

RCS MediaGroup

Q1 2015 Results

Mediobanca Italian CEO Conference
Milan, June 25, 2015



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Agenda

Highlights

Market & Business Trends

Q1 2015 Results

Business Units Back up

Q1 2015 Delivery Report

Profitability

Continued improvement
EBITDA affected by cyclical seasonality in Q1

Efficiencies

In line with FY15 target of € 56M

Cash Flow

Continued positive trend with
improvement of € 25M vs Q1 2014

Advertising

Different pace across media & countries
Market volatility continues

Books

Market share gains, revenue growth +10%, EBITDA improving
Due diligence ongoing

Q1 2015 Results on track to reach FY targets

EUR million

Q1 2015

vs. Targets

REVENUE

256.5

Broadly in line

EFFICIENCIES

13.0

In line

EBITDA ex non recurring items

(22.3)

In line

Non recurring items

(1.1)

In line

NFD

507.5

In line

Focus on Q1 & Q2 2015 initiatives

MEDIA ITALY

NEWS

- New Corriere della Sera Editor in Chief
- Special initiatives for Expo
- Relaunch of *Style* Magazine
- Successful 2nd *The Art of Living* exhibition

SPORT

- Encouraging launch of Gazzetta TV channel 59 on DTT
- Launch of HeyGoal App
- 7th edition of Gazzetta Cup tournament

MEDIA SPAIN

NEWS

- New El Mundo Editor in Chief
- Expansión.com new web-site launch
- Branded content web series successfully launched

SPORT

- Launch of Marca Buzz
- Marca.com new video platform with improved “In app” video

ADV & SPORT EVENTS

ADVERTISING

- New adv organization: RCS Communication Solutions
- New BTL agency NuMix
- Partnerships on profiling & data monetization (Madai, Blurum)
- Mosaicoon)

SPORT EVENTS

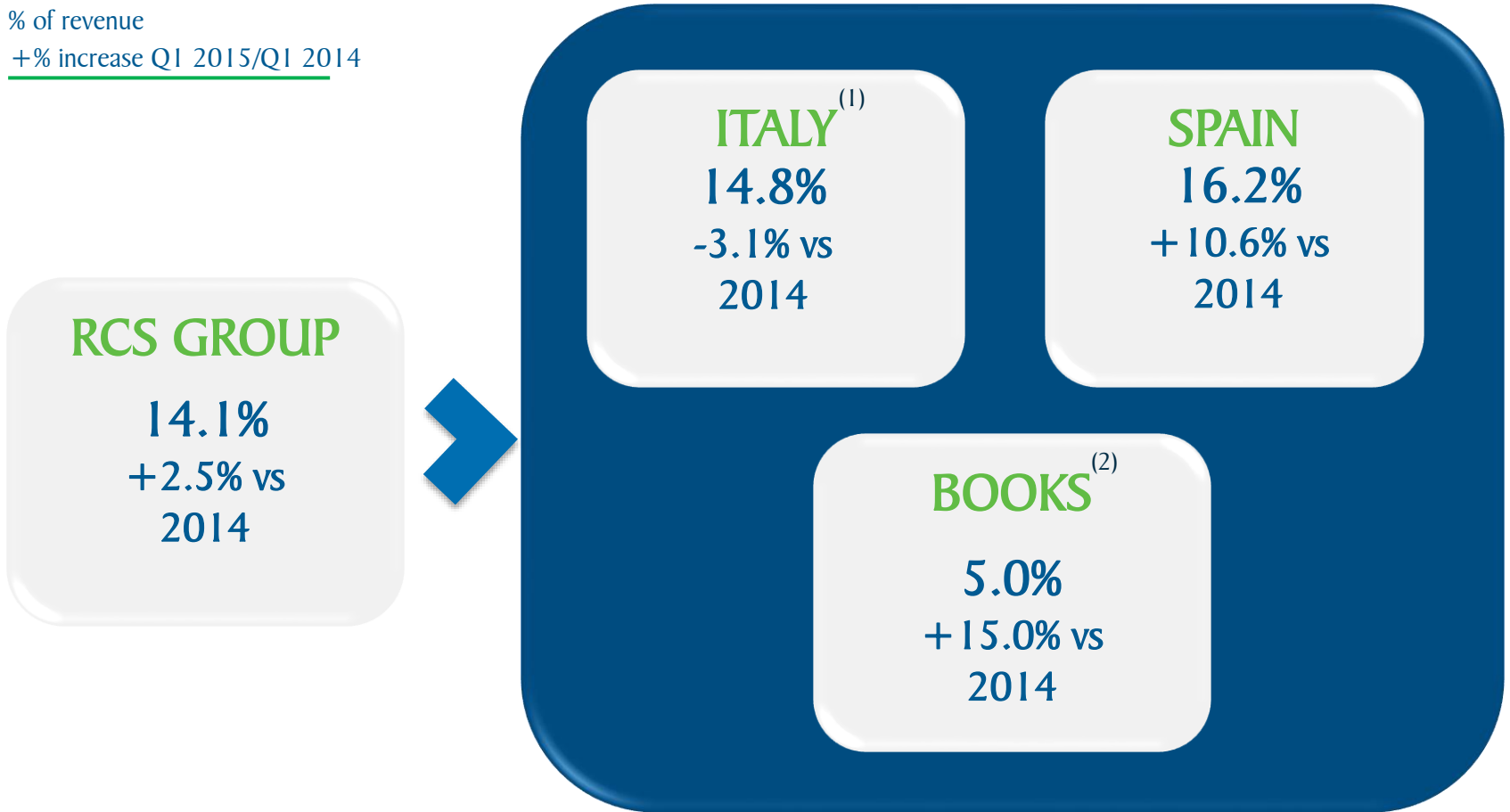
- 98th *Giro d'Italia* and Spring Classic Cycling Races
- Great results for the 2nd edition of *Dubai Tour*
- Participants increase for Color Runs and Milano Marathon and extending new mass events formats

BOOKS

- 2 Pulitzer Prizes published by Rizzoli
- Strong Q1 titles (Eco, Houellebecq) and successful Q2 launches (Cazzullo, Vespa)
- Rizzoli Galleria bookstore in Milan successful results and upcoming reopening of New York Rizzoli bookstore

Q1 2015 - Digital revenue

% of revenue
+% increase Q1 2015/Q1 2014



(1) Italy excluding books

(2) % on trade books

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Advertising Trends: Italy vs Spain

