

RCS MediaGroup

Q1 2016 Results

Milan, May 11, 2016



Agenda

Highlights

Market & Business Trends

Q1 2016 Results

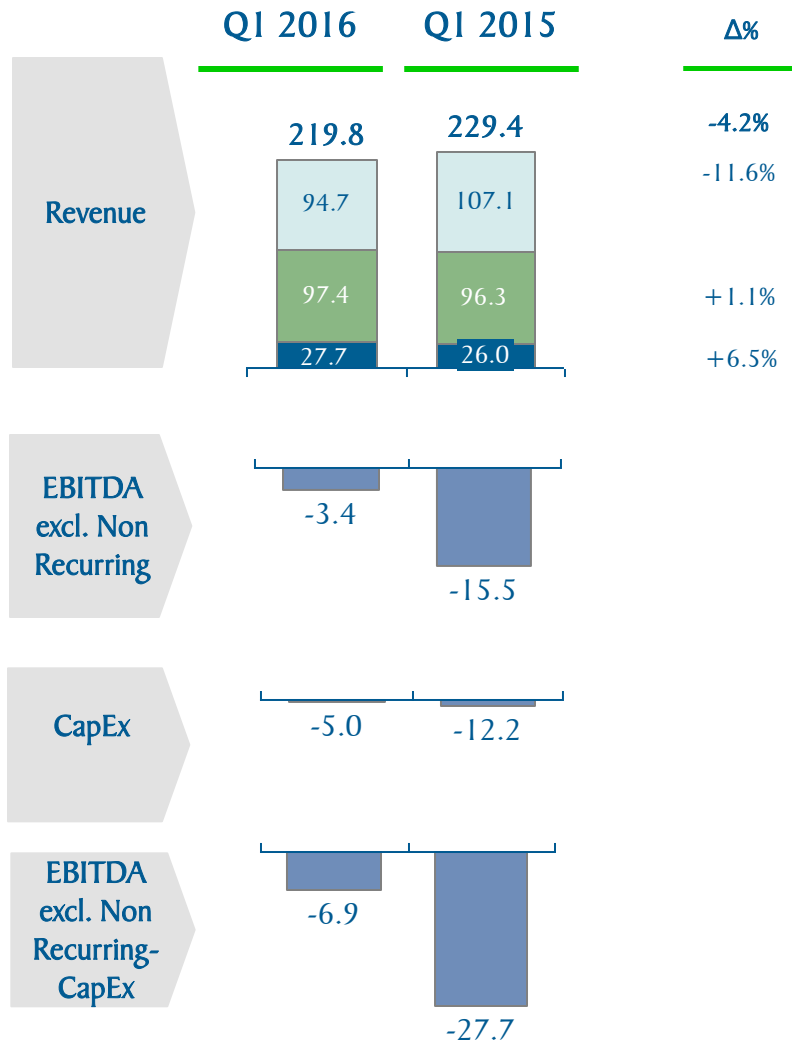
Outlook 2016 and Plan Progress

Business Units Backup

Q1 2016 Results – Key highlights

EUR million

■ Editorial Revenue ■ Other Revenue
■ Advertising Revenue



- Circulation revenue influenced by different add ons editorial plan with limited impact on margin
- Like for like **growth of advertising revenue by ca. 2 %**

- **Step acceleration of turnaround trajectory** (EBITDA increase in Q1 2016 > FY 2015)
- **40% of FY 2016 EBITDA increase secured in Q1**

- **CapEx in line** with plan expectations

- **Strong improvement** of recurring business EBITDA-CapEx

Agenda

Highlights

Market & Business Trends

Q1 2016 Results

Outlook 2016 and Plan Progress

Business Units Backup

Italian Advertising Trends: Market & RCS

 Advertising Gross Revenue, YoY %

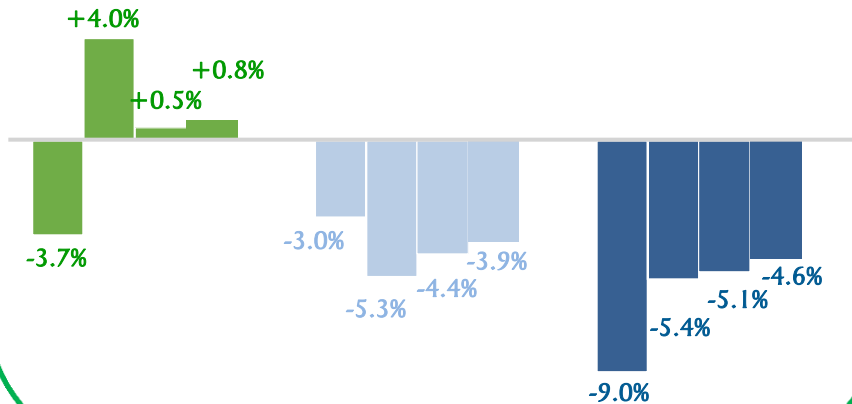
MARKET

Q2 15	Q3 15	Q4 15	Q1 16*	Q2 15	Q3 15	Q4 15	Q1 16*	Q2 15	Q3 15	Q4 15	Q1 16*
-------	-------	-------	--------	-------	-------	-------	--------	-------	-------	-------	--------

Online

Magazines

Newspapers



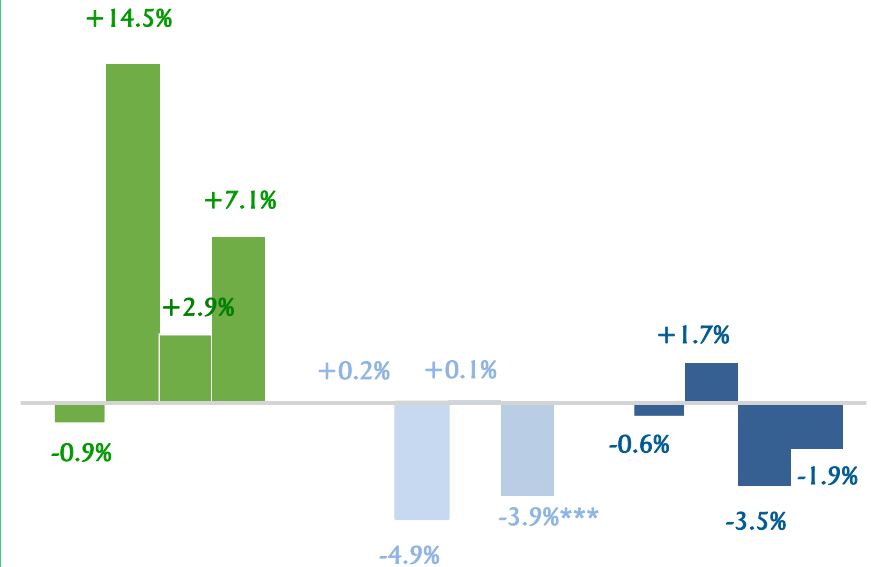
RCS

Q2 15**	Q3 15**	Q4 15	Q1 16	Q2 15	Q3 15	Q4 15	Q1 16	Q2 15**	Q3 15**	Q4 15	Q1 16
---------	---------	-------	-------	-------	-------	-------	-------	---------	---------	-------	-------

