DE AGOSTINI

The De Agostini S.p.A. shareholders' meeting approves the 2009 financial statements

CONSOLIDATED NET REVENUES RISE TO EUR 4,160 MILLION AND EBITDA COMES IN AT EUR 801 MILLION: NET LOSS THE RESULT OF ONE-OFF ITEMS

PLAN TO STRENGTHEN CAPITAL STRUCTURE IMPLEMENTED: CONSOLIDATED NET DEBT DOWN FROM EUR 4,776 MILLION TO EUR 4,154 MILLION

PRESS RELEASE

Novara, 22 July 2010. The De Agostini S.p.A. shareholders' meeting, which met under Chairman Marco Drago, approved the annual financial statements to 31 December 2009 and reviewed the consolidated financial statements for the same period, which were prepared in accordance with IAS/IFRS.

Summary of results:

- **Net revenues** of EUR 4,160 million (vs. EUR 4,133 million in 2008)
- **EBITDA** of EUR 801 million (vs. EUR 836 million in 2008)
- **EBIT** of EUR 252 million (vs. EUR 285 million in 2008)
- **Consolidated net loss** of EUR 215 million (vs. a loss of EUR 55 million in 2008)

In a difficult year for economies around the world, the group achieved an increase in net revenues (+1%) and experienced a limited decline in EBITDA (-4%), primarily due to the lower contribution made by dividends from financial investments. EBIT and consolidated net profit were hit by one-off charges (impairment and restructuring costs amounting to around EUR 100 million relating to the Gaming business) and by charges resulting from the early close-out of the total return equity swap on Assicurazioni Generali shares, which was carried out with the aim of reducing the group's net debt by more than EUR 200 million.
After stripping out minority interests, the group made a net loss of EUR 273 million, compared with a loss of EUR 125 million in 2008.

"2009 was a difficult year on account of both the spread of the financial crisis to the real economy and the uncertainties that still surround the recovery of important growth factors such as investment and employment. In light of these circumstances, this was a year of consolidation for the De Agostini Group, with a strong focus on adhering to the strategic guidelines set by the Board of Directors, delivering operational excellence and using available capital appropriately and wisely, thereby limiting the impact of the crisis on operating results and achieving levels close to the group's objectives. At the same time, the group continued to invest in developing the Media & Communication business, and the main elements of uncertainty affecting the Gaming & Services business were eliminated," commented Marco Drago, Chairman of De Agostini S.p.A.

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At 31 December 2009, the group's **net debt** stood at **EUR 4,154 million**, compared with EUR 4,776 million at the end of 2008. This decrease is largely the result of the measures to strengthen the capital structure of De Agostini S.p.A. and Lottomatica, as well as the above-mentioned close-out of the total return equity swap on Assicurazioni Generali shares.

The **holding company structure** (DeA S.p.A., DeA Partecipazioni and others) recorded **net debt** of EUR 802 million, representing **an improvement** over the net debt figure of EUR 966 million at the end of 2008.

The parent company **De Agostini S.p.A.** closed 2009 on a loss of EUR 303.8 million (due for the most part to the write-down of DeA Partecipazioni, as a result of the aforementioned charges relating to closing out the equity swap), compared with net profit of EUR 13.3 million reported in 2008.
The shareholders' meeting approved the proposal of the Board of Directors not to pay a dividend.

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Details on the performance of each business are given below.

Publishing
In the Publishing business, the overall market outlook remains difficult, especially in western European countries, with Italy no exception. In 2009, revenues dropped 10.3% to EUR 1,389 million, mainly due to the performance of Partworks, Direct Marketing and General Reference. Although EBITDA remained in positive territory, margins were squeezed. During the year, the previously announced action plans to improve structural efficiency were implemented. These plans are necessary to bring the business's cost and organisational structure back into line with the market situation.

Media & Communication
The Media & Communication business posted net revenues of EUR 560 million, a rise of EUR 38 million (or around 7.3%) compared with 2008. This result was made possible by the growth, including through business combinations, of **Zodiak Entertainment**, which heads up the group's TV content production activities and which achieved revenues of around EUR 370 million. In Spain, **Antena 3 TV** did not escape the effects of the economic climate, which had significant consequences on advertising expenditure and thus on the revenues generated by the main TV broadcasting companies. Despite this, Antena 3 managed to maintain an acceptable level of profitability given the situation, thanks to stringent cost-cutting measures, while at the same time defending itself against the ongoing fragmentation of audience share.
Overall, the business has seen its margins squeezed, with EBITDA coming in at EUR 81 million.

