth quarter was positive for EUR 46.4 million, up from EUR 37.9 million of the fourth quarter of 2013**.

Group investments in tangible and intangible assets continued, totalling **approximately EUR 66 million** over the course of the year, **more than half of which maily invested in the digital area**, in particular in the new versions of the main sites of the Group , including *corriere.it* and *gazzetta.it,* **and for the new format** of *Corriere della Sera*..

For the dynamics described above, as well as the EUR 8 million amortisation reduction from 2013, operating profits (**EBIT) was** negative for EUR 53.5 million, **significantly improved compared to the 2013** figure which amounted to EUR -201.2 million**. EBIT in the fourth quarter of 2014 returned to being positive, with an increase of EUR 39 million, improving from EUR -23.2 million in the fourth quarter of 2013 to a positive EUR 15.8 million**

Net financial expenses amounted to EUR 41.4 million compared to EUR 32.7 million in 2013, essentially due to the interest rate component It should be noted that during the first half of 2013 the Group benefited from more favourable loan rates agreed in 2007.

The **net result was negative for** EUR 110.8 million for the year (- EUR 218.5 million in 2013), **showing an improvement of about EUR 108 million** a year earlier. The same trend occurred in the **fourth quarter, which saw the net result increase by over EUR 25 million**, rising from EUR -43.2 million in the fourth quarter of 2013 to EUR -17.7 million.

The **net financial position** in the fourth quarter decreased by EUR 32 million, closing the year at EUR -482.5 million (EUR -474.3 million at December 31, 2013), performing better than the target set for 2014 and confirming the goal to reduce debt by the end of 2015. Compared to 2013 the **cash flow generated from ordinary operations[2] improved by more than EUR 87 million**.

The **headcount** at December 31, 2014 amounted to 3,940 employees (including the existing agreements relating to headcount reductions), reporting a decrease of 13 employees compared to 2013, as the balance between reorganisation plans, which involved practically all Group areas, as well as acquisition and corporate consolidation transactions. The **average headcount** is equal to 4,023 employees, for a reduction of 571,

2 figure from management reporting.

employees, including discontinued activities of the Dada business (310 employees, excluding discontinued operations).

The Board also approved the draft of the financial statements of the parent company RCS MediaGroup S.p.A., which reported a net loss of EUR 117.6 million, an improvement compared to the EUR -148.4 million in 2013, due to the negative market context described above and accruals linked to the restructuring process underway and write-downs, in part offset by the positive EBITDA, which registered an improvement of more than EUR 80 million. The Parent Company's shareholders' equity totals EUR 405.3 million, against a share capital of EUR 475.1 million. The Board resolved to carry forward the net loss of EUR 117,570,193.00.

Comments on operations at 31 December 2014

Media Italy posted **revenues** for EUR 531.9 million (-4.5% compared to 2013): **digital revenues reached 13.8% of total revenues for the area**. Excluding sold magazines from 2013, the contraction amounts to EUR 9.4 million (-1.7%), due to decreased advertising revenues and newsstand sales, partly offset by cover price increases , as well as initiatives introduced during the period with the aim of fighting the sector trend, by enhancing the publishing offer of the Group's two newspapers in Italy and Verticals.
Publishing revenue totals EUR 287.8 million, basically in line with like-to-like compared to the previous year (-0.2%). More specifically, publishing revenues from *Sistema Corriere* and *Sistema Gazzetta* showed a growing trend compared to 2013, driven by the positive effect of the cover price increase and the good performance of add-ons.
Advertising revenue totals EUR 219.5 million, a decrease of 6.3% compared to the previous year: **income from on-line media reaches approximately 21.5%** of the area's advertising revenues.
Other publishing revenues totals EUR 24.6 million and shows a slight increase compared to 2013, reporting an improvement in the fourth quarter compared to the same period, mainly due to different timing of the launch of the add-ons for *La Gazzetta dello Sport*, compared to the publication calendar of 2013. Television activities were basically in line with the previous year.
Corriere della Sera and ***La Gazzetta dello Sport*** **confirmed a leading circulation ranking** in their sectors. In the latest ADS survey in December *Corriere della Sera* confirmed its leadership position in overall circulation, in contrast with the effects of an unfavourable market, reaching an average of 461 thousand copies distributed (-5.5% equal to an average of 27 thousand copies – Source internal). In addition, *Corriere della Sera*, both in printed and digital version, ranks first among leading Italian newspapers most read by adults over the age of 14 (Source: Audipress). Sales **of digital copies** totalled EUR 126 thousand, with a **growth of 24.8%** compared to 2013. Total circulation of ***La Gazzetta dello Sport*** in 2014, for an average of 276 thousand copies, dropped by 1.4% compared to 2013, while digital copies stood at 54 thousand, with a growth of 31.7% compared to 2013, partly offsetting the decrease in printed copies. Out of the major sports dailies, *Gazzetta dello Sport* is the most read by adults, more than doubling the number of readers with respect to its competitors (Source: Audipress). Websites ***corriere.it*** **and** ***gazzetta.it*** reached a total of 45.6 million average monthly unique visitors during the year (+14% compared to 2013) and the digital editions of the two newspapers have exceeded 180 thousand active subscriptions, a 27% growth compared to 2013. In 2014 a total of 2.9 million digital editions were downloaded, registering a 37.9% increase compared to 2013 (Source: internal). In terms of the mobile version of the two websites, *Corriere Mobile* recorded 6.9 million unique visitors in 2014 (+126.2% compared to 2013) and *Gazzetta Mobile* had 4.9 million unique visitors in 2014 (+128.7% versus 2013) (Source: Adobe SiteCatalyst).
Growth of the ***Sistema Verticali*** **websites continued**, reporting excellent performance for new websites *Amica.it*, *IoDonna.it, Living.corriere.it* and the *Oggi.it*; therefore recording leading positions.
EBITDA for 2014, **positive for EUR 60.1 million**, **improved by EUR 81.1 million** compared to EUR 21 for the same period in 2013. Excluding non-recurring expenses and income (totalling EUR -1.4 million in 2014 and EUR -59.9 million in 2013), EBITDA is positive for EUR 61.5 million, with an improvement of EUR 22.6 million compared to 2013.

Media Spain posted **revenues** for EUR 358.1 million compared to EUR 371.7 million of same period in 2013: **revenue for the digital business accounts for 14.1% of total revenues for the area**, with a growth of 14.9% compared to the same period in 2013. **Advertising revenue totals EUR 156.7 million, recording an**

increase of 6.6% compared to 2013, mainly due to institutional events; one of the most significant of which was the 25th anniversary of *El Mundo*, which more than offset the advertising revenues over the various channels. **Income from online media performed well**, reaching 25% of total net advertising revenue. **Publishing revenues for 2014** total **EUR 158 million**, reporting a decrease of EUR 21.5 million due to a general drop in circulation and lower revenue from add-on products, partly offset by the digital area. **Other revenues**, totalling EUR 43.4 million, posted a decrease compared to 2013 of EUR 1.8 million primarily due to revenues from the TV area, partly compensated by the positive trend in revenues from the digital area and sports events. ***El Mundo* was once again the second national newspaper,** with approximately 181 thousand daily average copies, including digital copies, while ***Marca* - a leading sports publication** – reached 182 thousand copies, including digital editions, and ***Expansiòn*** grew 3.3%, reaching 41 thousand daily average copies, including digital copies. *elmundo.es* website has an average of 32.8 million average monthly unique visitors (+6.3% compared to the same period in 2013); *marca.com* website reached an 37.3 million average monthly unique visitors (+6.3% compared to the same period in 2013), while *expansion.com* – with an average of 6.5 million unique visitors - reported an increase of 21.4% compared to the previous year. ORBYT Unidad Editorial reached about 91 thousand subscribers in December. Starting from the date of the launch, about 135 thousand apps for iPhone and around 273 thousand iPad applications have been downloaded. **Unidad Editorial closed 2014 with a negative EBITDA, totalling EUR 0.5 million and** reporting an improvement of EUR 10.5 million compared to 2013; **excluding non-recurring income and expense, EBITDA is positive for EUR 27.3 million, showing an improvement of EUR 20.3 million over the same period in 2013**..