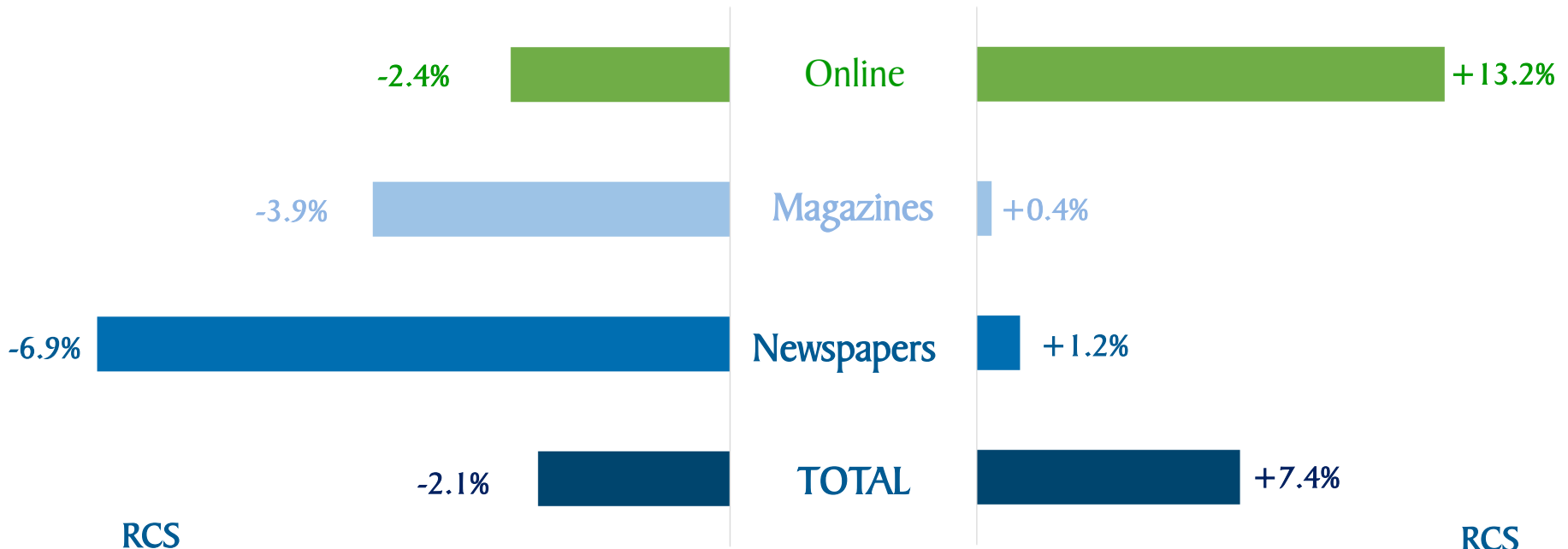
Advertising Gross Revenue, Q1 2015/Q1 2014 %



ITALIAN MARKET



SPANISH MARKET



RCS

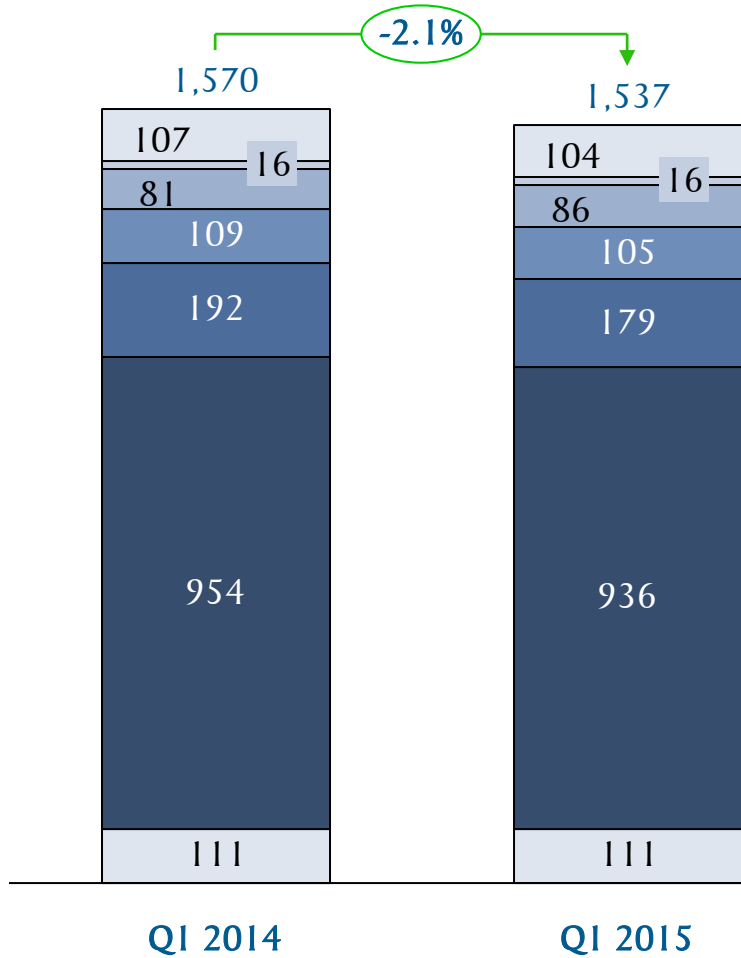
- ✓ Market share gain in national newspapers and magazines, outperforming reference market
- ✓ Improving trend in online between April and May despite weak Q1 performance

RCS

- ✓ Continued double-digit growth in online
- ✓ National newspapers aligned with market trend

Italy: Advertising Trends

Advertising Gross Revenue, EUR million



TOTAL MARKET

Market	Δ (%)	Δ (%) Q1 15/Q1 14
Market	-2.1%	
Online (1)	-2.4%	-16.5%
Outdoor	+4.4%	
Radio	+6.2%	
Magazines	-3.9%	-1.8%
Newspapers	-6.9%	-4.0%
of which National	-9.0%	-5.4%
TV	-2.0%	
Other (2)	-0.1%	

- ✓ Websites launches in Q1 14 (LFL -10.5%)
- ✓ Gradual Corriere.it recovery with positive audience trend
- ✓ Improving trend in April and May
- ✓ Shift to RTB and performance platform

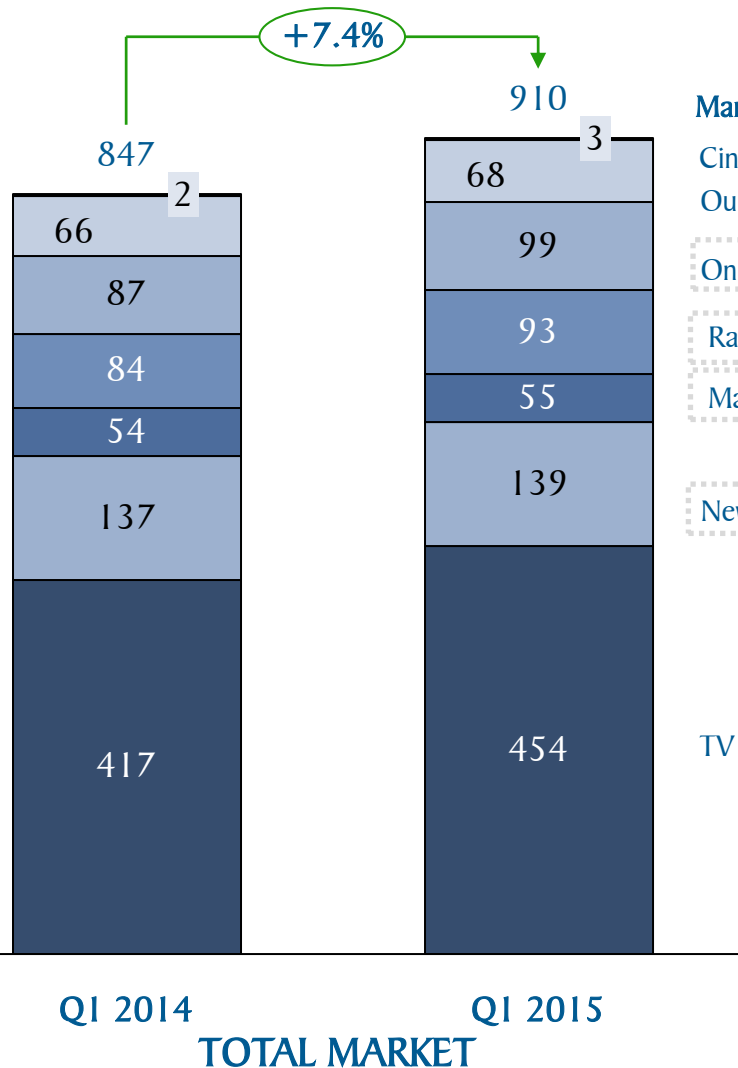
Continuing outperformance vs reference market

