RCS MediaGroup

First Half 2016 Results



Agenda

Highlights

Market & Business Trends

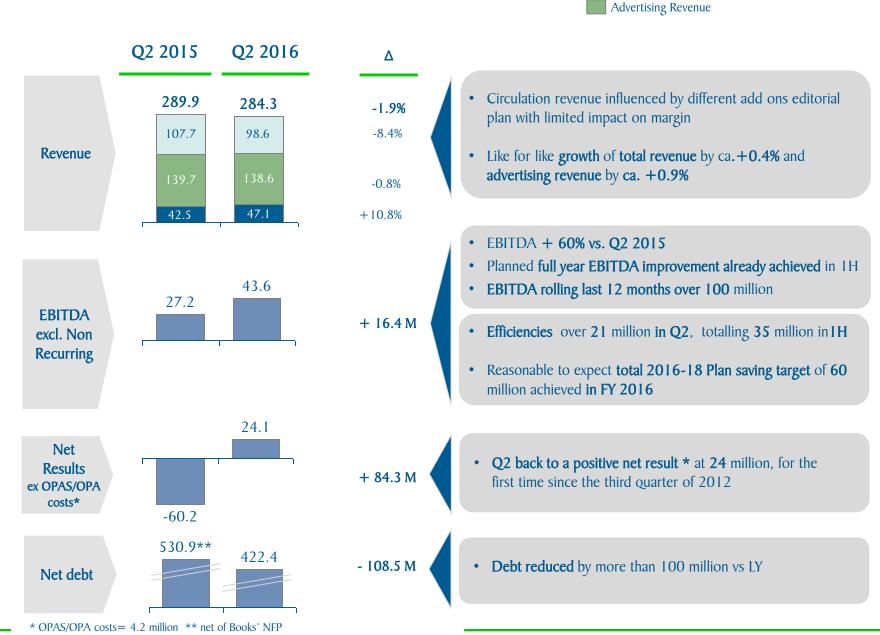
First Half 2016 Results

Business Units Backup



Q2 2016 Results – Key highlights

EUR million



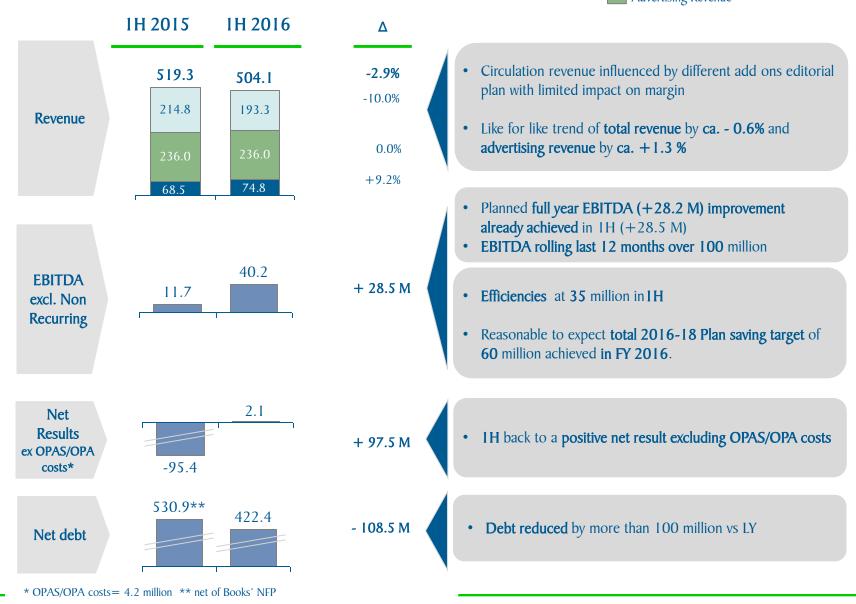
Editorial Revenue

Other Revenue

IH 2016 Results – Key highlights

EUR million

Editorial Revenue Other Revenue



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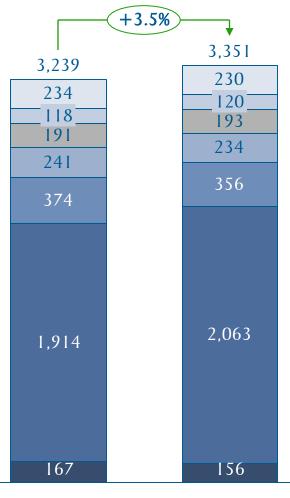
First Half 2016 Results