Revenue from the **Books area** stood at EUR 222.6 million, with a reduction of EUR 28.5 million (-11.4%) compared to 2013; with the same area, **the decrease in revenue reduces to EUR 4.5 million (-2%),** reporting a **significant increase in digital revenue (+32%). Rizzoli confirmed its number two position,** with one of the highest growths in value (+11.4%), thanks to the particularly good nonfiction and fiction results, **Bompiani** reported a slight drop in market share (-2.1%), however remaining one of the top ten publishers of the market. Fabbri Editori publishing company witnessed the results of the innovation phase start in 2012, and shows a 26.9% increase in value. **The total net revenue for Rizzoli International Publications**, excluding bookshops and reported in dollars, slightly exceeded 1% on a like-for-like basis; the contribution of Rizzoli International Publishing revenue to consolidated revenue of the area decreased slightly (-1.5%) due to the temporary closing of the historic Rizzoli bookshop in NYC. It is scheduled to reopen in spring 2015.
Rizzoli repeatedly ranked in the top ten of the classifications in 2014 and the early months of 2015. This was thanks to its publication of particularly successful books, including the **2014 Pulitzer Prize *The Goldfinch* by Donna Tartt**, *The fault in our stars* by John Green, *I tre giorni di Pompei* by Alberto Angeli and *Ammazziamo il gattopardo* by Alan Friedman. Bompiani enjoyed great success with several books, including *Adulterio* by Paulo Coelho, *Capital in the Twenty-First Century* by Thomas Piketty, *Numero Uno* by Umberto Eco and *Soumission* by Michel Houellebecq. *In terms of e-books, revenue increased more than 30% in 2014 over the previous year:* the value of sold e-books accounts for 4.7% (3.7% in 2013) of total revenue (printed books and e-books) of the Books Area.
The Education posted total revenue of EUR 86.2 million, with the same area in line with the market trend.
RCS Libri consolidated its number two operator position, reaching a share of 11.8% in terms of value, for a growth of 4.8% over 2013, and was the only major publishing company to increase its market share.
EBITDA improved 5.7% before non-recurring expense and income, reaching **EUR 9.3 million.** The reporting date figure was negatively affected by higher returns, write-downs and scrap for around EUR 6 million. **EBITDA after non-recurring expense and income is positive for EUR 2 million**, posting a drop of EUR 1.8 million compared to 2013.

Outlook

The positive signals in the Italian economy continued to increase in strength in the early months of 2015. However, problems persist in the jobs market with a deflationary backdrop even if this is diminishing. An inversion in the GDP trend is forecast for 2015 (Source: OECD) with GDP growth for the year expected to be 0.6%. The positive trend in Spain, which began in the first half of 2014, continues (+1.4% for FY 2014). GDP is forecast to increase 2.3% on an annual basis in 2015 (Source: OECD). Despite the increase in risks linked to geopolitical tensions and a possible worsening of structural instability in some emerging economies (Source:

Bank of Italy) during 2015, the principal European economies are expected to benefit from the programme to purchase securities initiated by the ECB starting 9 March 2015 that will last until September 2016, at a rate of EUR 60 billion a month, and the weakening of the euro against other leading currencies,which should favour exports, also in a context helped by the reduction in the cost of crude oil and other raw materials.

With regard to the Media sector in Italy, despite the positive effects expected from EXPO2015 the advertising market is expected to continue to soften, although at a slower rate than in past years, and there should be a slight increase in the internet based advertising market; in Spain both the on-line and traditional print advertising components are forecast to grow. Circulation in both countries for 2015 will continue to be affected by changes in the business model with a drop in print and increase in digital copies partly offsetting the decrease. The reference market for the Books business in Italy is expected to decrease slightly in 2015 with an increase in the portion accounted for by e-books, which should reach approximately 5% of the total value.

In this macroeconomic context, **RCS forecasts a slight increase in consolidated revenue for 2015 compared to 2014,** overall and with the same business perimeter. This is partly thanks to specific initiatives including the developments planned in **consumer engagement B2B services** to complement the existing advertising business and the **development of international sports events**, as well as the launch of the GazzettaTV digital terrestrial channel. **Advertising revenue growth** while limited will benefit from the previously mentioned recovery in Spain, while circulation revenue – despite a drop in volumes – may be partially offset by increased prices. A slight growth is forecast for revenue from the Books area, mainly thanks to the digital component.

To respond to the unfavourable environment in its markets, the RCS Group continued in 2014 to pursue additional efficiency measures, which have allowed for greater cost reductions compared to the forecasts in the 2013-2015 Development Plan. These **efficiency measures are expected to continue** in 2015 so as to achieve a total of **EUR 220 million in savings** at the end of the three years of the Development Plan, of which EUR 164 million has already been achieved in the 2013-2014 period (EUR 72 million in 2014).

Based on this, **consolidated EBITDA is expected to continue to increase in 2015 to reach a level of profitability (before non-recurring expense) of around 9% of 2015 revenues**, as long as there is no further significant decrease in the advertising market, especially in Italy, compared to the contraction that has already been factored in for 2015.

Consequently, subject to the above, **a return to a positive EBIT at consolidated level is expected for 2015**, sufficient substantially to cover financial expenses, a necessary premise for a future return to a consolidated profit.

As recently announced to the market, the Company has continued and intensified its efforts to sell non-core assets in order to further reduce consolidated NFP. It is currently negotiating the sale of non-core and other assets (as well as the sale of its interest in RCS Libri S.p.A).

In the absence of unforeseen events and upon achieving **the 2015 forecasted EBITDA**, the completion of the disposals of the non-core assets and other assets mentioned above - accompanied by the generation of operating cash flow that returned to positive territory in 2014 and is expected to improve significantly in 2015 - are instrumental in **reducing consolidated NFP and to complying with the year-end covenants in the loan agreement** (NFP less than 3.5 times EBITDA and NFP less than EUR 440 million).

Strategic development opportunities of the RCS Group

Following two years of re-balancing of the Group's financial structure and a focus on its core businesses, RCS Group has identified specific areas for potential development where it possesses significant expertise and experience.

In addition to a significant reinforcement of its strong presence in the **News sector** – an important mainstay for future development especially in the digital world, both in Italy and Spain, also thanks to its power brands *Corriere della Sera* and *El Mundo* – the Group also possesses strong and proven expertise in the **Sports sector**, which shows significant potential for international growth and excellent development prospects building on the strength of brand leaders *La Gazzetta dello Sport*, *Marca*, RCS Sport and Last Lap.

As a result of the development of these two core businesses, and a reinforcement of its B2B integrated communication solutions, **RCS is aiming for a different revenue mix that will favour sustainable levels of profitability in line with the best international operators of the industry** (today 15%), while **implementing a new model of operating efficiency.**

Notice of Call of Ordinary Shareholders Meeting on 23 April 2015

Lastly, the Board of Directors has called for an Ordinary Shareholders, in single call, on 23 April 2015 at the Group's offices in Via Balzan, 3, Milan.