RCS⁽³⁾

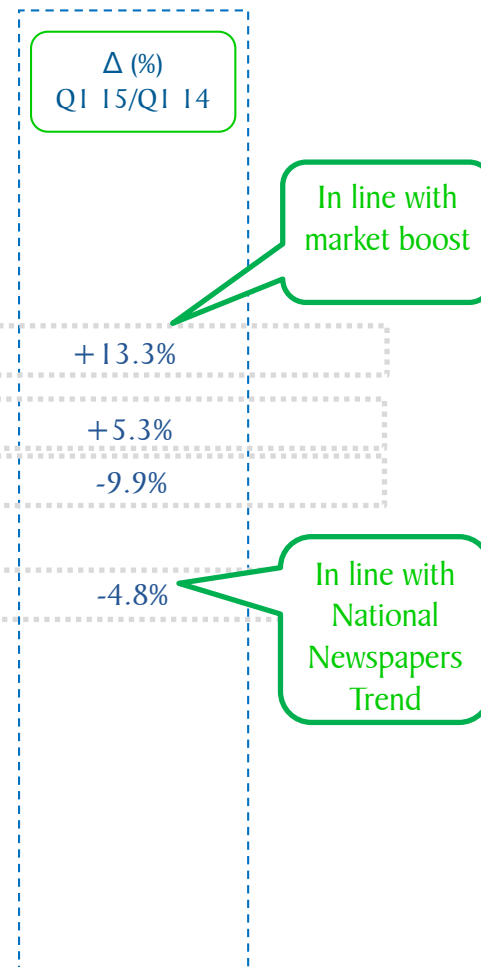
(1) Excluding Search Adv
 (2) Including: Cinema, Direct Mail, Transit, Out of home TV
 (3) RCS including third party
 Source: Nielsen Media Research

Spain: Advertising Trends

Advertising Gross Revenue, EUR million



Market	Δ (%)
Market	+7.4%
Cinema	+27.3%
Outdoor	+4.3%
Online	+13.2%
Radio	+10.8%
Magazines	+0.4%
Newspapers	+1.2%
TV	+8.9%



RCS

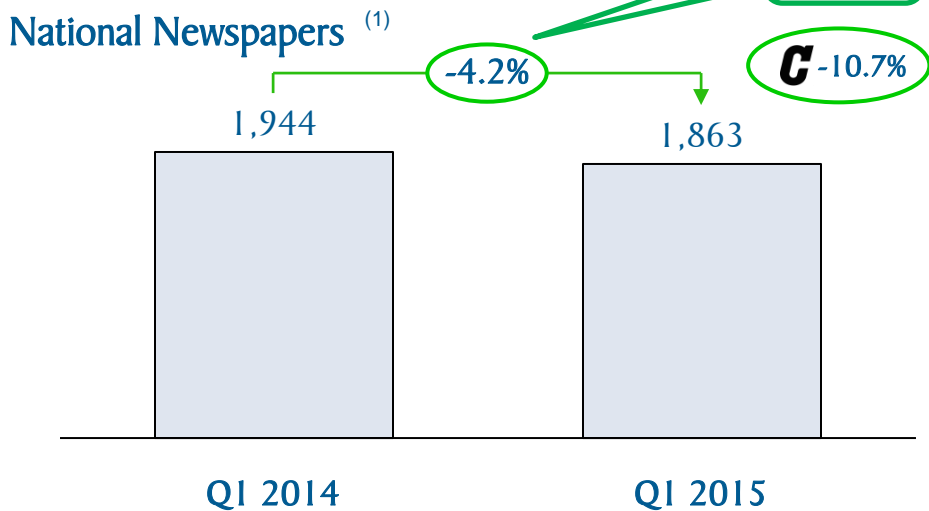


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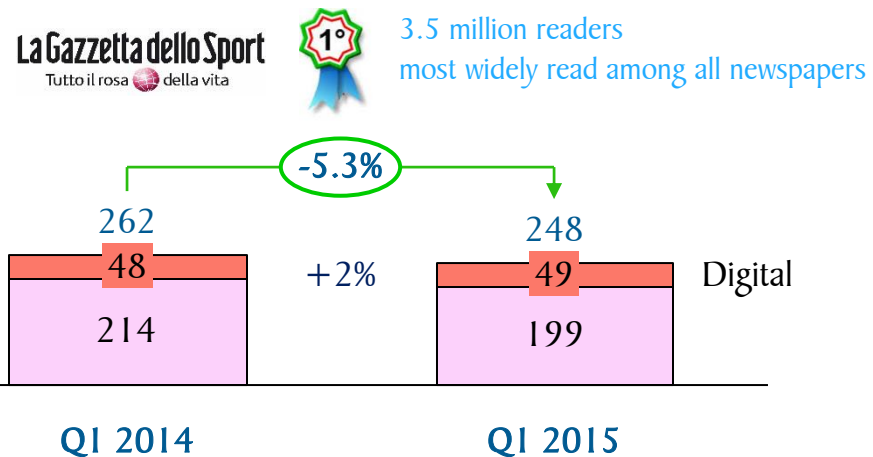
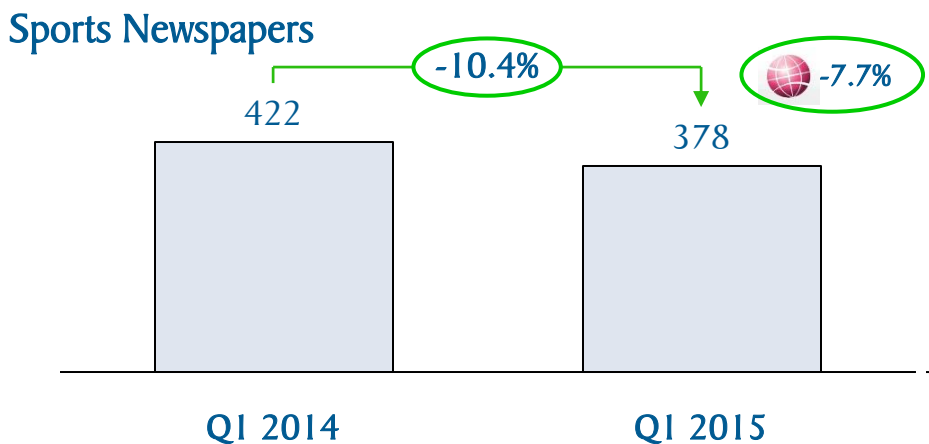
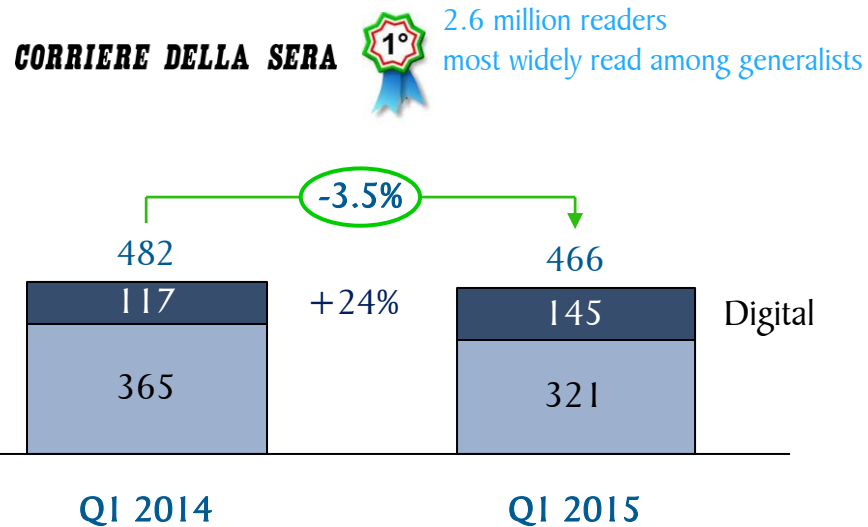
Italy: Newspaper Circulation Trends

