

**Approval of the Financial Statements at 31 December 2018
of De Agostini S.p.A.**

**IMPROVEMENT IN OPERATING PERFORMANCE
WITH A POSITIVE GROUP NET RESULT OF 117 M€**

**DIVIDENDS FROM INVESTEES
TO HOLDING COMPANIES EQUAL TO 119 M€**

PRESS RELEASE

Novara, 3 July 2019. The **Shareholders' Meeting of De Agostini S.p.A.**, held under the chairmanship of Marco Drago, approved the Financial Statements as at 31 December 2018 and reviewed the Consolidated Financial Statements on the same date, the latter prepared in accordance with IAS/IFRS International Accounting Standards.

In summary, **at consolidated level:**

- **Net Revenues** were equal to 4,497 M€ (million euros), down 6% compared to 2017, mainly resulting from the change in the scope of consolidation due to the sale of Double Down Interactive by IGT, and **Gross Operating Margin (EBITDA)** came to 1,546 M€ (equal to 34% of Net Revenues, an improvement compared to 31% in 2017);
- **Ordinary EBIT** was positive at 760 M€, a decisive improvement compared to 2017, mainly due to better operating performance and the progressive reduction in amortisation related to the Purchase Price Allocation of IGT;
- **Group Net Result** was positive at 117 M€;
- **Net Financial Position** came to -7,589 M€, compared to -6,997 M€ at the end of 2017, improving at De Agostini Editore and DeA Capital, while IGT suffered the residual payment of the upfront fee related to the renewal of the Scratch & Win concession (-750 M€ in the year).

Regarding the holding companies ("Sistema Holding") – including De Agostini S.p.A. and the other holding companies controlled by it – net financial debt amounted to 493 M€, substantially stable compared to the previous year.

Also regarding De Agostini S.p.A., we recall the rebalancing operation of the portfolio set in 2018 and with a share of around 9% of IGT as underlying. In

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particular, the Company signed a series of agreements with Credit Suisse, entering a Collar Option structure on 18 million IGT shares (representing about 9% of the subsidiary's capital, of approximately 51% totally owned by De Agostini S.p.A.). The structure, built in tranches with half-yearly maturities from 4 to 5.5 years, resulted in the purchase of Put options and in the sale of Call options for De Agostini S.p.A.

The transaction, defined within a framework of maintenance of control by De Agostini S.p.A. regarding the main investee, could lead in the future to the monetisation of the share in question with a guaranteed minimum value, which on the one hand, would allow the substantial zeroing of the bank debt of the holding companies, and indeed on the other, a structural rebalancing of the weight of IGT on the whole of the Group's investment portfolio.

The **Group Net Asset Value** amounted to 2,237 M€, against **Equity** of 1,763 M€.

With regard to the **Parent Company De Agostini S.p.A.**, the net result recorded in 2018 was a positive for 45.0 M€; at the proposal of the Board of Directors, the Company's Shareholders' Meeting resolved to distribute a **dividend** of 0.60 €/share (for a total of 24.9 M€), unchanged with respect to last year's dividend.

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Below is the performance by sector of activity.

Publishing Activities

At De Agostini Editore, the process of de-risking and refocusing continued, achieving the objective of concentrating on the three segments of Partworks, Books and Digital. The overall results are significantly improving, thanks to the reduction in losses in Partworks, to the more than good performance of De Agostini Scuola, as well as to non-recurring components mainly attributable to the phase-out of Direct Marketing. To facilitate the definitive economic rebalancing of activities, in Partworks in particular, an operational joint venture was launched with Grupo Planeta-De Agostini, focused on the European market, with the sharing of commercial, organisational and product best practices.

The Net Revenues of the activities in question fell to 333 M€, while EBITDA was positive for 25 M€, benefiting from the restructuring process undertaken in Partworks in previous years, and, as mentioned above, the good results of De Agostini Scuola and the Direct Marketing phase-out activity.

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Media & Communication Activities

With regard to Banijay Group Holding, 2018 closed with substantially stable results compared to the previous year, confirming the good operating profitability. Taking into account the minority stake held in the capital, the involvement of the Group is in principle orientated to the valorisation in the medium term of the investment in the company, and in this perspective, the De Agostini Group is continuing to monitor the growth strategy pursued by the same.

Banijay Group Holding reported revenues of 827 M€, with EBITDA of over 120 M€.

At Grupo Planeta-De Agostini, after an overall positive performance in publishing and in particular in training activities, some signs of a slowdown in Atresmedia began to appear, after years of good growth. Despite the positive results in terms of audience and profitability, the general reduction in the market for advertising sales in television channels – caused both by the entry of new internet-based operators and by the misalignment of the trend with respect to the Spanish macroeconomic scenario of GDP growth – is forcing the company to pursue new strategies/sources of income.

Atresmedia reported Revenues of 1,042 M€, with EBITDA of 187 M€ and net profit of 88 M€ (126 M€, excluding the write-off of deferred tax assets for 38 M€).

It should be noted that due to the accounting rules with which the De Agostini Group Consolidated Financial Statements are prepared, the indirect investments in Banijay Group Holding and Atresmedia are included with the equity method, without therefore including the operating figures on the respective lines of relevance.