The Assembly will be called to consider the following:

- approval of the financial statements at 31 December 2014 and the renumeration report;
- nomination of the new Board of Directors and Board of Statutory Auditors;
- proposed authorisation for disposal of treasury shares.

The Notice of Call and Agenda for the Shareholders Meeting will posted on the Group's website www.rcsmediagroup.it (section: Governance/Shareholders Meetings/2015) and will be published in the Corriere della Sera newspaper in compliance with current rules.

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Roberto Bonalumi, the Director responsible for drawing up the company's statements, hereby declares, pursuant to article 154-bis, paragraph 2 of the Consolidated Law on Finance (Testo Unico della Finanza, TUF), that the information contained in this press release accurately represents the figures contained in the Group's accounting records.

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It should be noted that the Financial Statements and Consolidated Financial Statements for 2014 will be published by the deadline and using the procedures required by law. They have been audited by Independent Auditors.

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RCS MediaGroup
Reclassified consolidated income statement
(tables not subject to audit)

(EUR million)	31 December 2014	%	31 December 2013 (4) (5)	%	Difference	Difference
	A		B		A-B	%
Net revenue	**1.279,4**	**100,0**	**1.314,1**	**100,0**	**(34,7)**	***(2,6%)***
Circulation revenue	*658,5*	*51,5*	*719,9*	*54,8*	*(61,4)*	*(8,5%)*
Advertising revenue (1)	*491,2*	*38,4*	*476,1*	*36,2*	*15,1*	*3,2%*
Other publishing revenue (2)	*129,7*	*10,1*	*118,1*	*9,0*	*11,6*	*9,8%*
Operating costs	*(890,1)*	*(69,6)*	*(946,3)*	*(72,0)*	*56,2*	*(5,9%)*
Cost of labour	*(325,5)*	*(25,4)*	*(412,0)*	*(31,4)*	*86,5*	*(21,0%)*
Receivable impairment	*(18,6)*	*(1,5)*	*(27,3)*	*(2,1)*	*8,7*	*(31,9%)*
Provisions for risks	*(15,2)*	*(1,2)*	*(11,9)*	*(0,9)*	*(3,3)*	*27,7%*
EBITDA (3)	**30,0**	**2,3**	**(83,4)**	**(6,3)**	**113,4**	***(136,0%)***
Intangible asset amortisation	*(39,3)*	*(3,1)*	*(43,7)*	*(3,3)*	*4,4*	
Property, plant and equipment depreciation	*(21,5)*	*(1,7)*	*(24,7)*	*(1,9)*	*3,2*	
Real estate investment depreciation	*(1,0)*	*(0,1)*	*(1,4)*	*(0,1)*	*0,4*	
Other asset impairment	*(21,7)*	*(1,7)*	*(48,0)*	*(3,7)*	*26,3*	
EBIT	**(53,5)**	**(4,2)**	**(201,2)**	**(15,3)**	**147,7**	
Net financial income (expense)	*(41,4)*	*(3,2)*	*(32,7)*	*(2,5)*	*(8,7)*	
Income (expense) from financial assets/liabilities	*(2,3)*	*(0,2)*	*0,7*	*0,1*	*(3,0)*	
Income (expense) from equity investments equity method	*(1,4)*	*(0,1)*	*(2,5)*	*(0,2)*	*1,1*	
EBT	**(98,6)**	**(7,7)**	**(235,7)**	**(17,9)**	**137,1**	
Income taxes	*4,3*	*0,3*	*28,5*	*2,2*	*(24,2)*	
Profit (loss) from continuing operations	**(94,3)**	**(7,4)**	**(207,2)**	**(15,8)**	**112,9**	
Profit (loss) from discontinued operations (5)	*(16,1)*	*(1,3)*	*(11,6)*	*(0,9)*	*(4,5)*	
Profit (loss) before non-controlling interests	**(110,4)**	**(8,6)**	**(218,8)**	**(16,7)**	**108,4**	
(Profit) loss pertaining to non-controlling interests	*(0,4)*	*(0,0)*	*0,3*	*0,0*	*(0,7)*	
Group's profit (loss) for the period	**(110,8)**	**(8,7)**	**(218,5)**	**(16,6)**	**107,7**	

(1) Advertising sales at 31 December 2014 include EUR 293.8 million from the Group's advertising division (of which EUR 195.3 million from Media Italy, EUR 49.6 million from Italian Vertical Systems, EUR 21.1 million from Editoriale La Stampa, EUR 14.8 million from Poligrafici Editoriale, EUR 10.1 million for selling space of third party publishers, EUR 1.5 million from Events and EUR 1.4 million from Media Spain) and EUR 197.4 million directly from publishers (of which EUR 155.5 million refer to Media Spain, EUR 18.8 million to Advertising and Events, EUR 13.4 million to Corporate Functions, EUR 7.7 million to Media Italy, EUR 2.4 million to Italian Television, EUR 0.7 million to Italian Vertical Systems and EUR 1.1 million to eliminations to Group companies).

Advertising sales at 31 December 2013 include EUR 279.5 million from the Group's advertising division (of which EUR 205.8 million from Media Italy, EUR 59.8 million from Italian Vertical Systems, EUR 7.1 million from Poligrafici Editoriale, EUR 4.9 million for selling space of third party publishers, EUR 1.7 million from Advertising and Events, EUR 0.2 million from Media Spain) and EUR 187.7 million directly from publishers (of which EUR 145.6 million refer to Media Spain, EUR 19.7 million to Advertising and Events, EUR 13.2 million to Corporate Functions, EUR 7.6 million to Media Italy, EUR 1.8 million to Italian Vertical Systems, EUR 1.6 million to Digicast, of Media Italy and EUR 1.7 million to eliminations to Group companies) and the advertising sales house on Blei foreign media (EUR 8.8 million).

(2) Other publishing revenue includes revenue from the sale of film rights of Media Spain, revenue from the television business of Media Italy and Media Spain, revenue from disposal of royalties to other companies, revenue from events and shows in Italy and Spain, revenue from e-commerce business, as well as revenue from the sale of customer lists and children's book sets of the Sfera group companies, under the Corporate Functions and Other activities.

(3) Considered as the operating income before depreciation, amortisation and write-downs of assets.

(4) On 1 August 2013 the collectables business unit was sold, on 11 December 2013 the Edition d'Art Albert Skirà was sold and on 1 March 2014 the business unit and brand La Tribuna publishing company was sold. These changes resulted in lower consolidated revenue for EUR 24 million and an improvement of EBITDA totalling EUR 10.2 million for 2014 compared to 2013.

(5) The figures for 2013 were revised to reflect the retroactive adoption of the accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective on 1 January 2014, as commented in note no. 8. They were also changed to reflect the application of IFRS 5 to the values of the holdings IGP Decaux and Gruppo Finelco, which are most likely to be sold. The reclassified values are reported in note no.28.

