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PRESS RELEASE

The De Agostini S.p.A. shareholders' meeting approves the Financial Statements for the year ending 31 December 2014

GROUP: A SLIGHT DECREASE IN REVENUES AND EBITDA, NEGATIVE NET RESULT DUE TO EXTRAORDINARY COSTS FOR THE IGT TAKEOVER AND *IMPAIRMENT*, MARKED REDUCTION IN BORROWINGS.

AN INCREASE BRINGS PARENT COMPANY'S EARNINGS TO EUR 83 MILLION

Novara, 8 July 2015 The shareholders of De Agostini S.p.A., who met in a general meeting chaired by Marco Drago, approved the Financial Statements as at 31 December 2014 and reviewed the Consolidated Financial Statements as at the same date, which had been prepared on the basis of the IAS/IFRS international accounting standards.

Summary of results:

- **Net Revenues** equal to 4,362 million euros (compared to 4,446 million euros in 2013);
- **EBITDA** of EUR 1,122 million (vs 1,145 million in 2013);
- **Ordinary EBIT**, before non-recurring items, of EUR 584 euros (vs 628 million in 2013);
- **Group's Net profit (loss)** of – EUR 102 million (vs +24 million in 2013).

The above 2013 results indicated by way of comparison are "restated", and derive from the application of the new IFRS 10 and 11 accounting principles; in particular the latter required the consolidation of the joint ventures in the editorial and media sector (including Atresmedia) using the equity method and no longer the proportion method.

The overall figures in 2014 show a **Consolidated Net Loss** of EUR 90 million, compared to a profit of EUR 89 million in 2013, as a result of major non-recurring transactions, substantially extraordinary costs borne for the takeover of IGT by GTech (EUR 147 million) and *impairment* of part of the Zodiak Media goodwill (EUR 65 million); without these non-recurring transactions, there would have been a Consolidated Net Profit. Net of minority interest, the Group's Net Loss in 2014 is equal to EUR -102 million, compared to a profit of EUR +24 million in 2013.

With reference to **consolidated borrowings**, this figure improved significantly compared to the previous year (EUR 3,548 million at the end of 2014 compared to EUR 3,849 million at the end of 2013), confirming the positive *trend* of recent years, thanks to the *focus* of all subsidiaries on cash generation and portfolio simplification. **Consolidated shareholders' equity** increased from EUR 4,059 million at the end of 2013 to EUR 4,073 million at the end of 2014.

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The **"Holding's" Net Financial Position** also improved significantly, reaching EUR -686 million at the end of 2014 compared to EUR -896 million at the end of 2013. EUR 600 million in new financing lines were taken out by the Parent Company during the year. These on average are 5-year loans, used to refinance existing loans.

As for the Parent Company **De Agostini S.p.A.**, net profit in 2014 amounted to EUR 83.3 million, more than double that of 2013 (EUR 35.8 million), thanks to the flow of dividends from subsidiaries in the period in question.
On the basis of a proposal from the Board of Directors, the General Meeting passed a resolution to distribute EUR 24.2 million in dividends.

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The trend of results for each business sector is described below.

Editorial business
In 2014 the context of reference for the Editorial Business remained critical and was significantly characterised by the currency and social-political crisis in Russia and Ukraine, countries that had become major outlet markets in recent years for the *Partworks* (collectibles) and *Direct Marketing business units*.
The Group reacted promptly to the above, increasing its commitment to the corporate shake-up and restructuring, accelerating the process aimed at returning to stable economic conditions, in particular in areas more markedly affected by the fall-off in the market of reference.
The transfer at the end of 2014 of the 'Cartography' business unit was part of the company's business portfolio rationalization.
Total revenues dropped by 8.7% to EUR 781 million, primarily attributable to *Partworks* and *Direct Marketing*. EBITDA was significantly affected by the negative trend in exchange rates (in particular in Russia, Ukraine and Japan to a lesser extent), as well as the drop in sales volumes, dropping from EUR 46 million in 2013 to EUR 5 million in 2014, despite the reduction in fixed overheads.

Media & Communication business
Today, the results of the segment (considering the different accounting procedure used for the *joint venture* with Atresmedia) can also all be attributed to Zodiak Media, a group producing '*entertainment*', '*factual/ documentary*', '*fiction*' and animation TV programmes, as well as international distribution, through its subsidiaries in major European countries, the USA and Asia.
Turnover is mainly generated by '*entertainment*' programmes, which represent 58% of revenues, followed by '*factual/documentary*' (24%), and finally '*fiction*' and '*kids*'.
Media & Communication revenues in 2014 amounted to EUR 432 million, compared to EUR 443 million in 2013.
EBITDA amounted to EUR 35 million, a slight increase on the EUR 34 million of 2013.