Online

Magazines

Newspapers



* Source March FCP

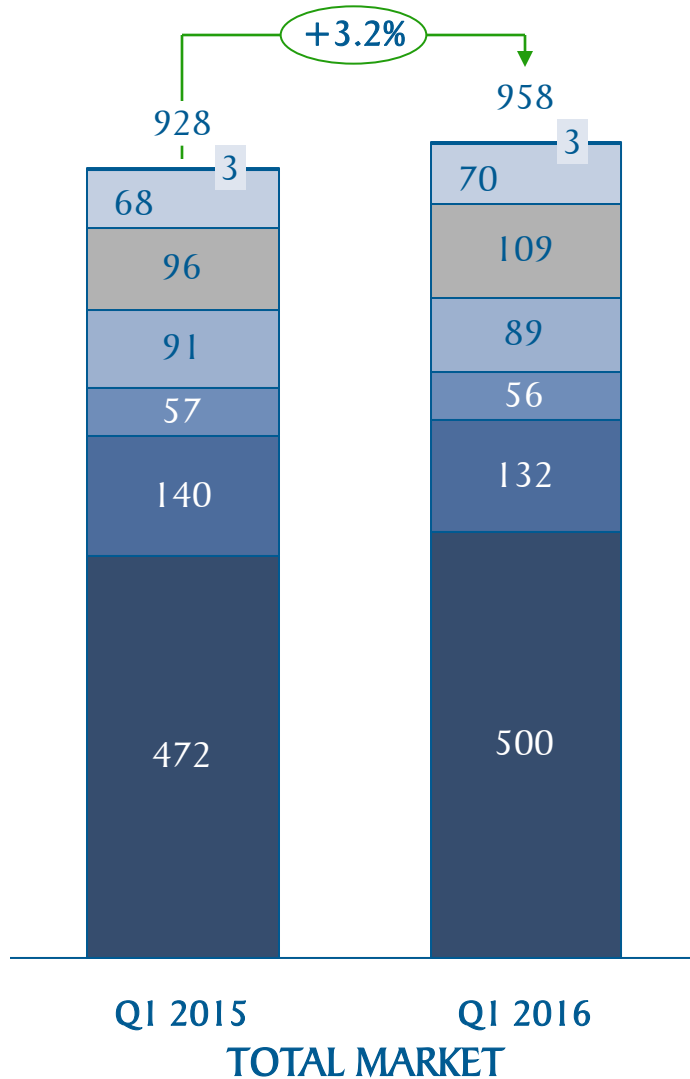
** Adj: ex Sport Events & Special Initiatives

*** Based on same nr of issues

Source: Nielsen Media Research - Online excluding Search Adv

Spain: Advertising Trends

Advertising Gross Revenue, EUR million



Market	Δ (%)	Δ (%) Q1 16/Q1 15
Market	+3.2%	
Cinema	+12.6%	
Outdoor	+0.9%	
Online	+12.6%	+13.0%
Radio	-2.5%	
Magazines	-2.1%	0.0%
Newspapers ⁽¹⁾	-5.8%	-0.3%
TV	+5.8%	