RCS MediaGroup
Reclassified consolidated balance sheet
(tables not subject to audit)

(EUR million)	31 December 2014	%	31 December 2013 (2)	%
Intangible Assets	508,8	67,3	504,4	62,3
Property, plant and equipment	118,7	15,7	132,1	16,3
Real Estate Investments	24,9	3,3	30,3	3,7
Financial Assets	225,8	29,9	295,4	36,5
Net Non-current Assets	**878,2**	**116,2**	**962,2**	**118,9**
Inventories	78,8	10,4	85,4	10,6
Trade receivables	392,6	52,0	393,6	48,6
Trade payables	(395,2)	(52,3)	(373,1)	(46,1)
Other assets/liabilities	(22,8)	(3,0)	(18,2)	(2,2)
Net Working Capital	**53,4**	**7,1**	**87,7**	**10,8**
Provisions for risks and charges	(83,7)	(11,1)	(119,9)	(14,8)
Deferred tax liabilities	(75,6)	(10,0)	(89,6)	(11,1)
Employee benefits	(53,7)	(7,1)	(51,3)	(6,3)
Net Operating Capital Invested	**718,6**	**95,1**	**789,1**	**97,5**
Net invested capital - discontinued operations	**36,9**	**4,9**	**20,1**	**2,5**
Net invested capital	**755,5**	**100,0**	**809,2**	**100,0**
Shareholders' equity	**273,0**	**36,1**	**334,9**	**41,4**
Medium-long term financial payables	393,8	52,1	430,6	53,2
Short-term financial payables	97,7	12,9	54,6	6,7
Non-current financial liabilities for derivatives	16,5	2,2	15,6	1,9
Non-current financial assets for derivatives	-	-	-	-
Cash and short-term financial receivables	(25,5)	(3,4)	(26,5)	(3,3)
Net financial debt (1)	**482,5**	**63,9**	**474,3**	**58,6**
Total sources of financing	**755,5**	**100,0**	**809,2**	**100,0**

(1) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets. Non-current financial assets related to RCS' financial instruments at 31 December 2014 are equal to zero (zero at 31 December 2013) and therefore the financial ratio of RCS matches the net financial position as defined in the aforesaid Consob communication.

(2) The figures at 31 December were revised to reflect the retroactive adoption of the accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective as of 1 January 2014, as commented in note no.8.

RCS MediaGroup
Revenue breakdown by Business sectors
(tables not subject to audit)

(EUR million)	Figures at 31/12/2014						
	Revenue	EBITDA BEFORE NON-RECURRING	% of revenue	EBITDA	% of revenue	EBIT	% of revenue
Media Italy	531,9	61,5	11,6%	60,1	11,3%	31,8	6,0%
Media Spain	358,1	27,3	7,6%	(0,5)	(0,1)%	(20,1)	(5,6)%
Books (1)	222,6	9,3	4,2%	2,0	0,9%	(1,7)	(0,8)%
Advertising and Events	345,5	(0,6)	(0,2)%	(1,7)	(0,5)%	(1,8)	(0,5)%
Corporate Functions and Other Activities	78,0	(27,4)	(35,1)%	(29,9)	(38,3)%	(61,7)	n.a.
Sundry and eliminations	(256,7)		0,0%	0,0	0,0%	0,0	n.a.
Consolidated	**1.279,4**	**70,1**	**5,5%**	**30,0**	**2,3%**	**(53,5)**	**(4,2)%**
Discontinued operations							
Sundry and eliminations							
Total	**1.279,4**	**70,1**	**5,5%**	**30,0**	**2,3%**	**(53,5)**	**(4,2)%**

(EUR million)	Figures at 31/12/2013 (2)						
	Revenue	EBITDA BEFORE NON-RECURRING	% of revenue	EBITDA	% of revenue	EBIT	% of revenue
Media Italy	557,0	38,9	7,0%	(21,0)	(3,8)%	(76,6)	(13,8)%
Media Spain	371,7	7,0	1,9%	(11,0)	(3,0)%	(33,4)	(9,0)%
Books (1)	251,1	8,8	3,5%	3,8	1,5%	0,7	0,3%
Advertising and Events	330,4	(13,6)	(4,1)%	(31,6)	(9,6)%	(31,8)	(9,6)%
Corporate Functions and Other Activities	78,5	(14,0)	(17,8)%	(23,6)	(30,1)%	(60,1)	n.a.
Sundry and eliminations	(274,6)		0,0%	-	n.a.	0,0	n.a.
Consolidated	**1.314,1**	**27,1**	**2,1%**	**(83,4)**	**(6,3)%**	**(201,2)**	**(15,3)%**
Discontinued operations	39,7	4,1		4,1		(9,1)	
Sundry and eliminations							
Total	**1.353,8**	**31,2**	**2,3%**	**(79,3)**	**(5,9)%**	**(210,3)**	**(15,5)%**

(1) On 1 August 2013 the collectables business unit was sold, on 11 December 2013 the Edition d'Art Albert Skirà was sold and on 1 March 2014 the business unit and brand La Tribuna publishing company was sold. These changes resulted in lower consolidated revenue for EUR 24 million and an improvement of EBITDA totalling EUR 10.2 million for 2014 compared to 2013.

(2) The figures for 2013 were revised to reflect the retroactive adoption of the accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective on 1 January 2014, as commented in note no. 8. They were also changed to reflect the application of IFRS 5 to the values of the holdings IGP Decaux and Gruppo Finelco, which are most likely to be sold. The reclassified values are reported in note no.28

RCS MediaGroup
Consolidated statement of cash flows*
Figures for which auditing activity has not been completed

	(EUR million)	2014	2013 (^)
A)	**Cash flow from operations**		
	Profit (loss) from continuing operations before taxes	(98,6)	(235,7)
	Profit (loss) from discontinued operations	-	1,5
	Amortisation, depreciation and write-downs	83,5	117,8
	(Capital gains) capital losses and other non-cash items	(18,5)	(7,2)
	Result of net financing activities (including dividends received)	41,4	32,7
	- of which to related parties	*18,3*	*15,4*
	Increase (decrease) of personnel benefits and provisions for risks and charges	(9,4)	50,2
	Changes in working capital	(2,5)	(65,7)
	- of which to related parties	*(7,6)*	*9,6*
	Income taxes paid	(5,8)	(6,8)
	Changes on discontinued operations	-	-
	Total	**(9,9)**	**(113,2)**
B)	**Cash flow from investing activities**		
	Investments in equity investments (net of dividends received)	(6,1)	3,3
	- of which to related parties	-	*(0,5)*
	Investments in non-current assets	(64,3)	(56,1)
	(Acquisitions) disposals of other non-current financial assets	(0,5)	(3,5)
	- of which to related parties	*(0,2)*	
	Payments for disposal of equity investments	8,2	33,6
	- of which to related parties	-	*(0,5)*
	Payments from sale of non-current assets	30,8	89,6
	- of which to related parties	*(0,2)*	*(0,6)*
	Changes on discontinued operations		
	Total	**(31,9)**	**66,9**
	Free cash flow (A+B)	*(41,8)*	*(46,3)*
C)	**Cash flow from financing activities**		
	Net change in financial debts and other financial assets	19,2	(331,3)
	- of which to related parties	*(17,8)*	*(145,1)*
	Net financial interest collected (paid)	(32,2)	(38,7)
	- of which to related parties	*(18,3)*	*(15,4)*
	Dividends paid	0,0	0,0
	Change in shareholders' equity reserves	45,1	396,8
	- of which to related parties	*(0,6)*	*(0,1)*
	Changes on discontinued operations		
	Total	**32,1**	**26,8**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	**(9,7)**	**(19,5)**
	Cash and cash equivalents at the beginning of the period	(15,5)	4,0
	- of which to related parties	*(10,6)*	*(7,1)*
	Cash and cash equivalents at the end of the period	(25,2)	(15,5)
	- of which to related parties	*(13,3)*	*(10,6)*
	Increase (decrease) for the period	**(9,7)**	**(19,5)**

ADDITIONAL DISCLOSURES FOR THE STATEMENT OF CASH FLOWS

(EUR million)

Cash and cash equivalents at the beginning of the period, breakdown	**(15,5)**	**4,0**
Cash and cash equivalents	10,7	25,1
Current payables due to banks	(26,2)	(21,1)
Cash and cash equivalents at the end of the period	**(25,2)**	**(15,5)**
Cash and cash equivalents	13,7	10,7
Current payables due to banks	(38,9)	(26,2)
Increase (decrease) for the period	**(9,7)**	**(19,5)**

(*) Including as per Consob Regulations no. 15519 of 27 July 2006.