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In 2014 Atresmedia, consolidated using the equity method, produced significantly better results, with a 6.3% increase in revenues up to EUR 883 million, an EBITDA of EUR 127.7 million (+ 59.3%) and a net profit of EUR 46.7 million (+ 1.6%). The group maintained its strong competitive position with an *audience share* of around 28% and an advertising market *share* of 42%.

Games and Services business

For GTech, 2014 in particular was characterised by the takeover of the American company IGT, with agreements signed in July, *closing* the deal on 7 April 2015.

GTech revenues in the financial year amounted to EUR 3,070 million, substantially in line with the EUR 3,063 million of 2013. EBITDA amounted to EUR 1,078 million, compared to the EUR 1,067 million of 2013.

The trend in revenues and EBITDA can mainly be attributed to the positive *performance* of the 'Italy' segment, with particular reference to betting on sporting events, and the '*International*' segment, while there was a fall-off in the '*Americas*' segment due to the negative exchange rate and a drop in '*Product Sales*'.

As at 31 December 2014 Consolidated Net Debt amounted to EUR 2,564 million compared to EUR 2,481 million as at 31 December 2013, the increase being mainly attributed to extraordinary costs in the financial year for the IGT takeover and having distributed EUR 260 million in dividends for the financial year.

Financial assets

In terms of financial assets, for DeA Capital 2014 was marked by the transfer of Générale de Santé as part of the *private equity* direct investment exit plan, producing an income of approximately EUR 164 million; furthermore, an agreement was signed to transfer half the investment in Migros to the Anadolu Group.

The Net Asset Value per share as at 31 December 2014 was EUR 2.41, compared to EUR 2.30 at the end of 2013, essentially due to the effect of the revaluation of the investment in Migros and the positive *performance* of the investments in *private equity* funds managed by IDeA Capital Funds, the Group's asset management company. The holding's net financial position improved significantly from a debt of EUR 138.7 million at the end of 2013, to a cash position of EUR 40.6 million at the end of 2014, mainly due to the above-mentioned transfer of Générale de Santé.

With reference to the interest in **Assicurazioni Generali**, the Insurance Company increased its operating result by 10.8%, to over EUR 4.5 billion, with a net result of EUR 1.7 billion.

Securities, after a mainly positive *performance* in 2013, remained substantially unchanged, while there was significant growth in *dividend yield* as a result of the resolution passed to increase the dividend per share from EUR 0.45 to EUR 0.60.

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Marco Drago, the Chairman of De Agostini S.p.A., declared: *"In a context which is still difficult, especially in Europe, in 2014 the Group signed agreements for the takeover of IGT, an operation characterised not only by the exceptional size of the buyout with an enterprise value of the target company of over 6 billion USD, but also by its complexity. Following this operation, of great strategic value for our principal subsidiary and as a consequence for the Group as a whole considering the relative weight of the 'gaming' sector in our portfolio, the "new" IGT will be the most important end-to-end gaming company in the world, an absolute leader in the Lottery and Gaming Equipment segments, making its mark also in Interactive and Social Gaming*.
This operation is in line with the Group strategy which aims to develop the internationalization of our activities, with our subsidiaries providing competitive services second to none within the scope of their operations, a springboard for the long-term growth of the Group, something all stakeholders will benefit from."

Lorenzo Pellicioli, the CEO of De Agostini S.p.A., stated: *"The biggest challenge for the Group in the near future will be to effectively integrate IGT and reach the long-term targets of the takeover plan, including the progressive return to more moderate levels of borrowings. Again in terms of consolidating our business, also the repositioning of De Agostini Editore and Zodiak Media assets will be essential, to different extents characterised by the need to recover their profitability and prospective potential in general.*
The above must be pursued in a context which will probably still be complex in macro-economic terms, at least as far as Europe is concerned, with great volatility on the financial markets."

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The De Agostini S.p.A. General Meeting was followed by the Shareholders' Meeting of the parent company B&D Holding di Marco Drago e C. S.a.p.A., which approved the Financial Statements for 2014, closing with a profit of 23.1 million euros.

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De Agostini

De Agostini is an international family-founded Group, organized in the form of a financial conglomerate, operating in a variety of industrial sectors (publishing, gaming, media & communication) as well as the financial sector.
De Agostini Editore operates in 30 countries, mainly in the Collectibles and Mail Order segments.
IGT (as the "new" GTech was renamed) is a leader on the international gaming and lottery market, offering also services and technologies related to the same.
De Agostini Communications also produces content for the media through its subsidiary Zodiak Media, which operates in 17 countries most of which are in Europe, and "broadcasting" through Atresmedia (Spain), a joint venture with its Spanish partner Planeta Corporación.
DeA Capital operates in the "alternative investments" sector, offering both direct and indirect investments in private equity, as well as trading majority interests in alternative asset management platforms.
The B&D Holding Group also has a 2.43% stake in Assicurazioni Generali (2.01% held by the De Agostini Group).

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