Circulation, copies/000 per day

MARKET
 -7.1% ex. Financial Daily



RCS

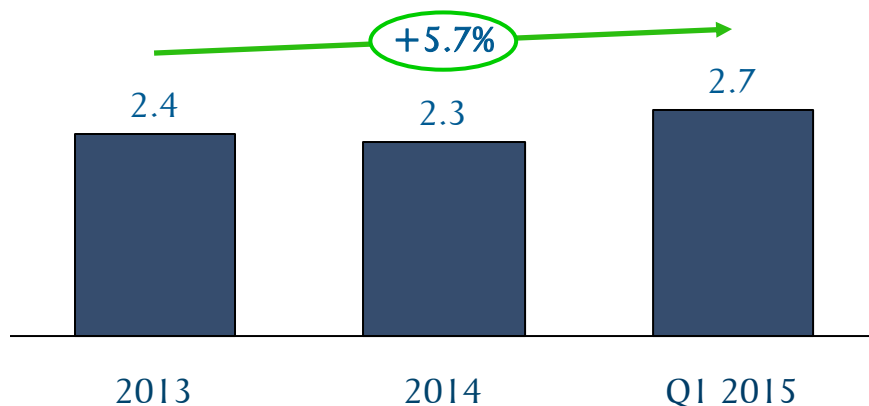


Italy: Online Readership

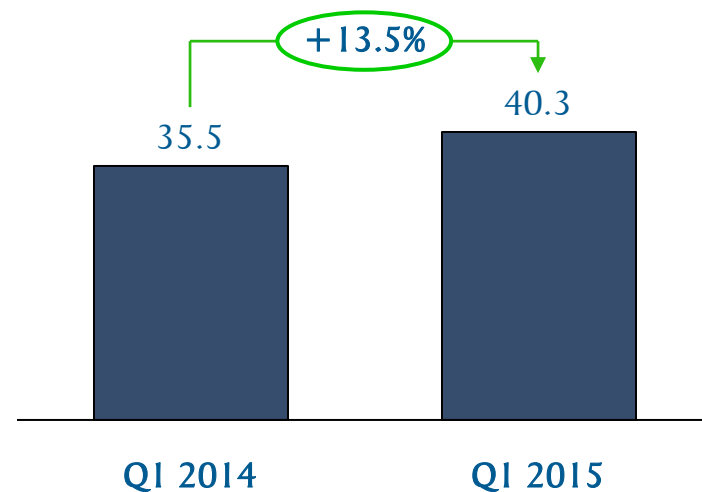
Million Users

Workday Unique Browsers

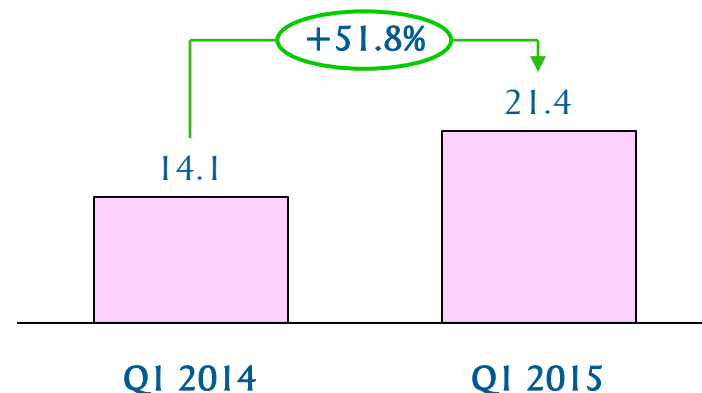
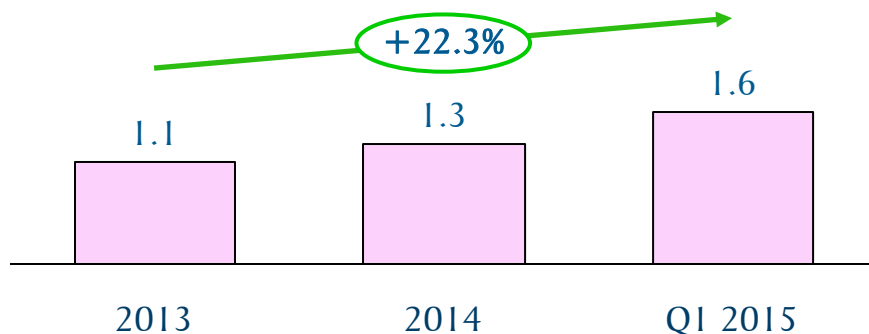
CORRIERE DELLA SERA.it