Games and Services Activities

With reference to IGT, solid results were recorded in the Lottery segment, both in Italy and in North America, supported by continuous product innovation. After the completion of the contract/concession renewal cycle in which IGT has been involved in recent years – particularly in Italy, with Lotto and Scratch & Win – the company has positioned itself in the best position to continue on its growth path of this business sector.

On the other hand, the evolution of Gaming activities at both North American and international level was more complex; the results are still partly below expectations, but comforting signs emerged, arising from the launch of new products that were highly appreciated in the sector's reference exhibition event – such as the G2E in Las Vegas – and above all corroborated by the good sales performance in the quarters at the end of 2018 and beginning of 2019.

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Areas of improvement remain, particularly at international level and in activities of recurring revenues in North America. However, there is full confidence in the ability of management to consolidate the recovery trend and return to the path of development and value creation that is part of the objectives of the Group. IGT achieved Net Revenues of 4,101 M€, with EBITDA of 1,482 M€. It should be noted that the results recorded in 2017 had reflected the consolidation of Double Down Interactive for the first five months of the year.

Financial assets

DeA Capital recorded another positive year, with growth in Assets Under Management – up to almost 12 B€, confirming its leadership position in Alternative Asset Management in Italy – and an improvement in economic and financial indicators (also thanks to some important valorisation of private equity activities). In line with the strategy that in the past has often characterised the Group's subsidiaries – that is, consolidation of the position in Italy and subsequent “export” of the business model abroad – in real estate asset management, the company has also launched in France and Spain/Portugal two joint ventures with local teams characterised by specific experience and knowledge of their respective markets; it is believed that these initiatives can become a further growth engine for the management platform in the coming years.

Finally, as regards Assicurazioni Generali, the company is continuing to record significant results in all areas of business, Non-Life and Life, as well as Asset Management. Ambitious targets have been set in the new strategic plan presented at the end of 2018, such as the strengthening of positions in Europe (Italy and Germany mainly) and the creation of a global asset management platform, accompanied by improved cash generation and consequently the capacity to remunerate shareholders.

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After the De Agostini S.p.A. Shareholders' Meeting was the Ordinary Shareholders' Meeting of the Parent Company **B&D Holding S.p.A.**, which approved the Financial Statements as at 31 December 2018, closed with a profit of 19.0 M€ (compared to 17.9 M€ recorded in 2017).

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Corporate Restructuring

During an extraordinary meeting, a **corporate reorganisation project** involving De Agostini S.p.A., the parent company B&D Holding S.p.A. and the company entirely controlled by the latter, B&D Finance S.p.A., was also approved by the respective Shareholders' Meetings. The reorganisation is aimed at bringing together at De Agostini S.p.A. the shareholding management and investment activities carried out by B&D Holding S.p.A. and B&D Finance S.p.A., and to articulate the shareholding structure of B&D Holding S.p.A. and De Agostini S.p.A. according to the most appropriate methods agreed upon unanimously among Shareholders.

As a result of the reorganisation, it is also planned that De Agostini S.p.A. will acquire an additional shareholding in Assicurazioni Generali S.p.A. from B&D Holding S.p.A. (equal to 0.25% of the latter's share capital, therefore for a total of 1.71%, taking into account the stake already held).

In formal terms, the reorganisation is expected to be carried out with:

- a partial non-proportional demerger of B&D Holding S.p.A. in favour of De Agostini S.p.A., as a result of which the latter will be transferred the shareholding in B&D Finance S.p.A. (holder, among other things, of the aforementioned Assicurazioni Generali shares, as well as a 35.5% stake in Camperio SIM);
- the simultaneous merger of B&D Finance S.p.A. into De Agostini S.p.A.

It should be noted that due to the reorganisation, it is set out that the stake held by B&D Holding S.p.A. in De Agostini S.p.A. stands at 65.3% of the latter's share capital (i.e. 61.2% also considering the special category shares held by Investendo Due), while the stake held by the Direct Shareholders (represented by the various branches of the Boroli-Drago Families) increases to 34.7%.

In parallel to the above, it should also be noted that during the extraordinary meeting, the following have also been approved:

- subject to the completion of the above transactions, the adoption of a new text of the Articles of Association for De Agostini S.p.A. and B&D Holding S.p.A.;
- annulment of all the treasury shares of De Agostini S.p.A. (equal to about 14% of the share capital).

The reorganisation is expected to take effect at the beginning of 2020.

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De Agostini

De Agostini is an international group with family capital, organised as a financial conglomerate present in industrial sectors (Publishing through De Agostini Editore, Media & Communication through Banijay Group Holding and Grupo Planeta-De Agostini/Atresmedia, Games and Services through IGT) and in the financial sector (through DeA Capital and the investment in Assicurazioni Generali).

De Agostini Editore operates internationally in the Partworks (Collectible) segment and in Italy in the Books and Digital segments. Banijay Group Holding is the most important independent international operator in the Content Production sector, mainly television. Atresmedia is co-leader in TV Broadcasting in Spain. IGT is the world's leading operator in the gaming and related services sector. DeA Capital is the most important independent alternative asset management platform (Private Equity and Real Estate) in Italy.

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