Spanish Advertising Trends: Market & RCS



Advertising Gross Revenue, YoY %

MARKET

Q2 15 Q3 15 Q4 15 Q1 16

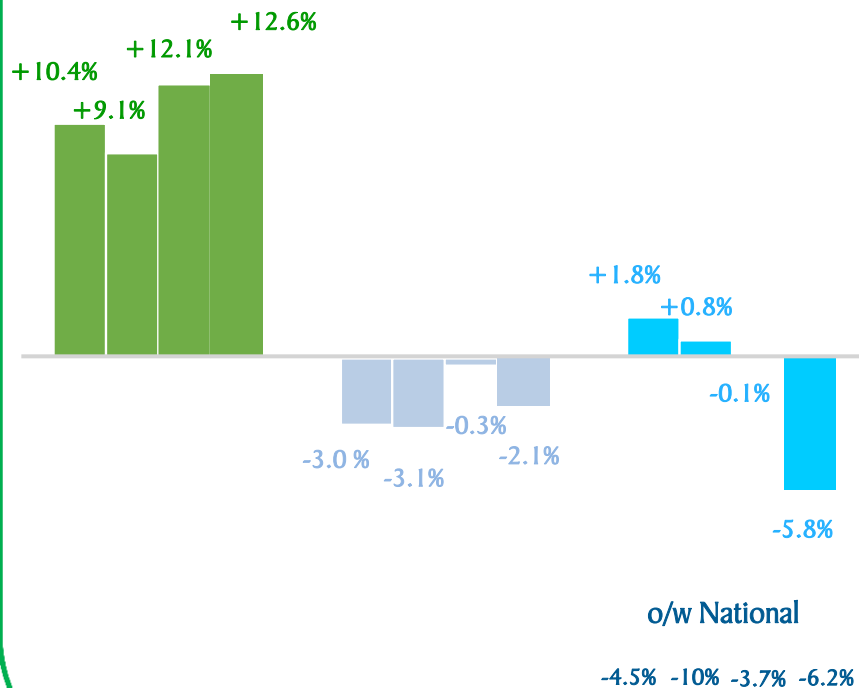
Q2 15 Q3 15 Q4 15 Q1 16

Q2 15 Q3 15 Q4 15 Q1 16

Online

Magazines

Newspapers



RCS

Q2 15* Q3 15 Q4 15 Q1 16

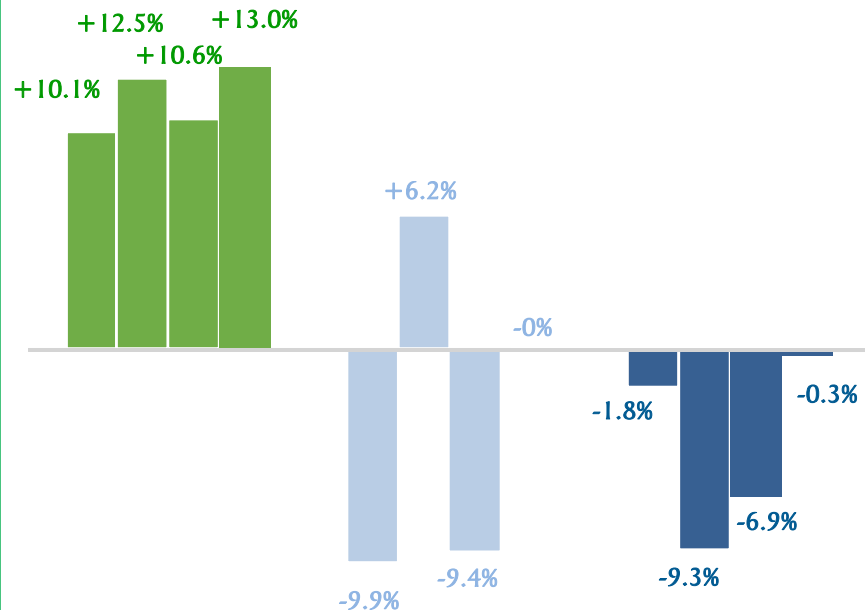
Q2 15 Q3 15 Q4 15 Q1 16

Q2 15* Q3 15 Q4 15 Q1 16

Online

Magazines

Newspapers **



* Adj: ex Sport Events

** Including special branded events referring to Unidad Editorial

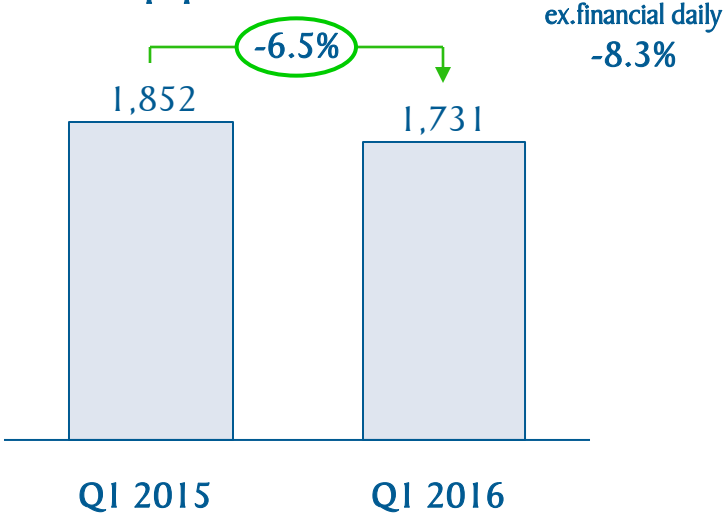
Source: Arce Media and internal estimates for National Newspapers

Italy: Newspaper Circulation Trends

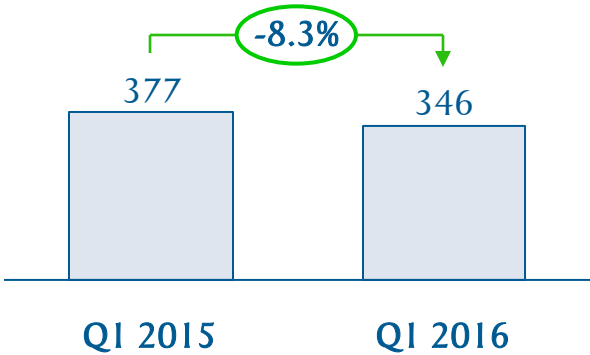
 Circulation, copies/000 per day

MARKET

National Newspapers ⁽¹⁾

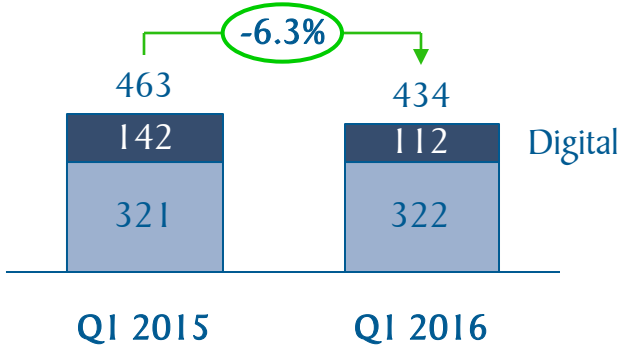


Sports Newspapers

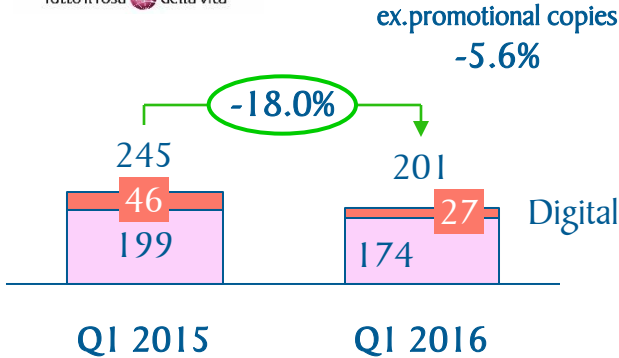


RCS

CORRIERE DELLA SERA



La Gazzetta dello Sport



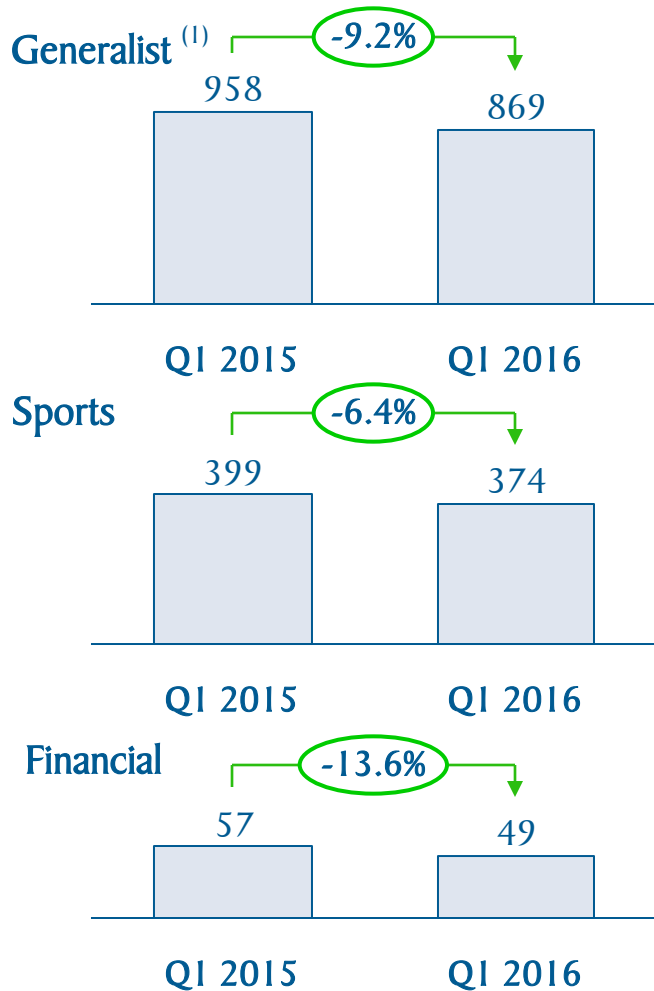
(1) Includes newspapers with circulation > 50,000 copies

Source: ADS + Internal Estimates (digital copies included)