Business Units Backup



Italy: Advertising Trends

Advertising Gross Revenue, EUR million



	Δ (%)	Δ (%) 1H 16/1H 15
Market	+3.5%	
Online (1)	-1.9%	+4.3%
Outdoor Radio	+2.3% +0.6%	
Magazines	-3.0%	-1.5%
Newspapers	-4.9%	-3.8%
TV	+7.8%	

Other (2)

(2)

-6.2%

 IH 2015
 IH 2016

 TOTAL MARKET

(1) Excluding Search Adv(2) Including: Cinema , Direct Mail , Transit, Out of home TV

RCS

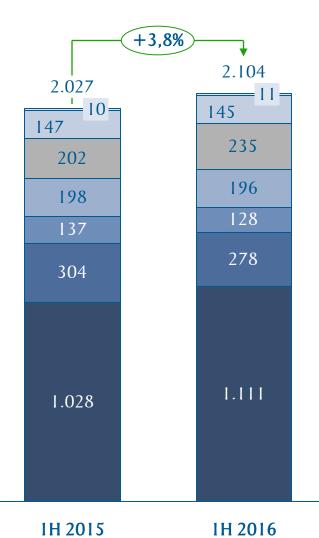


RCS including third party Source: Nielsen Media Research

6

Spain: Advertising Trends

Advertising Gross Revenue, EUR million



	Δ (%)	Δ (%) 1H 16/1H 15
Market Cinema Outdoor	+3.8% +8.8% -1.2%	
Online	+16.1%	+18.3%
Radio	- 0.8%	
Magazines	- 7.1%	+0.1%
Newspapers ⁽¹⁾	- 8.6%	-3.2%
TV	+8.1%	

RCS



7 (1) Including special branded events referring to Unidad Editorial

TOTAL MARKET

Unidad Editorial excluding third parties

Italy: Newspaper Circulation Trends

Circulation, copies/000 per day





Source: ADS + Internal Estimates (digital copies included)