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Gaming & Services
Revenues were EUR 2,177 million, an increase of EUR 118 million (or 5.7%) compared with 2008, while EBITDA rose 3.7% to EUR 784 million. The rise is largely attributable to the positive performance of Italy, but there are also encouraging signs from the increase in service revenues for the Lotteries business, particularly in the US. In 2009, Lottomatica was able to extend the average duration of its contract portfolio through the renewal and extension of numerous agreements, and the group also implemented cost-cutting measures. In addition, investments totalled EUR 425 million, an increase over 2008. This figure includes EUR 81 million for video lottery licences in Italy and investments to promote growth, particularly in the Sports Betting sector. Finally, the group also strengthened its financial base by extending the average life of its debt and bringing in EUR 1.1 billion through a share capital increase and a bond issue. Net debt fell to EUR 2.4 billion from EUR 2.7 billion at the end of 2008.

Financial Investments
In 2009, **DeA Capital** concentrated its efforts on managing its existing investment portfolio, with the aim of supporting the management of its subsidiaries in the process of value creation, and on developing its asset management activities. Despite the very challenging environment for fundraising, its asset management activities had EUR 5.2 billion in assets under management at the end of 2009, compared with EUR 4.7 billion at the end of 2008. The net asset value per share rose from EUR 2.55 at 31 December 2008 to EUR 2.65 at 31 December 2009, equating to a total value of EUR 780 million, while the net financial position remained sound, with net debt limited to just EUR 35 million.

In relation to the investment in **Assicurazioni Generali**, the insurance company's results improved significantly compared with 2008, and the share price, which had suffered badly during the height of the crisis in the financial markets in March 2009, recovered to reach levels last seen at the end of 2008. During 2009, Assicurazioni Generali completed its merger with Alleanza, and is now pursuing the rationalisation and efficiency measures that are expected to achieve positive results in the medium to long term.

Lorenzo Pellicioli, CEO of De Agostini S.p.A., commented: *"The rationalisation and consolidation of our activities and the strengthening of our capital structure, which demonstrates that we have the trust and support of our shareholders, mean that in 2009 we completed the groundwork to enable us to face a difficult 2010 with greater confidence. The macroeconomic climate and the continuing instability in the financial markets vindicate the De Agostini Group's strategy of concentrating on its existing businesses and on improving performance in order to be well-placed to seize the opportunities offered by a gradual economic recovery. In light of the events of the past two years, it bears repeating that the group's characteristic strategies of international expansion and building exposure to defensive industries have proved to be decisive strengths."*

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Following the De Agostini S.p.A. shareholders' meeting, the shareholders' meeting of the parent company B&D Holding di Marco Drago e C. S.a.p.a. was held to approve the 2009 annual financial statements, which closed on net profit of EUR 19.4 million (compared with EUR 66.5 million in 2008). On the basis of the recommendation by the Board of General Partners, the shareholders' meeting approved payment of a dividend of EUR 14.7 million and the allocation of EUR 4.7 to reserves.

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Significant events after the end of the year

During the first half of 2010, the most significant events to affect the Group were:

- in Italy, the successful outcome of the tender to renew Lottomatica's licence for *Gratta & Vinci* (scratch cards);
- the acquisition by Zodiak Entertainment of RDF, a leading independent producer of media content in the UK that also has a presence in the US, taking Zodiak's pro forma revenues to more than EUR 500 million.

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De Agostini

De Agostini is a family-owned international group, organised as a financial conglomerate, that operates in a wide range of industries (publishing, media & communication, gaming) and in the financial sector.
De Agostini Editore, the sub-holding company for the group's publishing activities, is present in 30 countries, mainly in the Partworks and Mail Order businesses.
De Agostini Communications operates in the media content production sector through its subsidiary Zodiak Entertainment, which is present in over 20 mainly European countries, and in the broadcasting sector through Antena 3 de Televisión (Spain), which is under the joint control of De Agostini Communications and the Spanish shareholder Planeta Corporation.
The Lottomatica Group is a leading player on the international gaming and lotteries market and on the market for associated services and technologies, not least through its US subsidiary GTECH.
DeA Capital operates in the alternative investments sector, both through direct and indirect private equity investments and through controlling and joint controlling interests in alternative asset management platforms.
De Agostini also holds a 2.3% stake in Assicurazioni Generali.

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