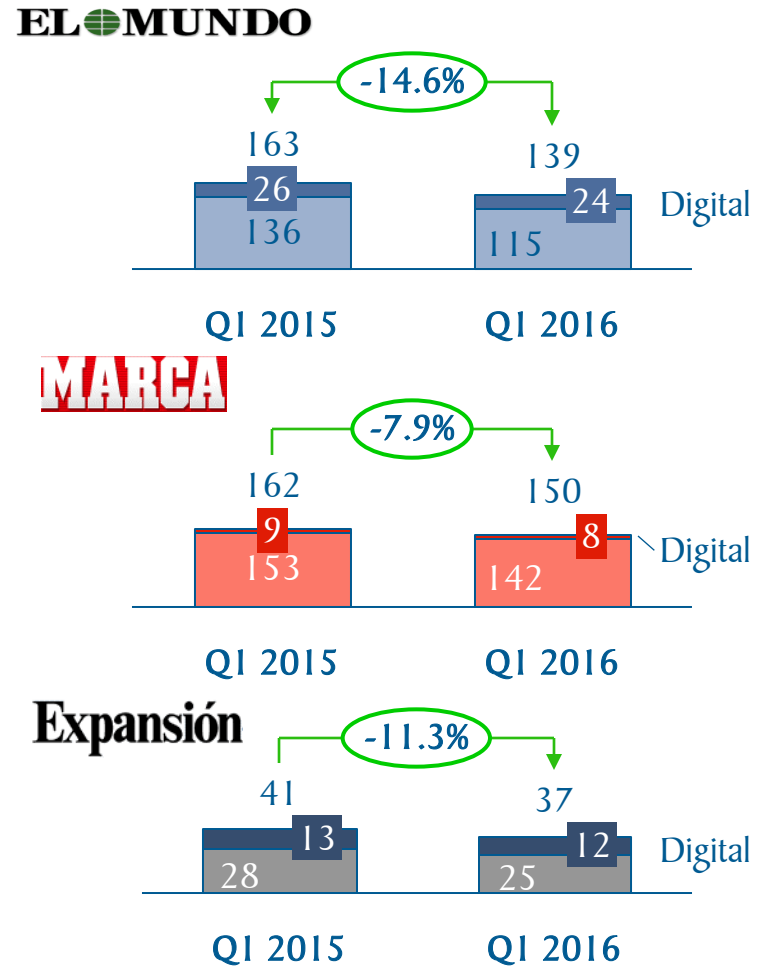
Spain: Newspaper Circulation Trends

 Circulation, copies/000 per day

MARKET



RCS ⁽²⁾



(1) Includes newspapers with circulation > 70,000 copies
 (2) Digital editions included

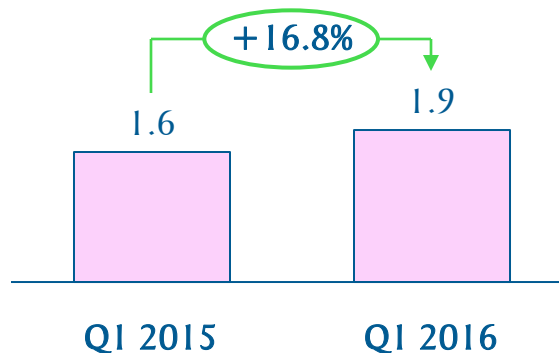
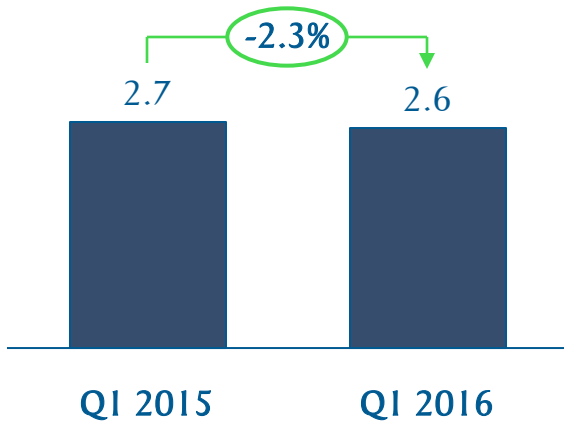
Italy: Online Readership

 Million Users

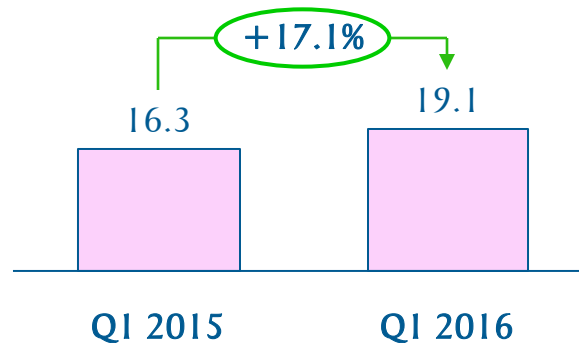
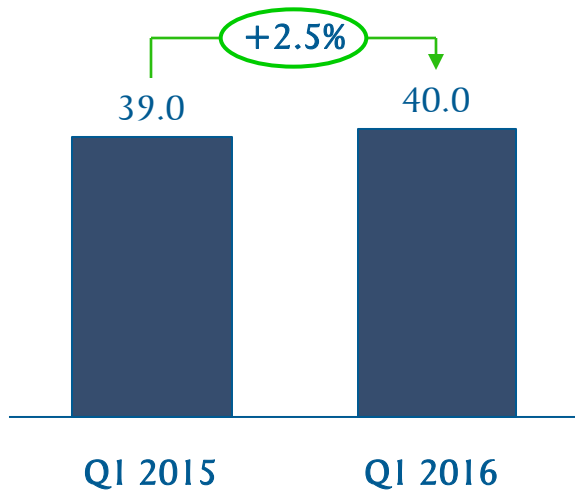
CORRIERE DELLA SERA.it

La Gazzetta dello Sport.it
Tutto il rosa della vita

Daily Unique Browsers
(1)



Monthly Unique Browsers



Spain: Online Readership

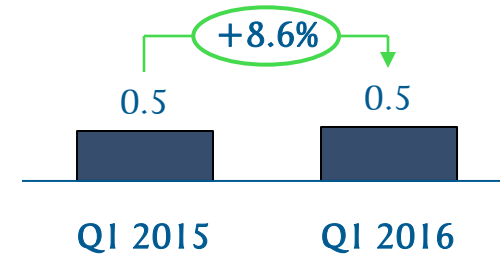
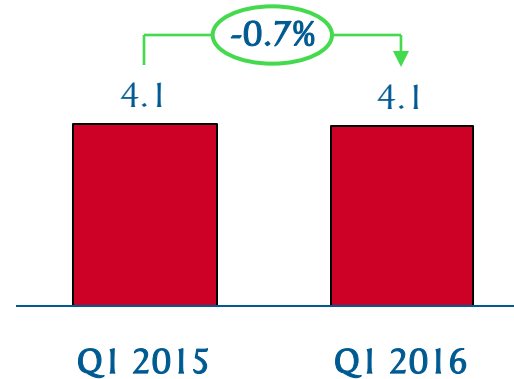
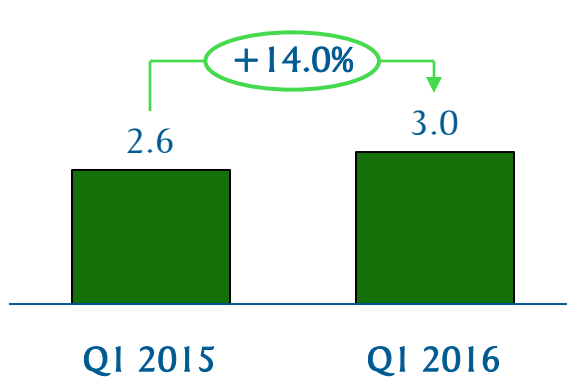
 Million Users