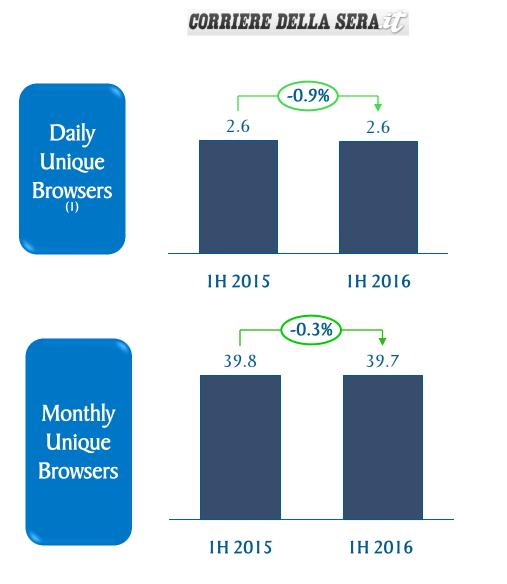
Spain: Newspaper Circulation Trends

Circulation, copies/000 per day

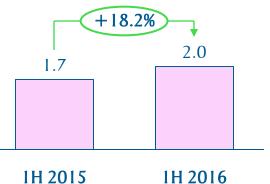


Italy: Online Readership

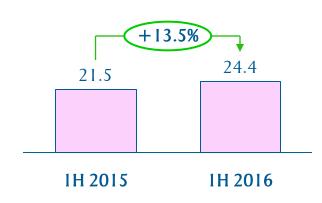
Million Users









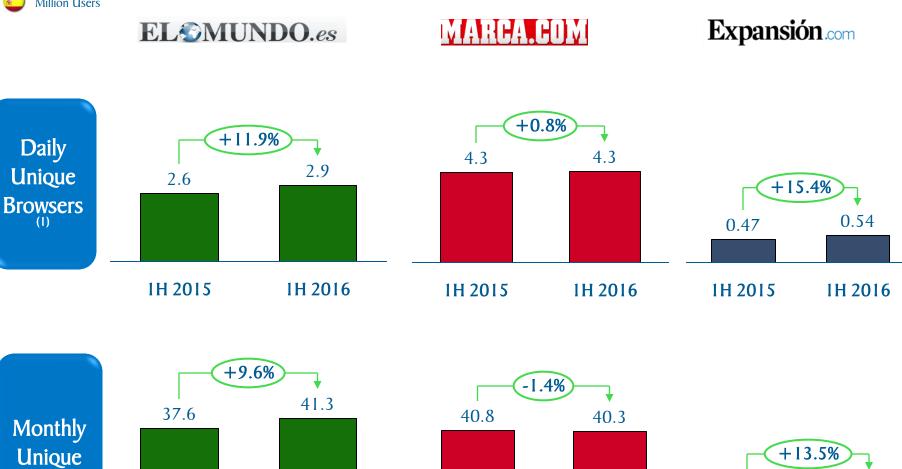


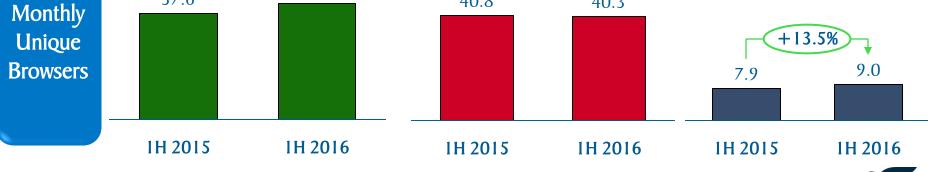


Source: Nielsen Online – SiteCensus- Adobe Sitecatalyst

Spain: Online Readership

Million Users





Source: Omniture

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Outlook 2016 and Plan Progress

Business Units Backup



Q2 and 1H 2016 Results – Summary

EUR million

	Q2 2016		Q2 2015		Δ%		1H 2016		1H 2015		Δ%
Total Revenue	284.3	100%	289.9	100%	(1.9%)		504.1	100%	519.3	100%	(2.9%)
Circulation	98.6		107.7		(8.4%)		193.3		214.8		(10.0%)
Advertising	138.6		139.7		(0.8%)		236.0		236		0.0%
Other	47.1		42.5		10.8%		74.8		68.5		9.2%
EBITDA ex NR Items	43.6	15.3%	27.2	9.4%	60.3%		40.2	8.0%	11.7	2.3%	>100%
Non Recurring Items	(1.8)		(6.5)				(2.1)		(7.2)		
OPAS/OPA Costs	(4.2)		-				(4.2)		-		
EBITDA	37.6	13.2%	20.7	7.1%	81.6%		33.9	6.7%	4.5	0.9%	>100%
EBIT	23.8	8.4%	(29.9)	(10.3%)	ns		6.3	1.2%	(60.8)	(11.7%)	ns
Net Result	19.9	7.0%	(60.2)	(20.8%)	ns		(2.1)	(0.4%)	(95.4)	(18.4%)	ns
Net Result ex OPAS/OPA	24.1	8.5%	(60.2)	(20.8%)	ns		2.1	0.4%	(95.4)	(18.4%)	ns
NFP						•••	(422.4)		(526.3)		

Starting from 30 September 2015, the costs and revenues related to the Books activities were classified as Net Result from Discontinuing and Discontinued Op.

13 Starting from the Financial Report as of 31 December 2015, net results of equity-accounted investees were classified before EBITDA.