Monthly Unique Browsers



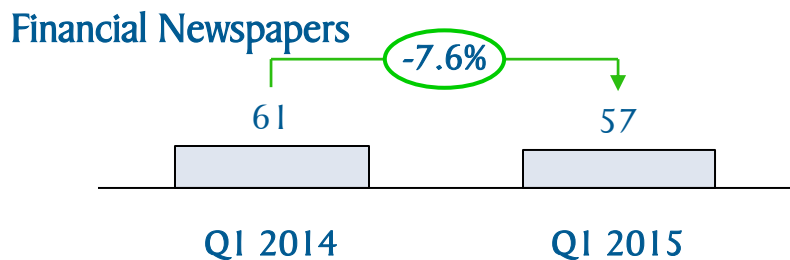
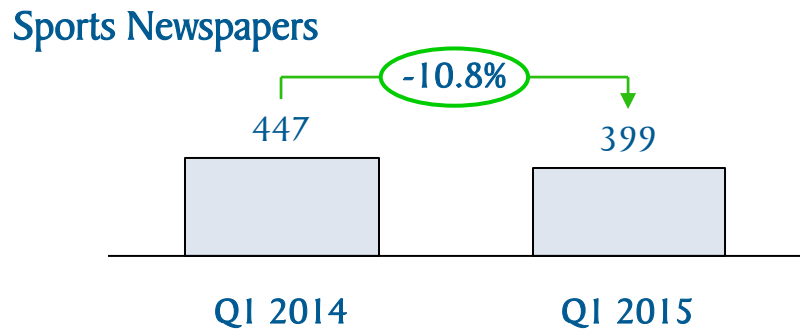
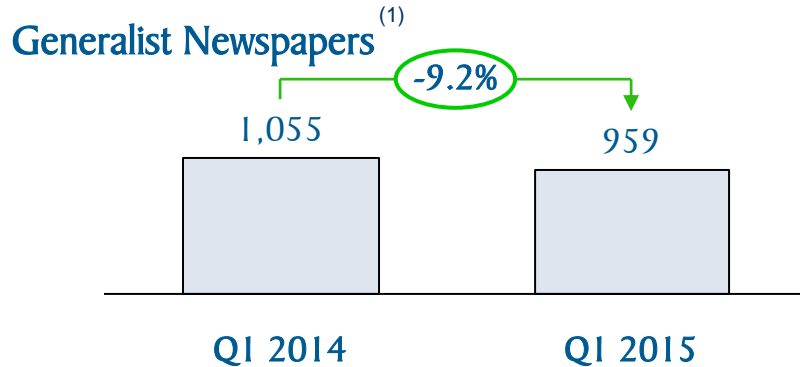
La Gazzetta dello Sport.it
Tutto il rosa della vita



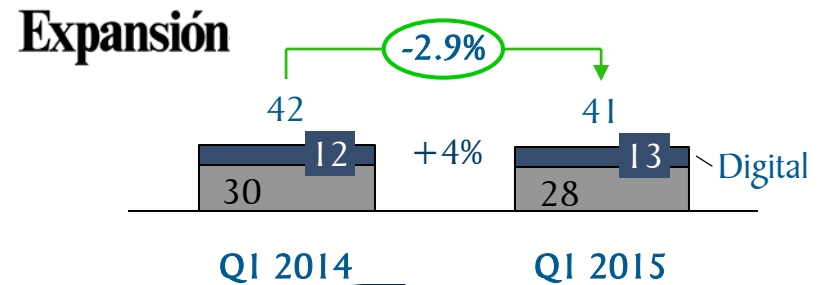
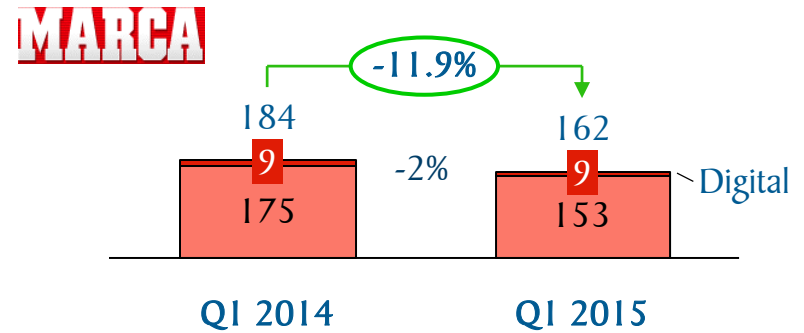
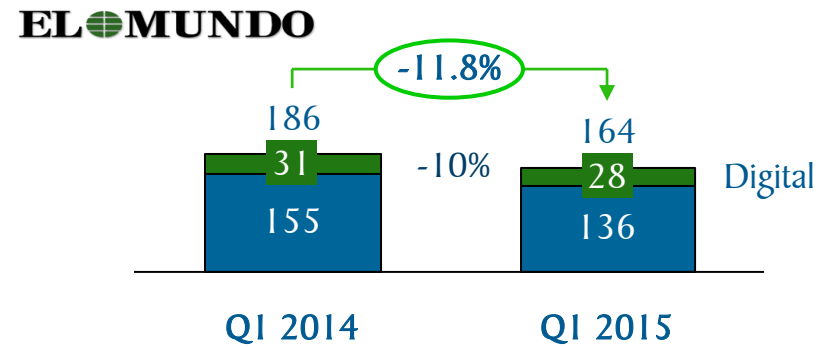
Spain: Newspapers Circulation Trends

Circulation, copies/000 per day

MARKET



RCS (2)