ELMUNDO.es

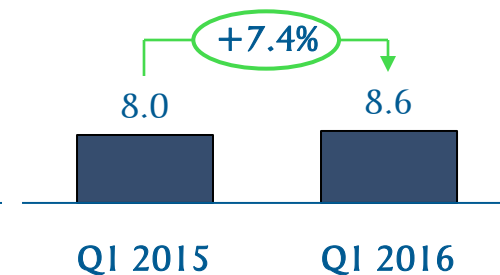
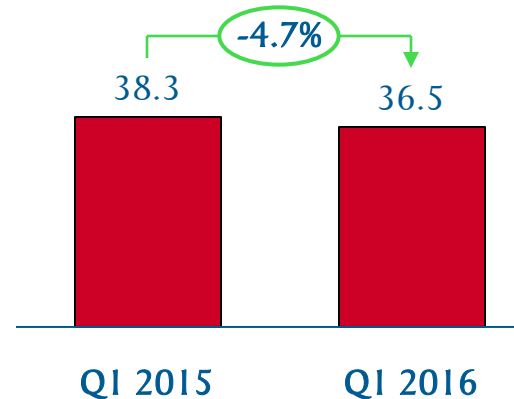
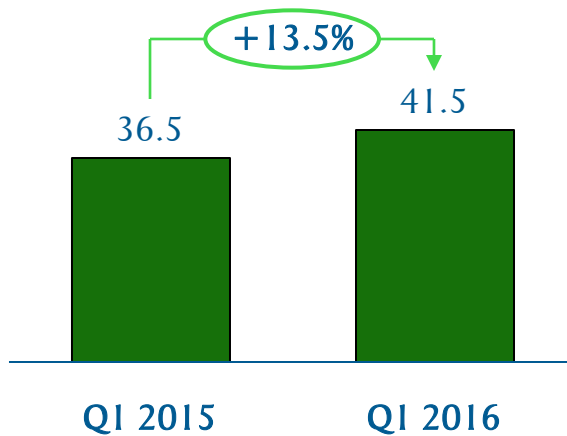
MARCA.COM

Expansión.com

Daily Unique Browsers (1)



Monthly Unique Browsers



Agenda

Highlights

Market & Business Trends

Q1 2016 Results

Outlook 2016 and Plan Progress

Business Units Backup

Q1 2016 Results – Summary

EUR million

	Q1 2016	Q1 2015	Δ%
Total Revenue	219.8	229.4	(4.2%)
Circulation	94.7	107.1	(11.6%)
Advertising	97.4	96.3	1.1%
Other	27.7	26.0	6.5%
EBITDA ex NR Items	(3.4)	(15.5)	78.1%
Non Recurring Items	(0.3)	(0.7)	
EBITDA	(3.7)	(16.2)	77.2%
EBIT	(17.5)	(30.9)	43.4%
Net Result	(22.0)	(35.2)	37.5%
NFP	(509.1)	(507.5)	
NFP Pro forma*	(411)		

* Considering the effect of the sale of the Books Division completed on 14 April 2016

In Q1 15 costs and revenues related to the Books activities were classified as Net Result from Discontinuing and Discontinued Op.. Starting from this Financial Report as of 31 December 2015, net results of equity-accounted investees were classified before EBITDA.