Q2 and 1H 2016 Results – Profit & Loss

EUR million

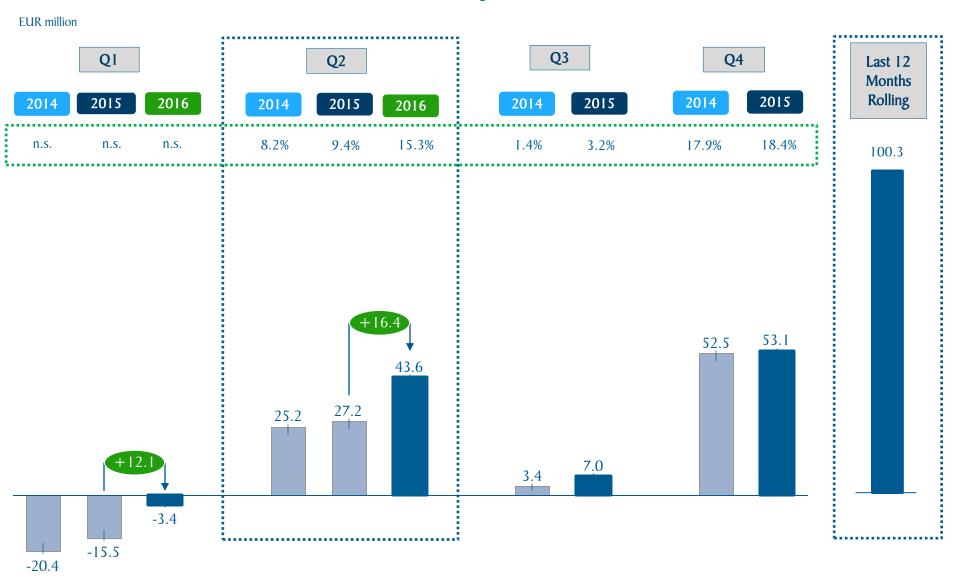
	Q2 2016		Q2 2015		Δ%
Circulation	98.6	34.7%	107.7	37.2%	(8.4%)
Advertising	138.6	48.8%	139.7	48.2%	(0.8%)
Other	47.1	16.6%	42.5	14.7%	10.8%
TOTAL REVENUE	284.3	100%	289.9	100%	(1.9%)
Operating costs	(171.5)	(60.3%)	(188.7)	(65.1%)	(9.1%)
Labour costs	(69.2)	(24.3%)	(74.0)	(25.5%)	(6.5%)
EBITDA ex Non Recurring Items	43.6	15.3%	27.2	9.4%	60.3%
Non Recurring Items	(1.8)	(0.6%)	(6.5)	(2.2%)	ns
OPAS/OPA Costs	(4.2)	(1.5%)	-		
EBITDA	37.6	13.2%	20.7	7.1%	>100%
D&A	(13.7)	(4.8%)	(15.0)	(5.2%)	
Writeoffs	(0.1)	(0.0%)	(35.6)	(12.3%)	
EBIT	23.8	8.4%	(29.9)	(10.3%)	ns
Net financial incomes (charges)	(7.4)	(2.6%)	(10.6)	(3.7%)	
PRE-TAX RESULT	16.4	5.8%	(40.5)	(14.0%)	ns
Taxes	(4.7)	(1.7%)	2.1	0.7%	
NET RESULT FROM CONTINUING OPERATIONS	11.7	4.1%	(38.4)	(13.2%)	ns
Net Result from Discontinuing and Discontinued Op.	8.4	3.0%	(21.6)	(7.5%)	
Minorities	(0.2)	(0.1%)	(0.2)	(0.1%)	
NET RESULT	19.9	7.0%	(60.2)	(20.8%)	ns
NET RESULT ex OPAS/OPA	24.1	8.5%	(60.2)	(20.8%)	ns

IH 2016		1H 2015		Δ%
193.3	38.3%	214.8	41.4%	(10.0%)
236.0	46.8%	236.0	45.4%	0.0%
74.8	14.8%	68.5	13.2%	9.2%
504.1	100%	519.3	100%	(2.9%)
(323.9)	(64.3%)	(360.0)	(69.3%)	(10.0%)
(140.0)	(27.8%)	(147.6)	(28.4%)	(5.1%)
40.2	8.0%	11.7	2.3%	>100%
(2.1)	(0.4%)	(7.2)	(1.4%)	ns
(4.2)		-		
33.9	6.7%	4.5	0.9%	>100%
(27.5)	(5.5%)	(29.4)	(5.7%)	
(0.1)	(0.0%)	(35.9)	(6.9%)	
6.3	1.2%	(60.8)	(11.7%)	ns
(15.3)	(3.0%)	(19.6)	(3.8%)	
(9.0)	(1.8%)	(80.4)	(15.5%)	ns
(1.5)	(0.3%)	11.3	2.2%	
(10.5)	(2.1%)	(69.1)	(13.3%)	ns
8.4	1.7%	(26.5)	(5.1%)	
0.0	0.0%	0.2	0.0%	
(2.1)	(0.4%)	(95.4)	(18.4%)	ns
2.1	0.4%	(95.4)	(18.4%)	ns

Starting from 30 September 2015, the costs and revenues related to the Books activities were classified as Net Result from Discontinuing and Discontinued Op.