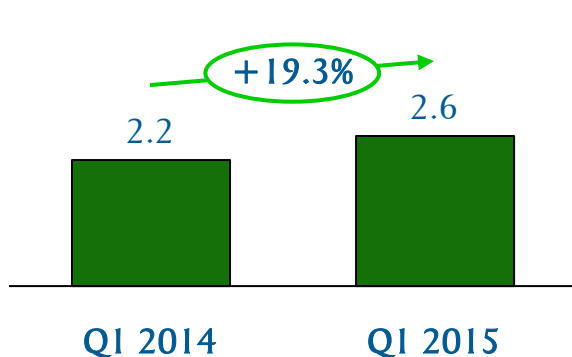


Spain: Online Readership

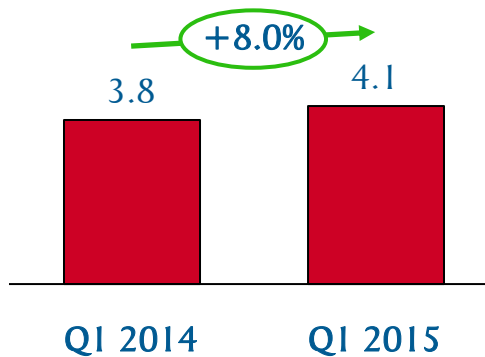
Million Users

Weekly Unique Browsers

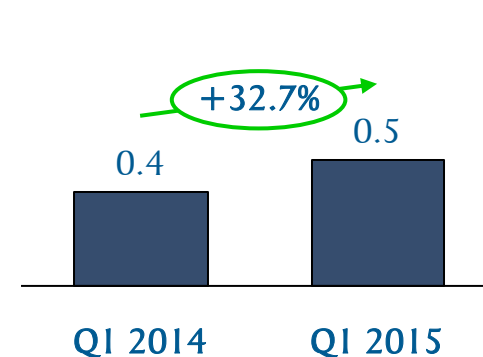
ELMUNDO.es



MARCA.COM

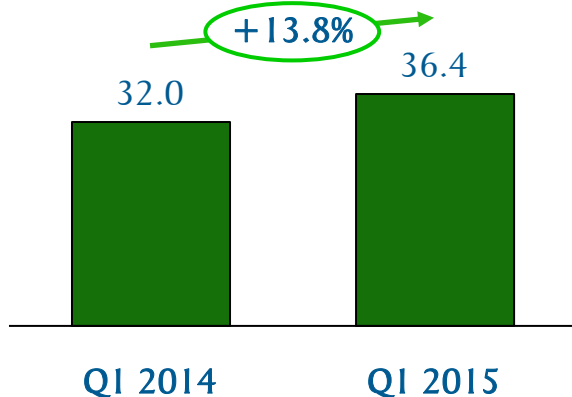


Expansión.com

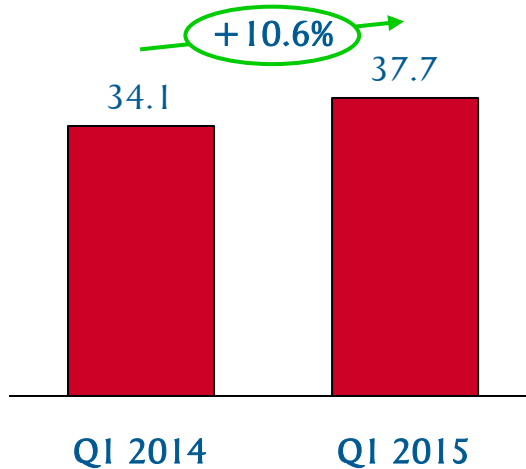


Monthly Unique Browsers

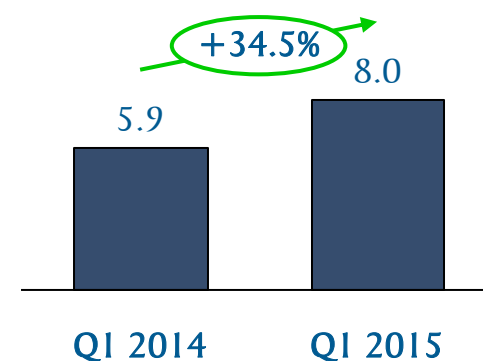
ELMUNDO.es



MARCA.COM

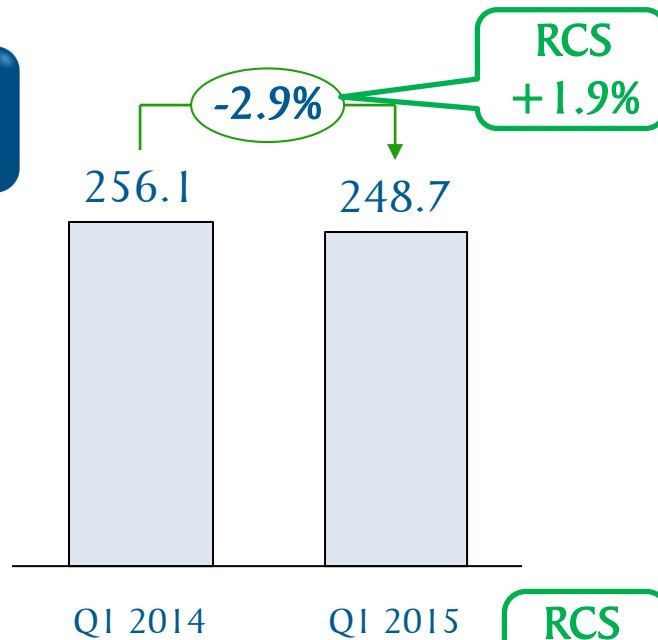


Expansión.com

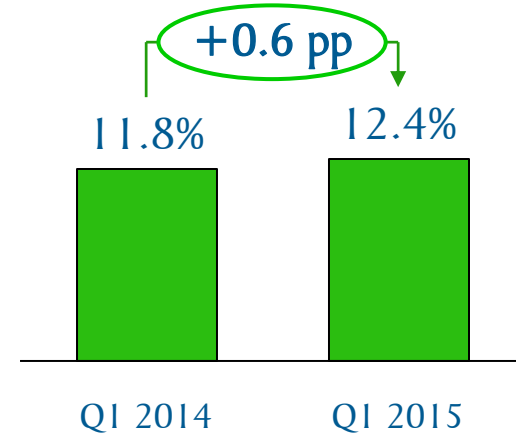


Books: RCS Trade vs Market

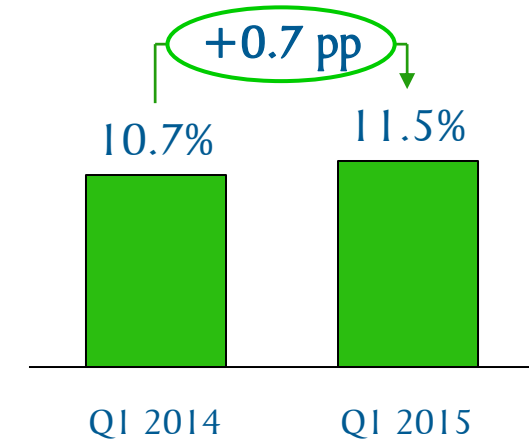
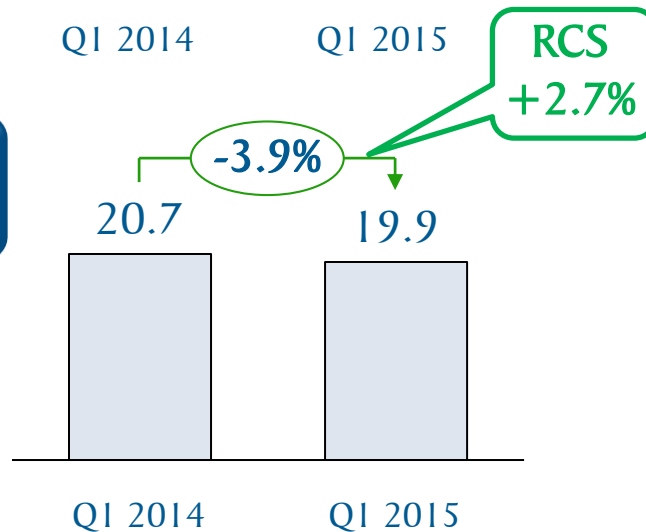
**TOTAL MARKET
(EUR million)**



RCS MARKET SHARE



**TOTAL MARKET
(Millions of copies)**



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Market & Business Trends

Q1 2015 Results

Business Units Back up

Q1 2015 Results - Summary

EUR million

	Q1 2015		Q1 2014 ⁽¹⁾		Δ%
Total Revenue	256.5	100%	262.9	100%	(2.4%)
Circulation	134.1		134.8		(0.5%)
Advertising	96.3		101.1		(4.7%)
Other	26.1		27.0		(3.3%)
EBITDA ex NR Items	(22.3)	(8.7%)	(29.0)	(11.0%)	ns
Non Recurring Items	(1.1)		(16.9)		
EBITDA	(23.4)	(9.1%)	(45.9)	(17.5%)	ns
EBIT	(39.1)		(60.1)		
Net Result	(35.2)		(53.9)		
NFP	(507.5)		(520.8)		

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



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Q1 2015 FY Results – Profit & Loss