Q1 2016 Results – Profit & Loss

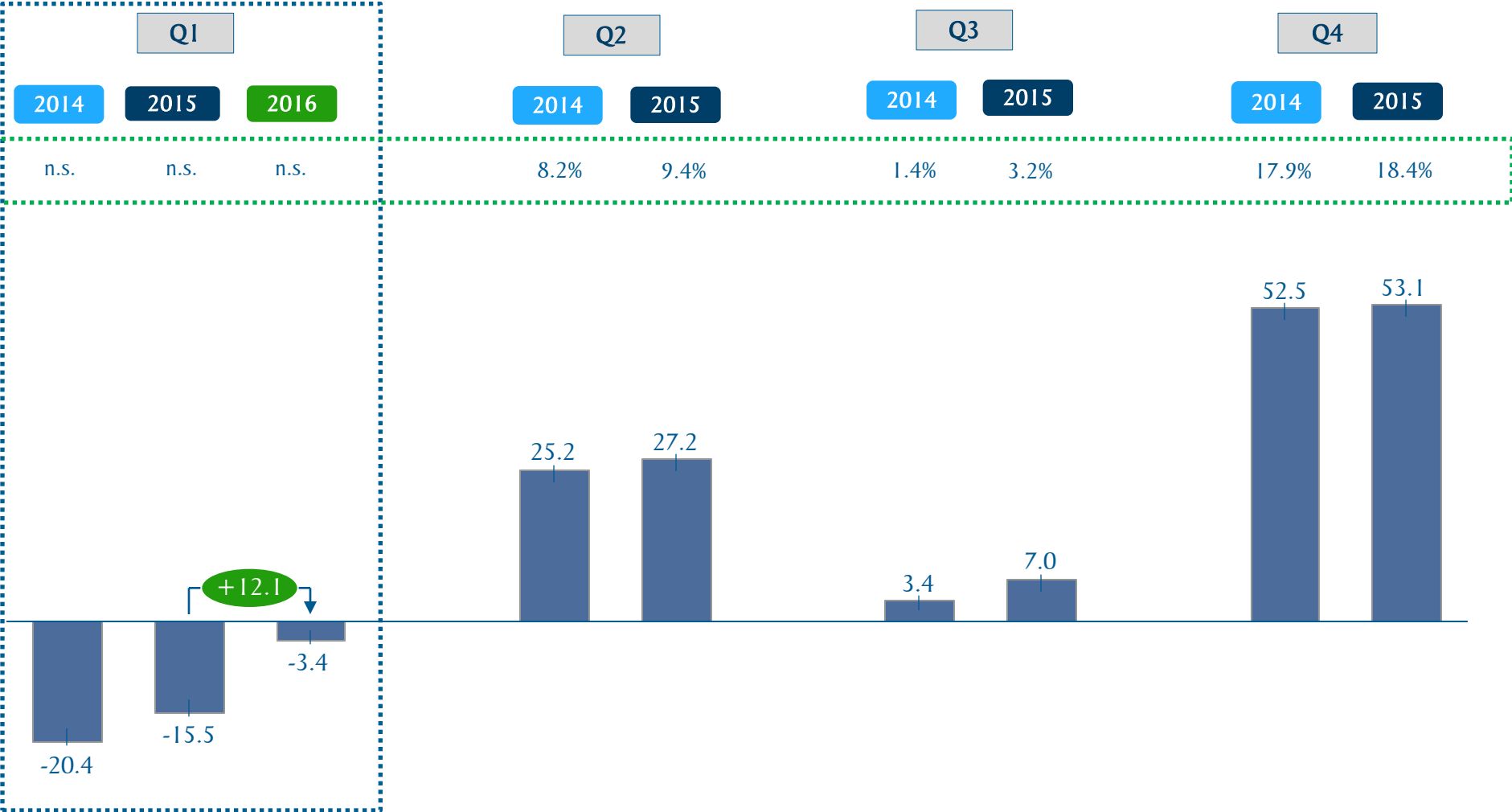
EUR million

	Q1 2016		Q1 2015		Δ%
Circulation	94.7	43.1%	107.1	46.7%	(11.6%)
Advertising	97.4	44.3%	96.3	42.0%	1.1%
Other	27.7	12.6%	26.0	11.3%	6.5%
TOTAL REVENUE	219.8	100%	229.4	100%	(4.2%)
Operating costs	(152.4)	(69.3%)	(171.3)	(74.7%)	(11.0%)
Labour costs	(70.8)	(32.2%)	(73.6)	(32.1%)	(3.8%)
EBITDA ex Non Recurring Items	(3.4)	(1.5%)	(15.5)	(6.8%)	78.1%
Non Recurring Items	(0.3)	(0.1%)	(0.7)	(0.3%)	ns
EBITDA	(3.7)	(1.7%)	(16.2)	(7.1%)	77.2%
D&A	(13.8)	(6.3%)	(14.7)	(6.4%)	ns
EBIT	(17.5)	(8.0%)	(30.9)	(13.5%)	43.4%
Net financial incomes (charges)	(7.9)	(3.6%)	(9.0)	(3.9%)	ns
PRE-TAX RESULT	(25.4)	(11.6%)	(39.9)	(17.4%)	36.3%
Taxes	3.2	1.5%	9.2	4.0%	ns
NET RESULT FROM CONTINUING OPERATIONS	(22.2)	(10.1%)	(30.7)	(13.4%)	27.7%
Net Result from Discontinuing and Discontinued Op.	0.0	0.0%	(4.9)	(2.1%)	ns
Minorities	0.2	0.1%	0.4	0.2%	ns
NET RESULT	(22.0)	(10.0%)	(35.2)	(15.3%)	37.5%

14 In Q115 costs and revenues related to the Books activities were classified as Net Result from Discontinuing and Discontinued Op.. Starting from this Financial Report as of 31 December 2015, net results of equity-accounted investees were classified before EBITDA.

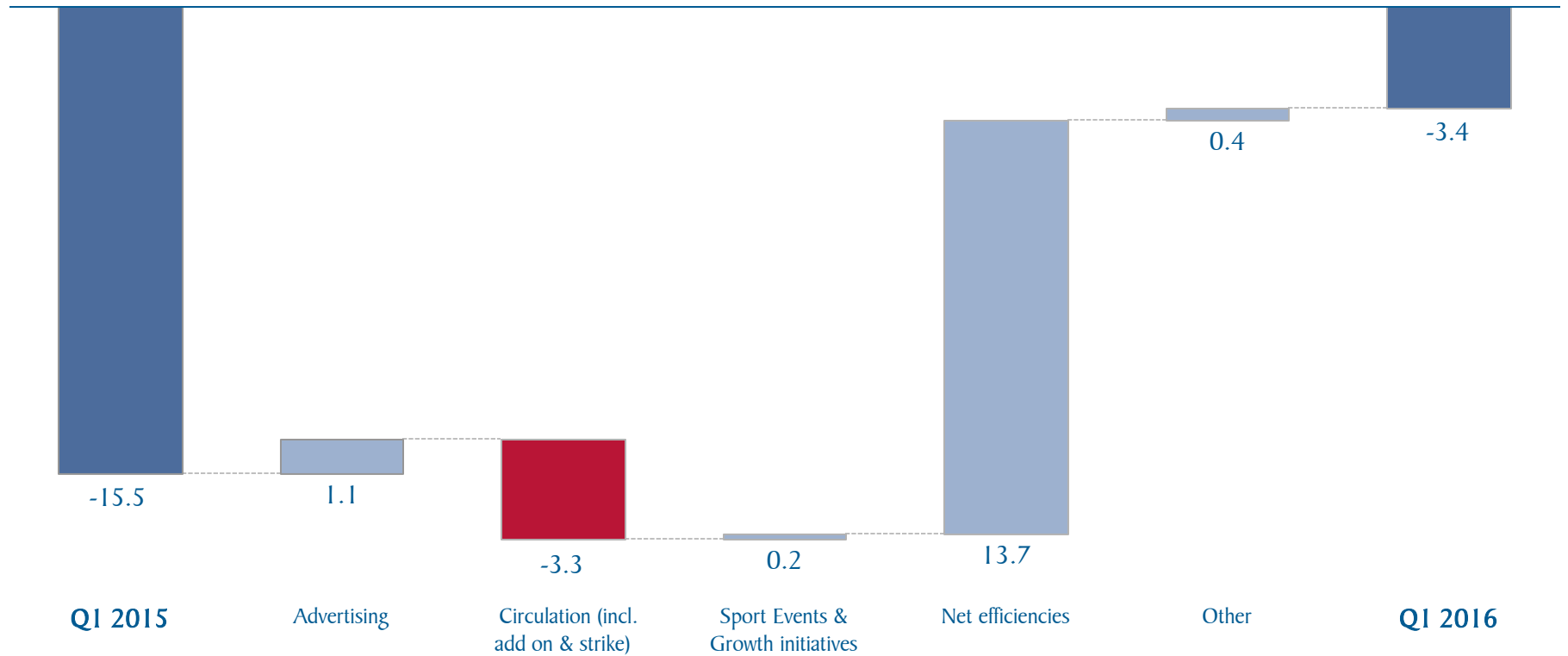
2014-2016 EBITDA Evolution by Quarter

EUR million



Variance Q1 2016 vs Q1 2015 – EBITDA

EUR million



New segments reporting

Old segment reporting

Media Italy

- Corriere della Sera System
- Gazzetta System
- Verticals
- Digicast

Media Spain

- El Mundo System
- Marca System
- Expansion System
- Verticals
- Events - Last Lap
- Other

Advertising & Events

- Advertising RCS publishing
- Advertising 3rd party publishers
- Sport Events - RCS Sport

Corporate & Other

- Corporate Functions
- Sfera
- New Business

New segment reporting

News Italy

- Corriere della Sera System
- Verticals
- Digicast
- Sfera

News Spain

- El Mundo System
- Expansion System
- Verticals
- Other

Sport

- Gazzetta System
- Marca System
- International Sport events & formats (RCS Sport + Last Lap)
- International audience

Other activities

- Group shared services
- Advertising 3rd party publishers

Q1 2016 Results – Breakdown Revenue & EBITDA

EUR million

	Q1 2016					Q1 2015				
	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%	Revenue	EBITDA Ex Non Recurring Items	Ebitda ex NR %	EBITDA	Ebitda%
News Italy	89.5	0.3	0.3%	0.0	0.0%	97.9	(3.2)	(3.3%)	(3.4)	(3.5%)
News Spain	47.7	(2.3)	(4.8%)	(2.3)	(4.8%)	49.5	(3.6)	(7.3%)	(3.7)	(7.5%)
Sport	69.8	2.5	3.6%	2.5	3.6%	69.6	(2.2)	(3.2%)	(2.2)	(3.2%)
Other activities	12.8	(3.9)	n.s.	(3.9)	n.s.	12.4	(6.5)	n.s.	(6.9)	n.s.
CONSOLIDATED	219.8	(3.4)	(1.5%)	(3.7)	(1.7%)	229.4	(15.5)	(6.8%)	(16.2)	(7.1%)

Representation as of management reporting

Advertising revenues and costs (including overhead costs) for the Italian advertising agency (limited to advertising collection related to RCS publishing) have been allocated in the individual business units in the first quarter 2016 and consistently in in the first quarter of 2015.