(^)The figures at 31 December2013 were revised to reflect the retroactive adoption of the accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective as of 1 January 2014, as commented in note no.8.

RCS MediaGroup
Reclassified consolidated income statement – 4th Quarter
(tables not subject to audit)

(EUR million)	4th quarter 2014	%	4th quarter 2013 (4) (5)	%	Difference	Difference
	A		B		A-B	%
Net revenue	**357,8**	**100,0**	**349,2**	**100,0**	**8,6**	***2,5%***
Circulation revenue	*173,5*	*48,5*	*181,6*	*52,0*	*(8,1)*	*(4,5%)*
Advertising revenue (1)	*149,8*	*41,9*	*138,1*	*39,5*	*11,7*	*8,5%*
Other publishing revenue (2)	*34,5*	*9,6*	*29,5*	*8,4*	*5,0*	*16,9%*
Operating costs	*(219,8)*	*(61,4)*	*(221,7)*	*(63,5)*	*1,9*	*(0,9%)*
Cost of labour	*(73,8)*	*(20,6)*	*(76,9)*	*(22,0)*	*3,1*	*(4,0%)*
Receivable impairment	*(7,6)*	*(2,1)*	*(12,7)*	*(3,6)*	*5,1*	*(40,2%)*
Provisions for risks	*(10,2)*	*(2,9)*	*0,0*	*0,0*	*(10,2)*	*n.a.*
EBITDA (3)	**46,4**	**13,0**	**37,9**	**10,9**	**8,5**	***22,4%***
Intangible asset amortisation	*(12,0)*	*(3,4)*	*(10,6)*	*(3,0)*	*(1,4)*	
Property, plant and equipment depreciation	*(5,5)*	*(1,5)*	*(5,9)*	*(1,7)*	*0,4*	
Real estate investment depreciation	*(0,2)*	*(0,1)*	*(0,5)*	*(0,1)*	*0,3*	
Other asset impairment	*(12,9)*	*(3,6)*	*(44,1)*	*(12,6)*	*31,2*	
EBIT	**15,8**	**4,4**	**(23,2)**	**(6,6)**	**39,0**	
Net financial income (expense)	*(10,4)*	*(2,9)*	*(12,9)*	*(3,7)*	*2,5*	
Income (expense) from financial assets/liabilities	*(0,5)*	*(0,1)*	*1,9*	*0,5*	*(2,4)*	
Income (expense) from equity investments equity method	*0,5*	*0,1*	*(3,0)*	*(0,9)*	*3,5*	
EBT	**5,4**	**1,5**	**(37,2)**	**(10,7)**	**42,6**	
Income taxes	*(6,5)*	*(1,8)*	*(10,2)*	*(2,9)*	*3,7*	
Profit (loss) from continuing operations	**(1,1)**	**(0,3)**	**(47,4)**	**(13,6)**	**46,3**	
Profit (loss) from discontinued operations (5)	*(15,7)*	*(4,4)*	*4,4*	*1,3*	*(20,1)*	
Profit (loss) before non-controlling interests	**(16,8)**	**(4,7)**	**(43,0)**	**(12,3)**	**26,2**	
(Profit) loss pertaining to non-controlling interests	*(0,9)*	*(0,3)*	*(0,2)*	*(0,1)*	*(0,7)*	
Group's profit (loss) for the period	**(17,7)**	**(4,9)**	**(43,2)**	**(12,4)**	**25,5**	

(1) Advertising revenue for the fourth quarter of 2018 include EUR 89.7 million from the Group's advertising division (of which EUR 57.5 million from Media Italy, EUR 15.9 million from Italian Magazines, EUR 7.6 million from Editoriale La Stampa, EUR 5.2 million from Poligrafici Editoriali and EUR 2.9 million for selling space of third party publishers, EUR 0.4 million from Media Spain and EUR 0.2 million from Polis Medialink) and EUR 60.1 million directly from Group publishers (of which EUR 50.9 million refer to Media Spain, EUR 3.9 million to Sfera Corporate Functions, EUR 3.2 million to Media Italy, EUR 1.6 million to Sports Events of Advertising and Events, EUR 0.8 million to Italian Television and EUR 0.3 million to eliminations to Group companies).
Advertising revenue for the fourth quarter of 2013 include EUR 87.7 from the Group’s advertising division (of which EUR 62.8 million from Media Italy, EUR 17.9 million from Italian Magazines, EUR 5.5 million from Poligrafici Editoriali, EUR 1.3 million for selling space of third party publishers and EUR 0.2 million from Media Spain) and EUR 50.4 million directly from Group publishers (of which EUR 42.4 million refer to Media Spain, EUR 1.6 million to Media Italy, EUR 0.5 million to Blei, EUR million to Sfera Corporate Functions, EUR 2.3 million to Sports Events of Advertising and Events, EUR 0.5 million to Italian Television and EUR 0.6 million to eliminations to Group companies).
(2) Other publishing revenue includes revenue from the sale of film rights of Media Spain, revenue from the television business of Media Italy and Media Spain, revenue from disposal of royalties to other companies, revenue from events and shows in Italy and Spain, revenue from e-commerce business, as well as revenue from the sale of customer lists and children's book sets of the Sfera group companies, under the Corporate Functions and Other activities.
(3) Considered as the operating income before depreciation, amortisation and write-downs of assets.
(4) On 11 December 2013 the Edition d’Art Albert Skirà was sold and on 1 March 2014 the Casa Editrice La Tribuna business unit and brand was sold. These changes resulted in lower consolidated revenue for EUR 1.1 million and an improvement of EBITDA totalling EUR 1 million for the fourth quarter of 2014 compared to the fourth quarter of 2013.
(5) The figures for the fourth quarter 2013 were revised to reflect the retroactive adoption of the accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective on 1 January 2014, as commented in note no. 8. They were also changed to reflect the application of IFRS 5 to the values of the holdings IGP and Gruppo Finelco, which are most likely to be sold. The reclassified values are reported in note no.28.