EUR million

	Q1 2015		Q1 2014 ⁽¹⁾		Δ%
Circulation	134.1	52.3%	134.8	51.3%	(0.5%)
Advertising	96.3	37.5%	101.1	38.5%	(4.7%)
Other	26.1	10.2%	27.0	10.3%	(3.3%)
TOTAL REVENUE	256.5	100%	262.9	100%	(2.4%)
Operating costs (ex non recurring costs)	(194.8)	(75.9%)	(202.5)	(77.0%)	(3.8%)
Labour costs (ex non recurring costs)	(79.3)	(30.9%)	(83.7)	(31.8%)	(5.3%)
Writedowns	(2.6)	(1.0%)	(4.1)	(1.6%)	ns
Provisions	(2.1)	(0.8%)	(1.6)	(0.6%)	ns
EBITDA ex Non Recurring Items	(22.3)	(0.1)	(29.0)	(11.0%)	(23.1%)
Non Recurring Items	(1.1)	(0.4%)	(16.9)	(6.4%)	ns
EBITDA	(23.4)	(0.1)	(45.9)	(17.5%)	ns
D&A	(15.4)	(6.0%)	(14.2)	(5.4%)	
Impairment writeoffs	(0.3)	(0.1%)	0.0	0.0%	
EBIT	(39.1)	(15.2%)	(60.1)	(22.9%)	
Net financial incomes (charges)	(8.9)	(3.5%)	(10.2)	(3.9%)	
Gain (losses) on financial assets/liabilities	(0.2)	(0.1%)	0.0	0.0%	
Income (charges) from equity investments	0.3	0.1%	(0.3)	(0.1%)	
PRE-TAX RESULT	(47.9)	(18.7%)	(70.6)	(26.9%)	
Taxes	12.3	4.8%	12.5	4.8%	
Net Result from Discontinuing and Discontinued Op.	0.0	0.0%	3.9	1.5%	
Minorities	0.4	0.2%	0.3	0.1%	
NET RESULT	(35.2)	(13.7%)	(53.9)	(20.5%)	

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

2013-2015 EBITDA⁽¹⁾ evolution by quarter

EUR million

✓ 7 consecutive quarters of YoY improvements



(1) EBITDA before non recurring costs

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

Q1 2015 Results – Breakdown Revenue & Ebitda

EUR million

	Q1 2015					Q1 2014 ⁽¹⁾				
	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%
Media Italy	121.4	(0.4)	(0.3%)	(0.6)	(0.5%)	122.7	(0.6)	(0.5%)	(3.2)	(2.6%)
Media Spain	73.0	(2.4)	(3.3%)	(2.5)	(3.4%)	79.7	(7.0)	(8.8%)	(20.6)	(25.8%)
Books	28.9	(6.4)	(22.1%)	(6.9)	(23.9%)	26.3	(8.3)	(31.6%)	(8.7)	(33.1%)
Advertising & Events	68.0	(4.3)	(6.3%)	(4.5)	(6.6%)	73.9	(4.6)	(6.2%)	(4.8)	(6.5%)
Corporate Activities	17.3	(8.8)	(50.9%)	(8.9)	(51.4%)	17.1	(8.6)	(50.3%)	(8.6)	(50.3%)
Others and eliminations	(52.1)	0.0	0.0%	0.0	0.0%	(56.8)	0.1	(0.2%)	0.0	0.0%
TOTAL RCS	256.5	(22.3)	(8.7%)	(23.4)	(9.1%)	262.9	(29.0)	(11.0%)	(45.9)	(17.5%)

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



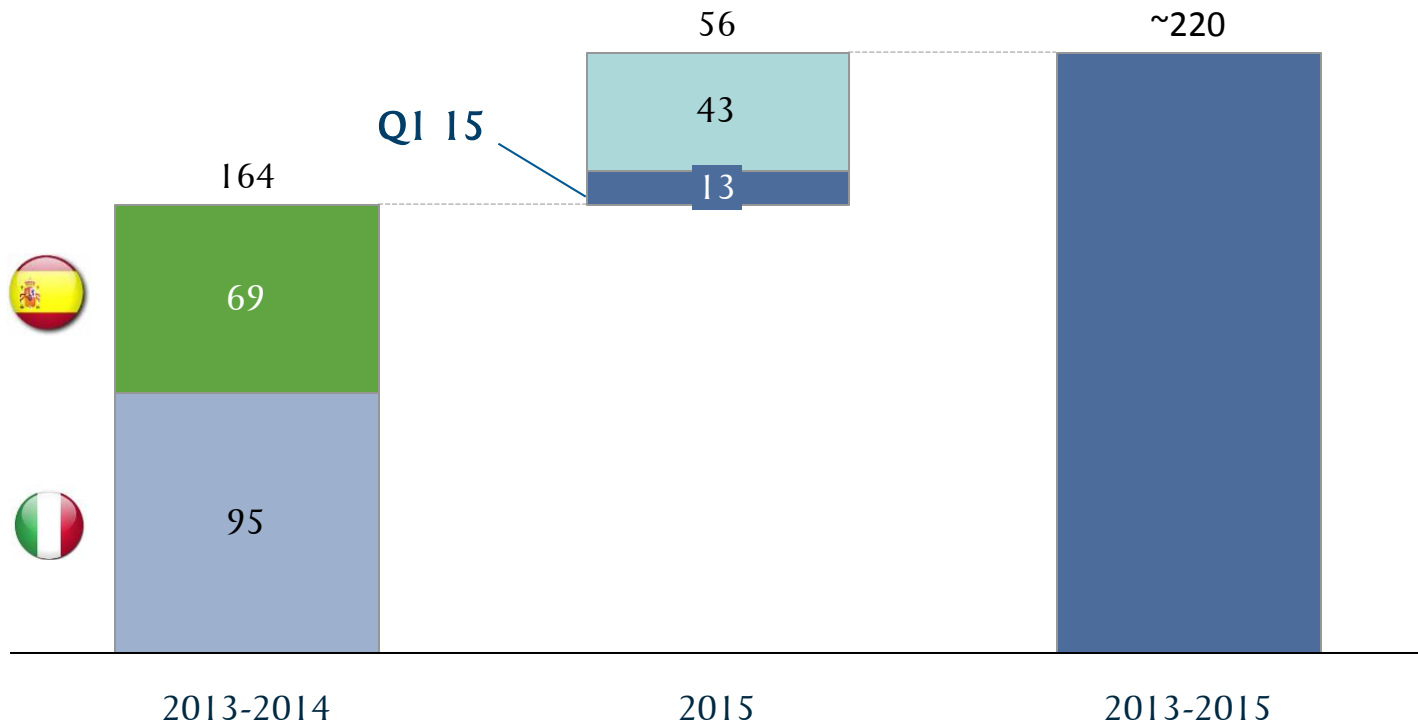
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2015 Efficiency program

EUR million

✓ Additional €13M at March 2015

✓ €177 M delivered vs enhanced target of €220 M by end 2015



Balance Sheet

EUR million

	31/03/2015		31/12/2014	
Net fixed assets	890.6	118.7%	878.2	116.2%
<i>Tangible & Intangible fixed assets</i>	652.0	86.9%	652.4	86.4%
<i>Financial fixed assets</i>	238.6	31.8%	225.8	29.9%
Net working capital	27.4	3.7%	53.4	7.1%
Reserve for risk and charges	(152.8)	(20.4%)	(159.3)	(21.1%)
Employee termination indemnity	(52.1)	(6.9%)	(53.7)	(7.1%)
Net invested capital: assets held for sale	36.9	4.9%	36.9	4.9%
CAPITAL EMPLOYED	750.0	100.0%	755.5	100.0%
Net financial debt (cash)	507.5	67.7%	482.5	63.9%
Equity	242.5	32.3%	273.0	36.1%
EQUITY & NFP	750.0	100.0%	755.5	100.0%