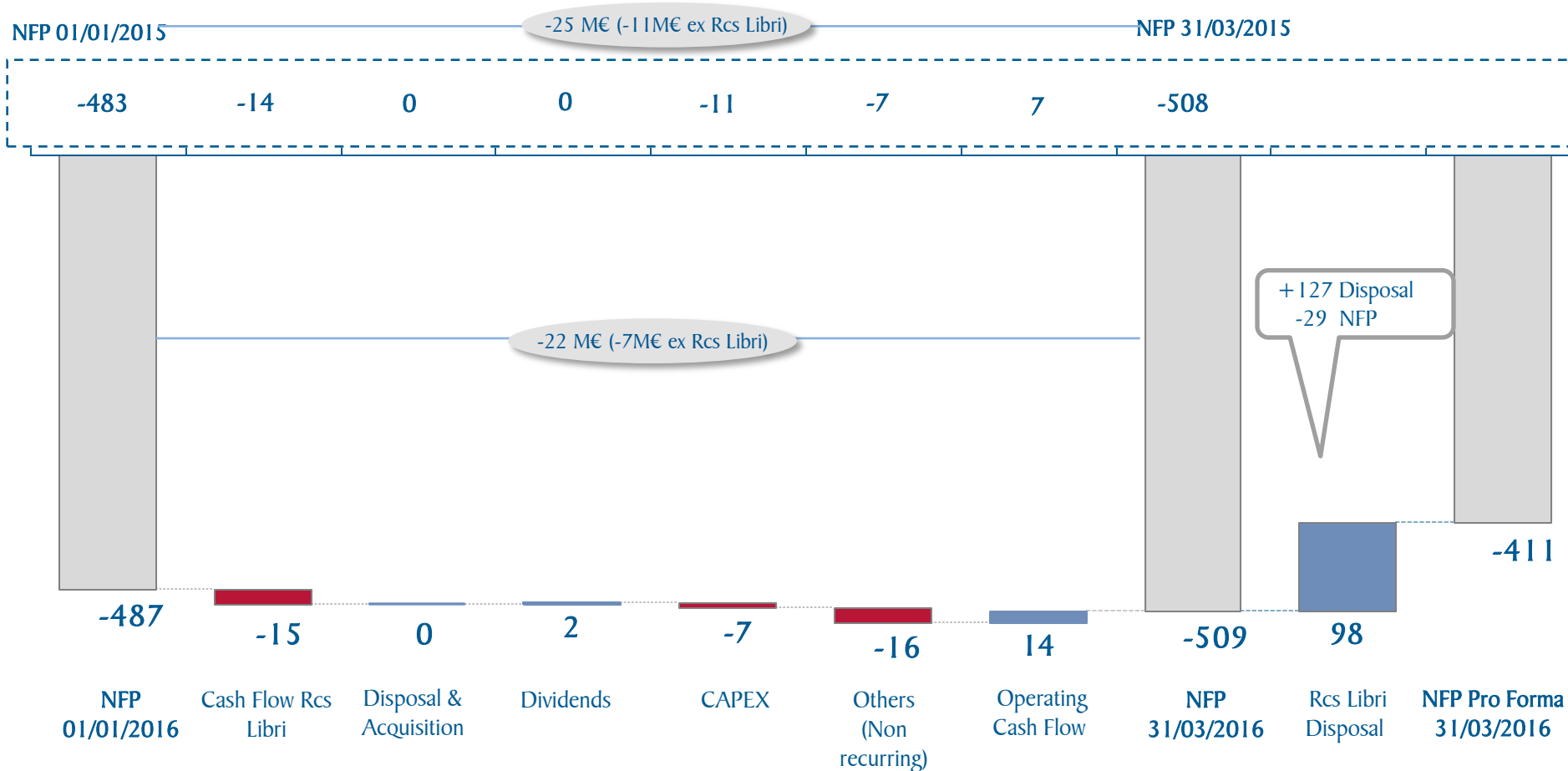
Balance Sheet

EUR million

	31/03/2016		31/12/2015	
Net fixed assets	733.9	124.6%	745.0	125.9%
<i>Tangible & Intangible fixed assets</i>	530.0	90.0%	539.9	91.2%
<i>Financial fixed assets</i>	203.9	34.6%	205.1	34.7%
Net working capital	(76.8)	(13.0%)	(64.2)	(10.8%)
Reserve for risk and charges	(109.9)	(18.7%)	(115.6)	(19.5%)
Employee termination indemnity	(39.7)	(6.7%)	(40.1)	(6.8%)
Net invested capital: assets held for sale	81.4	13.8%	66.8	11.3%
CAPITAL EMPLOYED	588.9	100.0%	591.9	100.0%
Net financial debt (cash) total	509.1	86.4%	486.7	82.2%
<i>of which Net financial debt (cash) of assets held for sale</i>	(29.1)	(4.9%)	(44.2)	(7.5%)
Equity	79.8	13.6%	105.2	17.8%
EQUITY & NFP	588.9	100.0%	591.9	100.0%

Q1 2016 Cash Flow

EUR million



Agenda

Highlights

Market & Business Trends

FY 2015 Results

Outlook 2016 and Plan Progress

Business Units Backup

Outlook 2016 - confirmed the first year objectives of the 2016-2018 Business Plan