RCS MediaGroup S.p.A.
Reclassified income statement
Figures not subject to audit

(Values in EUR million)	**Financial Year 2014**	**%**	**Financial Year 2013**	**%**	**Difference**
	A		**A**		**A-B**
Net revenue	**630,7**	**100,0**	**629,7**	**100,0**	**1,0**
Circulation revenue	*289,8*	*45,9*	*301,3*	*47,8*	*(11,5)*
Advertising revenue	*305,5*	*48,4*	*292,5*	*46,5*	*13,0*
Other publishing revenue	*35,4*	*5,6*	*35,9*	*5,7*	*(0,5)*
Operating costs	(432,6)	(68,6)	(424,0)	(67,3)	(8,6)
Cost of labour	(166,3)	(26,4)	(258,1)	(41,0)	91,8
Provisions for risks	(9,2)	(1,5)	(6,4)	(1,0)	(2,8)
Receivable impairment	(5,6)	(0,9)	(5,1)	(0,8)	(0,5)
EBITDA (1)	**17,0**	**2,7**	**(63,9)**	**(10,1)**	**80,9**
Intangible asset amortisation	(18,3)	(2,9)	(16,3)	(2,6)	(2,0)
Real estate investment depreciation	(0,3)	(0,0)	(0,3)	(0,0)	-
Property, plant and equipment depreciation	(13,9)	(2,2)	(19,5)	(3,1)	5,6
Non-current asset impairment	(17,0)	(2,7)	(37,7)	(6,0)	20,7
EBIT	**(32,5)**	**(5,2)**	**(137,7)**	**(21,9)**	**105,2**
Net financial income (expense)	(48,6)	(7,7)	(25,9)	(4,1)	(22,7)
Income (expense) from financial assets/liabilities (*)	(24,5)	(3,9)	8,9	1,4	(33,4)
EBT	**(105,6)**	**(16,7)**	**(154,7)**	**(24,6)**	**49,1**
Income taxes	10,7	1,7	34,4	5,5	(23,7)
Profit (loss) from continuing operations	**(94,9)**	**(15,0)**	**(120,3)**	**(19,1)**	**25,4**
Profit (loss) from discontinued operations (*)	(22,7)	(3,6)	(28,1)	(4,5)	5,4
Profit (loss) for year	**(117,6)**	**(18,6)**	**(148,4)**	**(23,6)**	**30,8**

(1) Considered as the operating income before depreciation, amortisation and write-downs.

(*) The profit (loss) from discontinued operations for 2013 includes reclassification of the impairment of Gruppo Finelco S.p.A. for EUR 18.2 million.

RCS MediaGroup S.p.A.
Reclassified balance sheet
Figures not subject to audit

(Values in EUR million)	**31.12.14**	**%**	**31.12.13**	**%**
Property, plant and equipment	69,2	5,0	117,0	8,1
Intangible assets	58,0	4,2	63,6	4,4
Real estate investments	3,5	0,3	4,5	0,3
Financial assets	1.319,9	95,9	1.374,6	95,2
Net non-current assets	**1.450,6**	**105,4**	**1.559,7**	**108,0**
Inventories	12,7	0,9	18,4	1,3
Trade receivables	230,4	16,7	221,7	15,4
Trade payables	(207,5)	(15,1)	(186,5)	(12,9)
Other assets/liabilities	(44,8)	(3,3)	(48,8)	(3,4)
Net Working Capital	**(9,2)**	**(0,7)**	**4,8**	**0,3**
Employee benefits	(41,9)	(3,0)	(44,6)	(3,1)
Provisions for risks and charges	(59,3)	(4,3)	(96,6)	(6,7)
Deferred tax liabilities	(0,9)	(0,1)	(3,8)	(0,3)
Net Invested Capital	**1.339,3**	**97,3**	**1.419,5**	**98,3**
Net invested capital from discontinued operations	36,8	2,7	24,7	1,7
Net Invested Capital	**1.376,1**	**100,0**	**1.444,2**	**100,0**
Shareholders' equity	405,3	29,5	477,5	33,1
Net financial debt (cash and cash equivalents) (3)	970,8	70,5	966,7	66,9
Total sources of financing	**1.376,1**	**100,0**	**1.444,2**	**100,0**

(3) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication no. DEM/6064293 of 28 July 2006 excludes non-current financial assets. There were none at 31 December 2014, therefore the value totals EUR 970.8 million (EUR 966.7 million at 31 December 2013).

RCS MediaGroup S.p.A.
Statement of cash flows
Figures for which auditing activity has not been completed

	(Values in EUR million)	Financial Year 2014	Financial Year 2013
A)	**Cash flow from operations**		
	Profit (loss) from continuing operations before taxes	(105,6)	(154,6)
	Profit (loss) from discontinued operations	(21,5)	(28,6)
	Amortisation, depreciation and write-downs	49,5	74,4
	(Capital gains) capital losses and other non-cash items	(2,5)	9,1
	Equity investment write-downs/revaluations	48,6	19,5
	Result of net financing activities (including dividends received)	48,6	15,7
	Increase (decrease) of provisions	(37,4)	40,6
	Changes in working capital	3,7	(33,3)
	Income taxes (paid) collected	(1,0)	3,0
	Total	**(17,6)**	**(54,2)**
B)	**Cash flow from investing activities**		
	Investments in equity investments (net of dividends received)	(25,1)	(258,8)
	Investments in non-current assets	(26,9)	(27,9)
	Consideration from sale of investments	1,5	52,2
	Consideration from sale of non-current assets	30,0	90,1
	Other changes	6,9	0,4
	Total	**(13,6)**	**(144,0)**
	Free cash flow (A+B)	*(31,2)*	*(198,2)*
C)	**Cash flow from financing activities**		
	Net change in financial debts and other financial assets	1,0	(178,5)
	Financial interest collected/paid	(27,8)	(31,4)
	Conversion of preferred shares/Capital increase	45,3	396,7
	Total	**18,5**	**186,8**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	**(12,7)**	**(11,4)**
	Cash and cash equivalents at the beginning of the period	(23,4)	(12,0)
	Cash and cash equivalents at the end of the period	(36,1)	(23,4)
	Increase (decrease) for the period	**(12,7)**	**(11,4)**

	ADDITIONAL DISCLOSURES FOR THE STATEMENT OF CASH FLOWS		
	(Values in EUR million)		
	Cash and cash equivalents at the beginning of the period, breakdown	**(23,4)**	**(12,0)**
	Cash and cash equivalents	0,9	1,7
	Current payables due to banks	(24,3)	(13,7)
	Cash and cash equivalents at the end of the period	**(36,1)**	**(23,4)**
	Cash and cash equivalents	0,7	0,9
	Current payables due to banks	(36,8)	(24,3)
	Increase (decrease) for the period	**(12,7)**	**(11,4)**

INTEGRATIONS REQUIRED BY CONSOB ON 27 MAY 2013, IN ACCORDANCE WITH ART. 114, PARAGRAPH 5 OF LEGISLATIVE DECREE 58/1998

a) The net financial position of the RCS Group and its subsidiaries with highlighting short-term elements separately from medium—and long-term components

(EUR million)	Carrying amount		Change
	31/12/2014	**31/12/2013 (2)**	
Non-current financial assets for derivatives	-	-	-
TOTAL NON-CURRENT FINANCIAL ASSETS	-	-	-
Securities	-	0,2	0,2
Financial receivables	11,8	15,6	(3,8)
Current financial assets for derivatives	-	-	
Current financial receivables and assets	**11,8**	**15,8**	**(4,0)**
Cash and cash equivalents	13,7	10,7	3,0
TOTAL CURRENT FINANCIAL ASSETS	**25,5**	**26,5**	**(1,0)**
Non-current financial payables and liabilities	(393,8)	(430,6)	36,8
Non-current financial liabilities for derivatives	(16,5)	(15,6)	(0,9)
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**(410,3)**	**(446,2)**	**35,9**
Current financial payables and liabilities	(97,7)	(53,1)	(44,6)
Current financial liabilities for derivatives	-	(1,5)	1,5
TOTAL CURRENT FINANCIAL LIABILITIES	**(97,7)**	**(54,6)**	**(43,1)**
Total Net Financial Debt (1)	**(482,5)**	**(474,3)**	**(8,2)**

(1) The financial ratio determined as the result of current and non-current financial payables net of cash and cash equivalents as well as current and non-current financial assets related to derivatives. The net financial position defined by CONSOB communication DEM/6064293 of 28 July 2006 excludes non-current financial assets.