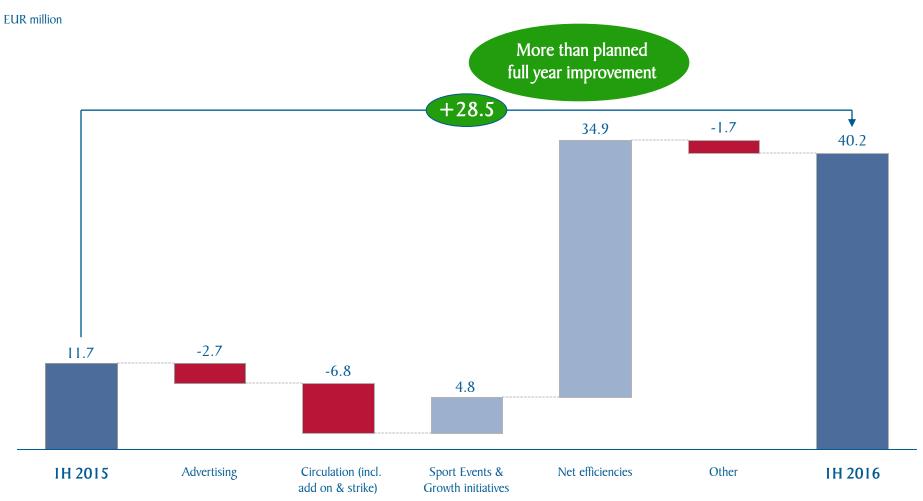
14 Starting from the Financial Report as of 31 December 2015, net results of equity-accounted investees were classified before EBITDA.

2014-2016 EBITDA Evolution by Quarter





Variance IH 2016 vs IH 2015 – EBITDA





Q2 and 1H 2016 Results – Breakdown Revenue & EBITDA

EUR million

		Q2 2	2016			Q2 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	100.4	13.8	13.7%	11.6	11.6%	111.9	11.4	10.2%	9.7	8.7%
News Spain	57.3	5.6	9.8%	5.6	9.8%	59.2	8.3	14.0%	3.3	5.6%
Sport	111.2	29.1	26.2%	28.7	25.8%	102.0	14.3	14.0%	14.8	14.5%
Other activities	15.4	(4.9)	n.s.	(8.7)	n.s	16.8	(6.8)	n.s.	(7.1)	n.s.
CONSOLIDATED	284.3	43.6	15.3%	37.2	13.1%	289.9	27.2	9.4%	20.7	7.1%
		IH 2	2016				IH 2	2015		
	Revenue	IH 2 EBITDA Ex Non Recurring Items	2016 Ebitda ex NR %	EBITDA	Ebitda%	Revenue	IH 2 EBITDA Ex Non Recurring Items		EBITDA	Ebitda%
News Italy	Revenue	EBITDA Ex Non	Ebitda ex	EBITDA	Ebitda% 6.1%	Revenue 209.8	EBITDA Ex Non	Ebitda ex	EBITDA	Ebitda% 3.0%
News Italy News Spain		EBITDA Ex Non Recurring Items	Ebitda ex NR %				EBITDA Ex Non Recurring Items	Ebitda ex NR %		
	189.9	EBITDA Ex Non Recurring Items 14.1	Ebitda ex NR % 7.4%	11.6	6.1%	209.8	EBITDA Ex Non Recurring Items 8.2	Ebitda ex NR % 3.9%	6.3	3.0%
News Spain	189.9	EBITDA Ex Non Recurring Items 14.1 3.3	Ebitda ex NR % 7.4% 3.1%	11.6	6.1% 3.1%	209.8 108.7	EBITDA Ex Non Recurring Items 8.2 4.7	Ebitda ex NR % 3.9% 4.3%	6.3 (0.4)	3.0% (0.4%)

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 half 2016 and consistently in in the first half of 2015.