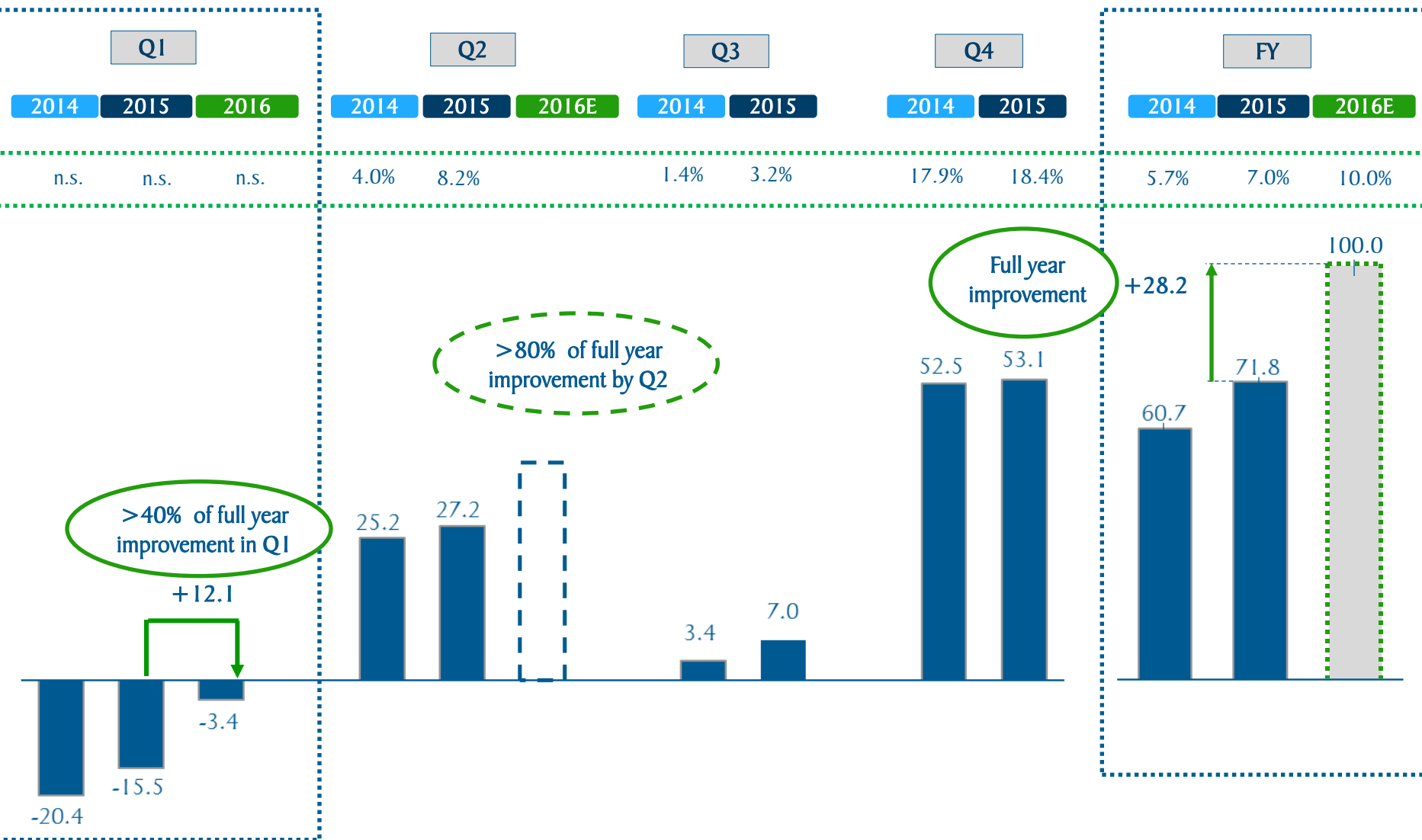
	2016E	
Revenues	Flat	✓
Net Efficiencies	~40 - 45 M€	↑ 50+ M€
EBITDA % excl. Non Recurring	~10%	✓
Net Result	Slightly positive	✓
Net Cash Flow	Break even	✓
Debt Ratio	~4x	✓

First Highlights on Q2 2016 - KPI

- ① **EBITDA:** more than 80% of total year improvement will be achieved by Q2 2016
- ② **Total revenue:** based on first 40 days of Q2 we expect quarterly revenue in line or better than LY
- ③ **Costs efficiencies:** all plan initiatives already implemented, enabling to overachieve FY2016 target (40-45 million) to >50 million, out of 60 million target by 2018
- ④ **Sport:** stronger value extraction from iconic races (i.e. Giro d'Italia), launch of new mass event formats (i.e. Breakfast Run) and fast development of innovative digital properties (i.e. Gazzanet)
- ⑤ **Financing:** final agreement on term sheet, 2 Lending Banks already approved, all the other Lenders following internal approval processes within one month

2014-2016 EBITDA Evolution by Quarter

Euro Million



Agenda

Highlights

Market & Business Trends

Q1 2016 Results

Outlook 2016 and Plan Progress

Business Units Backup

News Italy – P&L

News

CORRIERE DELLA SERA

Verticals



TV DIGICAST



Sfera



EUR million

	Q1 2016	Q1 2015	YoY
Circulation	39.4	46.6	(15.5%)
Advertising	42.8	44.2	(3.2%)
Other	7.3	7.1	2.8%
TOTAL REVENUE	89.5	97.9	(8.6%)
<i>O/W add on</i>	<i>8.5</i>	<i>12.2</i>	<i>(30.3%)</i>
EBITDA ex NR Items	0.3	(3.2)	<i>n.a.</i>
<i>EBITDA % ex NR</i>	<i>0.3%</i>	<i>(3.3%)</i>	
Non Recurring Items	(0.3)	(0.2)	
EBITDA	0.0	(3.4)	<i>n.a.</i>

News Spain – P&L

News

EL MUNDO

Expansión

Verticals & other

P A P E L

YO

fuera de serie

TELVA

METROPOL

SIETE LEGUAS

ACTUALIDAD ECONOMICA

EUR million

	Q1 2016	Q1 2015	YoY
Circulation	20.2	23.1	(12.6%)
Advertising	23.1	21.6	6.9%
Other	4.4	4.8	(8.3%)
TOTAL REVENUE	47.7	49.5	(3.6%)
<i>O/W add on</i>	<i>1.2</i>	<i>1.3</i>	<i>(7.7%)</i>
EBITDA ex NR Items	(2.3)	(3.6)	36.1%
<i>EBITDA % ex NR</i>	<i>(4.8%)</i>	<i>(7.3%)</i>	
Non Recurring Items	0.0	(0.1)	
EBITDA	(2.3)	(3.7)	37.8%

Sport – P&L

Events and format

International audience

Editorial Italy

Editorial Spain

RCS Sport + LastLap
Eventos y Comunicación

La Gazzetta dello Sport
Tutto il rosa della vita

MARCA

Giro d'Italia

MilanoSanremo

TIRRENO ADRIATICO

Lombardia

Giro d'Italia

THE COLOR RUN

SW
SPORTSWORLD

MARCA

MILANO MARATHON

Strade Bianche
Essece

LA FIESTA DA
PICI
movistar

UNIBIKE
LA TELA INTERNAZIONALE DE LA BICICLETA

OXO
Dubai TOUR

ABU DHABI TOUR

La Gazzetta dello Sport
Tutto il rosa della vita

+

MARCA

EUR million

	Q1 2016	Q1 2015	YoY
Circulation	35.1	37.6	(6.6%)
Advertising	21.9	21.0	4.3%
Other	12.8	11.0	16.4%
TOTAL REVENUE	69.8	69.6	0.3%
<i>O/W add on</i>	<i>9.9</i>	<i>10.3</i>	<i>(3.9%)</i>
EBITDA ex NR Items	2.5	(2.2)	n.a.
<i>EBITDA % ex NR</i>	<i>3.6%</i>	<i>(3.2%)</i>	
Non Recurring Items	0.0	0.0	
EBITDA	2.5	(2.2)	n.a.

Representation as of management reporting

28 Events represented here are not an exhaustive list and refer to a selection of events in current portfolio of RCS Sport and Last Lap

RCS

Disclaimer

Investor Relations Department

Federica De Medici

☎ +39 02 2584 5508

✉ Federica.demedici@rcs.it

Forward-looking Statements

Statements contained in this document, particularly the ones regarding any RCS MediaGroup possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties.

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.

This communication does not constitute an offer or solicitation for the sale, purchase or acquisition of securities of any of the companies mentioned in any jurisdiction and is directed to professionals of the financial community.

Riccardo Taranto, 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.