(2) The figures at 31 December 2013 were revised to reflect the retroactive adoption of the accounting standards IFRS 10 and IFRS 11 related to the consolidation area which became effective as of 1 January 2014.

The net financial position as of 31 December 2014 was negative for EUR 482.5 million and recorded an increase over 31 December 2013 of EUR 8.2 million.

The negative change reported in 2014 compared to 31 December 2013, was mainly due to expenditures for the current restructuring process (EUR 44.3 million) and for new technical investments. On the contrary, a positive financial effect, totalling EUR 47 million was reported for the transaction to convert category A and B preferred shares into common shares, the payment from the sale of the Historic Building of the San Marco/Via Solferino real estate complex for EUR 30 million and cash flow from operations.

Below is the net financial position of RCS MediaGroup S.p.A., highlighting short-term elements separately from medium-and long-term components.

(EUR million)	31.12.14	31.12.13	Change
Current financial receivables			
Cash and cash equivalents	0,7	0,9	(0,2)
Current financial receivables	47,9	42,4	5,5
Held for Trading Securities	-	0,2	(0,2)
A) Total current financial receivables	**48,6**	**43,5**	**5,1**
Current financial payables			
Payables due to c/a banks	(36,8)	(24,3)	(12,5)
Current financial payables	(585,2)	(201,5)	(383,7)
Financial liabilities for derivatives	-	(1,5)	1,5
B) Total current financial payables	**(622,0)**	**(227,3)**	**(394,7)**
(A+B) Total net current financial (debt)	**(573,4)**	**(183,8)**	**(389,6)**
Non-current financial receivables			
Financial assets for derivatives	-	-	-
C) Total non-current financial receivables	**-**	**-**	**-**
Non-current financial payables			
Non-current financial payables	(380,8)	(767,3)	386,5
Non-current financial liabilities for derivatives	(16,6)	(15,6)	(1,0)
D) Total non-current financial payables	**(397,4)**	**(782,9)**	**385,5**
(C+D) Total net non-current financial (debt)	**(397,4)**	**(782,9)**	**385,5**
TOTAL Net Financial (Debt)	**(970,8)**	**(966,7)**	**(4,1)**

The net financial debt of the Parent Company increased by EUR 4.1 million, rising from EUR 966.7 million at 31 December 2013 to EUR 970.8 million at 31 December 2014.
Payments to cover losses for the subsidiaries contributed negatively. These include RCS Sport S.p.A: for EUR 7 million, Digicast S.p.A. for EUR 6 million and RCD S.r.l. for EUR 2.4 million.
Expenditures of technical investments, payments related to continuation of the current reorganisation plans and use of cash flow from operations in part for financing activities also contributed.
These were countered by the positive net financial effect, totalling EUR 47 million for the transaction to convert the Company's preferred shares into common shares and payment of the sale of the Historical Building of the San Marco real estate complex for EUR 30 million.
Along with these is the positive effect of EUR 22 million for assignment of the payable from the lease for the Pessano centre held by RCS Produzioni Milano.

b) Mature debt positions distributed by category (financial, commercial, tax and social security) and connected to potential reactions from Group creditors (reminders, injunctions, suspensions of supplies)

(EUR million)

Analysis overdue debt positions								
31/12/2014	30 days	31 - 90 days	91 - 180 days	181-360 days	> 360 days	Total Due	Total maturing	Total
Trade Debt Positions	12,7	25,2	6,0	5,7	25,5	75,1	320,1	395,2
Financial Debt Positions							97,7	97,7
Tax debt positions							15,3	15,3
Social security debt positions							17,0	17,0
Other debt positions	0,1	0,1			0,4	0,6	93,4	94,0
Total debt position	**12,8**	**25,3**	**6,0**	**5,7**	**25,9**	**75,7**	**543,5**	**619,2**

The total current liabilities of the RCS Group on 31 December 2014 totalled EUR 675.4 million (EUR 648.6 million at 30 September 2014) and increased by EUR 26.8 million compared to 30 September 2014. Not including items with no contractual expiry dates such as the short-term creditors of the provisions for risks and charges, and the liabilities deriving from the shareholders' equity valuation of Group subsidiaries, they amount to EUR 619.2 million. The non-overdue positions, of EUR 543.5 million, represent approximately 88% of the total. At 31 December 2014 there were no overdue accounts on financial or social security debt positions. The overdue debt positions amounted to EUR 75.7 million (EUR 77.7 million at 30 September 2014), and are mainly commercial. They include EUR 12.8 million in accounts less than 30 days overdue (EUR 26 million at 30.09.14), which essentially relate to the company's operations (operating payables). The positions expiring on 31 December were conventionally classified among the debts due for payment, and amounted to approximately EUR 34.8 million.
The remainder, of EUR 62.9 million, includes accounts payable to agents, totalling EUR 23.4 million (37.3% of the total residual overdue amount). In relations with agents, industry practice requires the payment of a monthly advance on their activities, to be entered under trade receivables on the balance sheet. Advances to agents, which refer to overdue debts, totalled EUR 28.1 million, an amount that is greater than the specific overdue amount. It should be noted that payables due to agents overdue more than 360 days represent approximately 70.2% of this category of overdue accounts.
Overdue trade accounts of EUR 75.1 million (EUR 77.1 million at 30 September 2014) mainly refer to the Parent Company for EUR 50 million.

Compared to September 2014 overdue accounts decreased by EUR 2 million. This value is the result of a decrease mainly in the less than 30 days category (EUR -13.2 million) and 91-180 days category (EUR -3.4 million), offset by an increase in the 31-90 days category (EUR +15 million).

c) Transactions with the Company and RCS Group related parties

Details of the transactions with related parties of the Group and RCS MediaGroup S.p.A. are provided in the Annual Management Statements and Financial Statements of RCS MediaGroup S.p.A.

d) Potential non-compliance with covenants, negative pledges and other clauses in the Group's borrowing commitments which could limit the use of financial resources, together with up-to-date details of the level of compliance

The Loan Agreement signed on 14 June 2013 for a total maximum amount of EUR 600 million decrease to EUR 465.6 million as of 31 December 2014.

The Loan is composed of three separate credit facilities:

- Line of Credit a (*bullet*), *term* line of EUR 225,000,000.00 to repay in a lump sum at the earlier date between (i) the third anniversary of the relative date of use and (ii) 31 July 2016 and reduced at 31 December 2014 to EUR 113.6 million through the use of net income from the sale of certain Non Core Assets for a total of EUR 111.4 million (compared to total proceeds of EUR 149 million);

- Line of Credit B (*amortizing*), term line of EUR 275,000,000 to repay at the earlier date between (i) the fifth anniversary of the relative date of use and (ii) 31 July 2018, based on an amortisation plan attached to the Loan Agreement (with the first instalment due 30 June 2016) and reduced at 31 December to EUR 252 million thanks to 50% of net income from the voluntary conversion of A and B preferred shares into common shares for EUR 23 million (compared to total net proceeds of EUR 46 million); and

- Revolving Line of Credit, revolving line of EUR 100,000,000 to repay at the earlier date between (i) the fifth anniversary of the relative first date of use and (ii) 31 July 2018.

The Loan Agreement includes a default covenant of NFP not greater than EUR 470 million at the end of 2014. The covenant was determined based on the forecast sale of non core assets for an amount not less than EUR 250 million by the end of the year. The Company signed an agreement amending some of the terms of the same Loan Agreement with the lending banks on 11 August 2014.