Balance Sheet

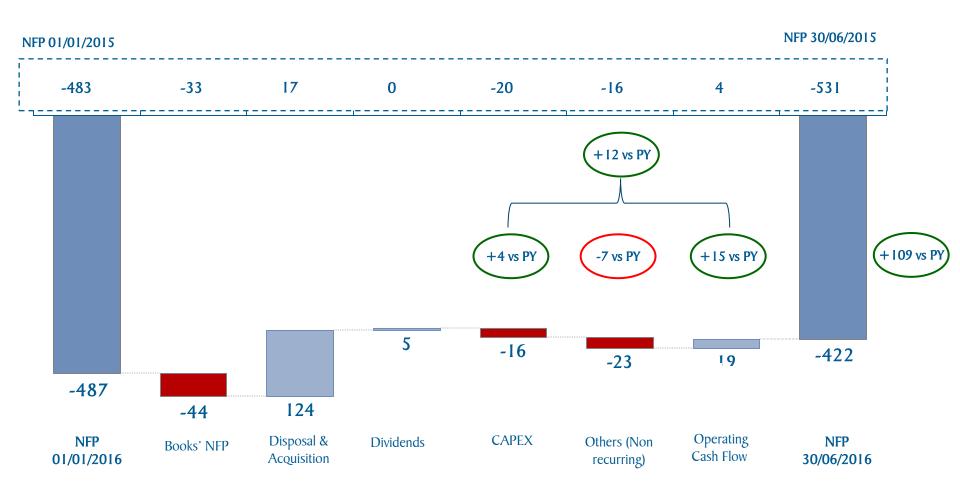
EUR million

	30/06/20	16	31/12/20	15
Net fixed assets	718.4	139.2%	745.0	125.9%
Tangible & Intangible fixed assets	521.1	100.9%	<i>539.9</i>	91.2%
Financial fixed assets	197.3	38.2%	205.1	34.7%
Net working capital	(47.7)	(9.2%)	(64.2)	(10.8%)
Reserve for risk and charges	(115.5)	(22.4%)	(115.6)	(19.5%)
Employee termination indemnity	(39.0)	(7.6%)	(40.1)	(6.8%)
Net invested capital: assets held for sale	-	0.0%	66.8	11.3%
CAPITAL EMPLOYED	516.2	100.0%	591.9	100.0%
Net financial debt (cash) total	422.4	81.8%	486.7	82.2%
of which Net financial debt (cash) of assets held for sale	0.0	0.0%	(44.2)	(7.5%)
Equity	93.8	18.2%	105.2	17.8%
EQUITY & NFP	516.2	100.0%	591.9	100.0%



1H 2016 Cash Flow

EUR million





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Business Units Backup



News Italy – P&L	Verticals	
News	TIM MELANA TOONNA TO	CACCIA () PESCA DOVE
CORRIERE DELLA SERA	AMICA ABITARE	Sfera
	OGCI DOVE [®] Living [®]	Bimbinfiera bambino Insieme Dolce ATTESA

EUR million

	1H 2016	1H 2015	YoY
Circulation	80.0	91.7	(12.8%)
Advertising	94.2	103.1	(8.6%)
Other	15.7	15.0	4.7%
TOTAL REVENUE	189.9	209.8	(9.5%)
O/W add on	17.9	24.2	(26.0%)
EBITDA ex NR Items	14.1	8.2	72.0%
EBITDA % ex NR	7.4%	3.9%	
Non Recurring Items	(2.5)	(1.9)	
EBITDA	11.6	6.3	84.1%



N	ews Spain – P&L	
	News	Verticals & other
	EL MUNDO	PAPE L Constant fuera
	Expansión	
		SIETE LEGUAS

EUR million

		IH 2016	IH 2015	ΥοΥ
Circulation		41.6	47.1	(11.7%)
Advertising		53.1	52.5	1.1%
Other		10.3	9.1	13.2%
TOTAL REVENUE		105.0	108.7	(3.4%)
<i>O/W</i> .	add on	1.7	1.9	(10.5%)
EBITDA ex NR Items		3.3	4.7	(29.8%)
EBITDA % ex NR		3.2%	4.3%	
Non Recurring Items		0.0	(5.1)	
EBITDA		3.3	(0.4)	>100%



Sport – P&L		Ev	vents and forn	nat		
Editorial Italy	Editorial Spain	R CS ^S	Sport + Last	Lap	_	International audience
La Gazzetta dello Sport Tutto il rosa 🌏 della vita	MARCA	Giro d'Italia Milanosanrem		lia Entre THE COLO RUNA	IR E	La Gazzetta dello Sport Tutto il rosa 🌏 della vita
SPORTWEEK	MARCA	MILEANDO		KINEGEN RUNGEN DERATIONEN ALANESTRO	DHABI	+ MARCA
EUR million			1H 2016	1H 2015	ΥοΥ	
			111 2010	111 2013	101	
	Circulation		72.0	76.5	(5.9%)	
	Advertising		66.0	57.7	14.4%	
	Other		43.0	37.4	15.0%	
	TOTAL REVENUE		181.0	171.6	5.5%	
		O/W add on	20.5	21.7	(5.5%)	
	EBITDA ex NR Item	S	31.6	12.1	>100%	
	EBITDA % ex NR		17.5%	7.1%		
	Non Recurring Items		0.0	0.5		
	EBITDA		31.6	12.6	>100%	

Representation as of management reporting2323Events represented here are not an exhaustive list and refer to a selection of events in current portfolio of RCS Sport and Last Lap



Disclaimer

Investor Relations Department

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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.

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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.