Focus on Q1 2015 Cash Flow

EUR million

NFP 31/12/2013

NFP 31/03/2014

Q1
2014

-474

19

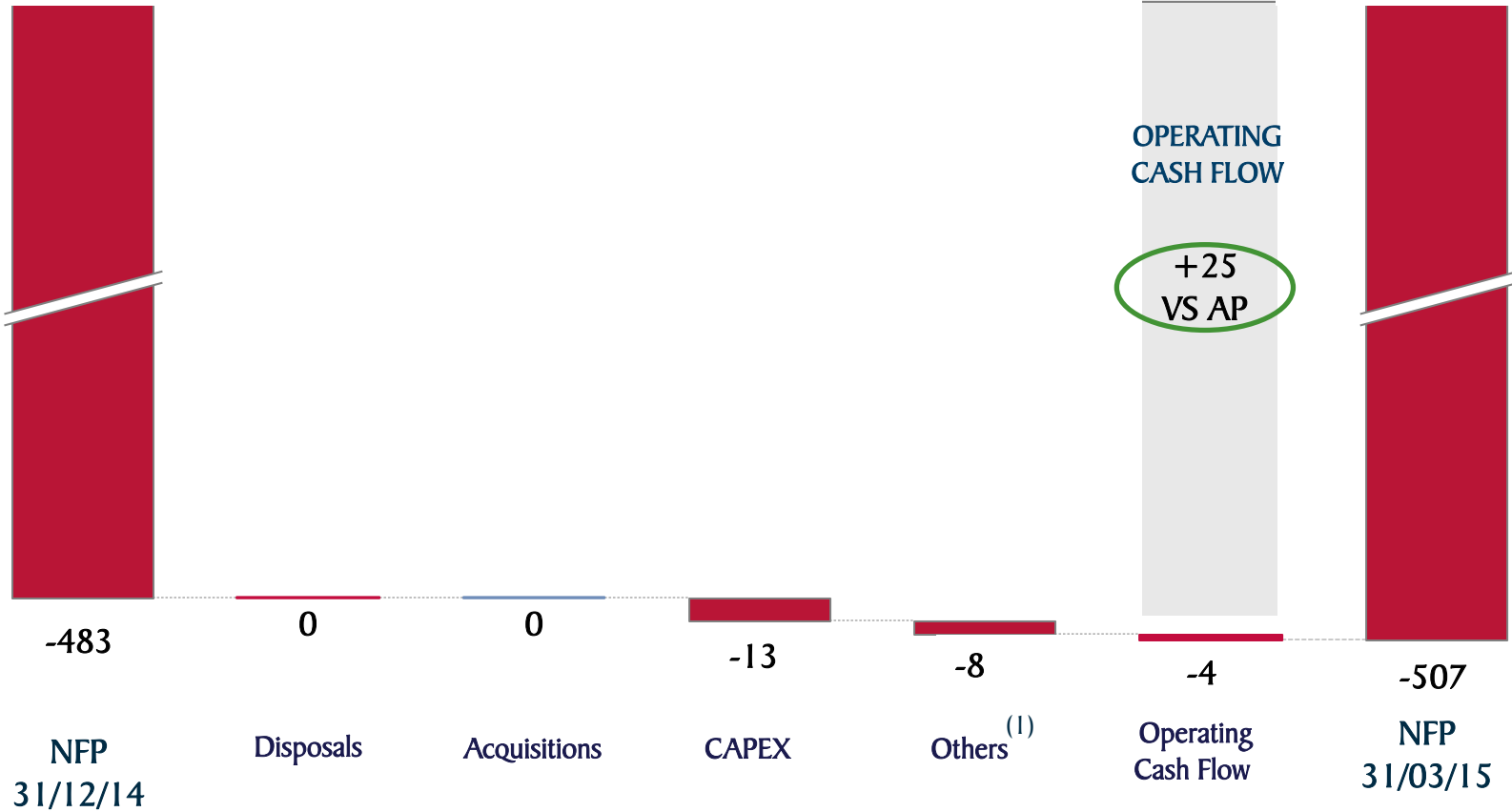
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-10

-22

-29

-521



(1) Non recurring items and other minor

Cash flow representation as of management reporting



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Q1 2015 Results

Business Units Back up

Media Italy – P&L

CORRIERE DELLA SERA

La Gazzetta dello Sport

Tutto il rosa  della vita

AMICA **OGGI**

CORRIERE DELLA SERA
DOVE

CORRIERE DELLA SERA
Living

CORRIERE DELLA SERA
IO
DONNA

CORRIERE DELLA SERA
SETTE

SW
SPORTWEEK

CORRIERE DELLA SERA
STYLE
MAGAZINE

 DIGICAST

EUR million

	Q1 2015	Q1 2014	YoY
Circulation	72.9	69.6	4.7%
Advertising	43.2	47.5	(9.1%)
Other	5.3	5.6	(5.4%)
TOTAL REVENUE	121.4	122.7	(1.1%)
<i>O/W add on</i>	<i>22.5</i>	<i>17.9</i>	
EBITDA ex NR Items	(0.4)	(0.6)	33.3%
Non Recurring Items	(0.2)	(2.6)	
EBITDA	(0.6)	(3.2)	81.3%

advertising
on-line
22%

Media Spain – P&L

EL MUNDO

MARCA

Expansión

VO
DONA
DEL MUNDO XXI

TELVA

METROPOL

MARCA

SIETE LEGUAS
[STRATEGIA DEL MUNDO XXI]

LastLap
Eventos y Comunicación

**ACTUALIDAD
ECONÓMICA**

**fuera
de Serie**

EUR million

	Q1 2015	Q1 2014	YoY
Circulation	34.2	39.8	(14.1%)
Advertising	30.6	30.9	(1.0%)
Other	8.2	9.0	(8.9%)
TOTAL REVENUE	73.0	79.7	(8.4%)
<i>O/W add on</i>	<i>1.3</i>	<i>0.9</i>	
EBITDA ex NR Items	(2.4)	(7.0)	65.7%
Non Recurring Items	(0.1)	(13.6)	
EBITDA	(2.5)	(20.6)	87.9%

advertising
on-line
32%

Books – P&L

Rizzoli



edigita



Rizzoli ETAS

Marsilio

BUR

SONZOGNO

RIZZOLI
NEW YORK



EUR million

	Q1 2015	Q1 2014	YoY
Fiction & non-Fic. Italy	21.2	19.4	9.3%
Education	2.6	2.7	(3.7%)
Rizzoli International	5.1	4.2	21.4%
Other	0.0	0.0	ns
TOTAL REVENUE	28.9	26.3	9.9%
EBITDA ex NR Items	(6.4)	(8.3)	22.9%
Non Recurring Items	(0.5)	(0.4)	
EBITDA	(6.9)	(8.7)	20.7%

Advertising & Events – P&L



EUR million

	Q1 2015	Q1 2014	YoY
Advertising and Events	58.4	62.6	(6.7%)
<i>O/W RCS publishing</i>	47.9	53.8	
<i>3rd party publishers</i>	9.5	8.0	
Sport Events	9.6	11.3	(15.0%)
TOTAL REVENUE	68.0	73.9	(8.0%)
EBITDA ex NR Items	(4.3)	(4.6)	6.5%
Non Recurring Items	(0.2)	(0.2)	
EBITDA	(4.5)	(4.8)	6.3%



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Disclaimer

Investor Relations Department

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RCS MediaGroup actual results and developments may differ materially from the ones expressed or implied by the following statements depending on a variety of factors.

Any reference to past performance of RCS MediaGroup shall not be taken as an indication of future performance.

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