Specifically, in order to obtain greater flexibility for the deadline for the sale of non core assets, an increase in the level of the Company's Net Financial Position was added, to report on 31 December 2014, up to EUR 530 million (instead of EUR 470 million).

Specifically, the Loan agreement requires compliance with the following financial covenants, which the Company considers in line with the economic and financial forecasts of the Development Plan:

Reference Date	**Financial Covenants**
31 December 2014	Net Financial Position < EUR 530 million (compared to the previous EUR 470 million);
31 December 2015	(i) Net Financial Position < or equal to EUR 440 million; (ii)Net Financial Position / EBITDA ratio (*Leverage Ratio*), calculated at consolidated financial statement level, less than 3.50x.
31 December 2016	(i) Net Financial Position < or equal to EUR 410 million; (ii)Net Financial Position / EBITDA ratio (*Leverage Ratio*), calculated at consolidated financial statement level, less than 3.25x.
31 December 2017	(i) Net Financial Position < or equal to EUR 380 million; (ii)Net Financial Position / EBITDA ratio (*Leverage Ratio*), calculated at consolidated financial statement level, less than 3.00x.

In the event of violation of the applicable financial covenants, if other qualifying events occur such as, among others, failure to pay the amounts due under the Loan Agreement, cross default in relation to the Group's financial debt or starting of proceedings by creditors, for amounts over certain thresholds, violations of obligations undertaken pursuant to the Loan Agreement, change of control or the occurrence of events which have a significant negative effect as defined herein, the banks have the right to ask for repayment of lines of credit as per the Loan Agreement. In terms of Change of Control, the cancelation of the Shareholders' Agreement which occurred last October is not considered change of control as governed by the loan agreement.

The amended agreement signed on 11 August 2014, changed some of the terms and conditions of the loan agreement. In order to obtain greater flexibility for the deadline for the sale of non core assets, the deadlines for the following obligations have been changed from the end of 2014 to the end of September 2015:

(i) obligation to exercise – by 31 December 2015 and within time for permitting the subscription and actual payment of the capital injection subject of the Mandate by 31 March 2016 - the mandate granted on 30 May 2013 to the Company's Board of Directors for a rights issue, which may be performed separately, and up to the maximum amount of EUR 190,000,000.00 (the “Mandate”), an amount equal to the difference between EUR 600,000,000.00 and the amount of the capital injection of the Company subscribed and actually paid before the first disbursement as per the Loan Agreement, if one of the following events occurs (known as Triggering Events):

   (a) on the date of approval for the quarterly consolidated statements related to the quarter closing 30 September 2015 and based on such figures (and, in terms of EBITDA calculation, also based on the consolidated financial statements of the Company at 31 December 2014 and the consolidated quarterly financial statements of the same at 30 June 2015), the Net Financial Positions / EBITDA ratio (to be calculated before non-recurring expense up to an amount equal to EUR 40 million) and on a rolling last twelve months basis based on the above quarterly financial statements at 30 September 2015 (as well as in relation to EBITDA, of the consolidated financial statements at 31 December 2014 and half-year at 30 June 2015) is greater than 4.5x and/or

   (b) the income actually collected by the company from the date of signing the Loan Agreement and by 30 September 2015 from documents to dispose of the Non Core Assets is less than EUR 250,000,000.00 (net of any amounts already paid for voluntary early repayment of Line of Credit A); and/or

   with the understanding that, if by 31 March 2016 the capital injection which is the subject of the Mandate has been paid for an amount less than EUR 200,000,000.00 the Company will have the obligation to sell assets other than Non Core Assets (x) for cash (without extension of payment and earn out and the sales contracts for the above must be finalised by 31 March 2016; (y) the collection of the relative income must actually occur by 31 March 2016 for a total amount equal to the difference between (a) EUR 200,000,000.00 and (b) the amount actually paid as well as earmarked for early repayment of the Loan in compliance with the Loan Agreement following performance of the rights issue subject of the Mandate actually subscribed; (z) the income from the sale must be used for obligatory early repayment of Line of Credit “A”, until it is fully repaid and Line of Credit “B”, to perform by reducing the amount of the instalments starting from the next instalment.

e) Progress of the industrial plan, showing any discrepancies between the forecast and actual data

The year 2014 continued to be negative for the Italian economy which is experiencing its third year of recession in a row, with GDP falling 0.4% on an annual basis (-1.8% drop reported in 2013).
Domestic demand remains weak; the prolonged decrease in disposable income, difficulties in obtaining credit and the uncertainties regarding the future continue to hinder consumer spending.
Vice versa, the Spanish economy, which began to recover from a long recession in mid-2013, has continued on the same path, with a fourth quarter GDP up 0.7% compared to the previous quarter and 1.4% for the year 2014.

The advertising market in Italy reported an overall drop of 2.5% in 2014 compared to the previous year. However, the most significant decrease was for printed media, which declined 8.5%, with newspapers decreasing 9.7% and magazines 6.5% (Source Nielsen). Online media was the only one which closed 2014 with an increase, even if limited to 2.1%, while generic television was basically stable at 2013 levels (-0.5%)

(Source Nielsen).

In terms of the circulation market, the decline in printed copies sold at newsstands continues in Italy; this is somewhat offset with the development of digital subscriptions, but the revenue is nevertheless insufficient to contrast the drop in printed copies.
The book market in Italy also reported a decrease in 2014 compared to 2013, overall of 2.7%, with the major retailers channel losing 13.4% and bookshops 1.5% (Source GFK).

In line with the general recovery, in Spain the advertising investment market closed 2014 with an increase of 5% over 2013 (Source i2p, Arce Media), even if newspapers and magazines continued to record a negative trend, equal to -1.1% and -1.9%, respectively. The strong recovery seems to be concentrated on television (+9.1%) and to a lesser extent on on-line media (+5.0%).
On the contrary the negative trend in circulation also continued in Spain for newspaper sales (Source OJD).

In this context, the RCS Group confirmed achievement of the 2014 targets for Revenue, Efficiency, Net Financial Debt and Non-Recurring Expense at 31 December 2014, with the Business Units reporting year-on-year improvement.

EBITDA before non-recurring expense totals EUR 70.1 million, with a growth of 2.6x compared to 2013 against the announced goal to reach approximately 3x. This result is linked to poorer performance reported for the Books and Media Italy business unit, especially towards the end of the year, while the other Business Units reported improvements better than expected.

The Books business unit suffered a downturn in sales in the Trade area, particularly in December, following a sharper-than-expected drop in the market, as well as a greater impairment of Education stock due to adjustments to sales forecasts of some titles following the recent deregulation of the school text books market (the so-called blocco adozionale), and an increase in returns from the Mass Merchant channel. The Media Italy business unit was affected by the year end market performance, with lower advertising sales in particular for online media. The other business units improved their results with the exception of publishing and sales in the Early Childhood area (included in the Other Businesses sector), also affected by its advertising market, in particular due to decreased spending and a lower birth rate.

Consolidated net financial debt compared to 31 December 2013 reported a slight growth. The forecasted reduction times as progress is made in obtaining value from the Non Core Assets have been modified, already reflected in the recent announcements to the market. Moreover, normal cash flow from operations is positive, as forecasted, with an increase of EUR 87 million versus 2013. Negotiations continue aimed at obtaining value from non core assets, their positive effects on NFP (consolidated net debt) will also occur during 2015.

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