DE AGOSTINI

PRESS RELEASE

The De Agostini S.p.A. shareholders' meeting approves the Financial statements for the year ending 31 December 2012

REVENUES UP 1% TO EUR 5.1 BILLION
EBITDA UP 4% TO EUR 1.17 BILLION
STRONG GROWTH IN CONSOLIDATED NET INCOME

Novara, 11 July 2013. The shareholders of De Agostini S.p.A., who met today in a general meeting chaired by Marco Drago, approved the separate financial statements as at 31 December 2012 and reviewed the consolidated financial statements as at the same date, which had been prepared in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS).

Summary of results:

- **Net revenues** of EUR 5,097 million (vs. 5,070 million in 2011);
- **EBITDA** of EUR 1,168 million (vs. 1,124 million in 2011);
- **"Recurring" EBIT**, i.e. before non-recurring items, of EUR 624 million (vs. 556 million in 2011);
- **Consolidated net income** of + EUR 142 million (vs. +86 million in 2011).

In a year that was again critical for the economy and the financial markets, particularly in Italy, the Group substantially confirmed its revenue volumes at over EUR 5 billion and further improved its margin at the EBITDA level thanks to a key contribution by GTech (formerly Lottomatica).
This performance is also fully reflected in the figure for "recurring" EBIT, i.e. before non-recurring items, which grew by over EUR 70 million (12%).

Although held back by impairment losses and other non-recurring charges totalling EUR 167 million, consolidated net income increased to EUR 142 million (EUR 86 million in 2011).
The non-recurring charges were mainly related to *impairment* losses (EUR 121 million), roughly two-thirds of which related to the *Media&Communication* business with the remainder being related to financial investments.

Net of the minority interests, the Group net profit came to EUR 32 million, as compared to EUR 2 million in 2011.

The Group's **net financial debt** as at 31 December 2012 was EUR 4,124 million, which, however, represents a EUR 172 million improvement over the 2011 figure. This change was due to an improvement in the net financial position for GTech, partially reduced by investments made in the Finance business and by the holding company.

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The **net financial debt for the holding company structure** was EUR 642 million, as compared to EUR 615 million at the end of 2011. Comparing like for like in terms of consolidated companies, net debt improved by EUR 116 million.

"For our Group, 2012 can be viewed as a good year overall.
In terms of financial performance, we have met and, in certain cases, surpassed the targets that we had set for ourselves for the year. Furthermore, we have completed the reorganisation of the Group's ownership structure, which, together with shareholder agreements, will help to maintain unity of purpose and cohesion among the shareholders.
We have been able to achieve these results despite the difficult landscape within which we have been operating, one which has been characterised by – often critical – external factors within the macroeconomic framework and on the financial markets", said Marco Drago, Chairman of De Agostini S.p.A..

The parent company, **De Agostini S.p.A.** (formerly B&D Holding S.a.p.A.) ended the financial year 2012 with net income of EUR 15.8 million, as compared to the EUR 16.8 million posted in 2011. The Board of Directors proposed, and the shareholders resolved, that all earnings be distributed in the form of a dividend, along with an additional EUR 19.2 million to be taken from the extraordinary reserve.

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Details on the performance of each business area are provided below.

Publishing
In 2012, the general landscape for the Publishing business remained critical, particularly in Italy, both for Partworks and for Books. At the same time, the Group continued to pursue its strategy of finding new outlets in markets with greater potential for growth and in expanding areas of business, such as that of theme-based television channels (Digital De Agostini).
The process of simplifying the portfolio continued with the sale of UTET Grandi Opere and of Centre Européen de Formation (CEF) in France.
Total revenues fell by 3.8% to EUR 1,252 million despite the growth of around 2% in the Direct Marketing business. Despite the challenging market conditions and thanks to cost-containment efforts, EBITDA improved by EUR 33 million in 2011 and by EUR 47 million in 2012.

Media & Communication
Net revenues for the *Media & Communication* business area came to EUR 683 million, declining by 7.7% compared to 2011; this trend is also reflected in performance at the level of EBITDA, which fell from EUR 96 to 63 million.
This drop in revenues is attributable both to **Zodiak Media**, which, while posting revenues of over EUR 500 million, was adversely affected by a generalised reduction in the *budgets* of television *broadcasters*, and to **Antena 3** (now Atresmedia, which is consolidated using the proportional method at

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around 22%), which felt the effects of a further sharp decline in the Spanish advertising market. On the upside for Atresmedia, the merger with Sexta brought the company's market share based on revenues from 30.5% in 2011 to 35.2% in 2012.

Gaming & Services

Revenues for **GTech** (formerly Lottomatica Group) reached EUR 3,076 million, increasing by 3.4% from 2011, while EBITDA rose by 6.4% to EUR 1,032 million.

This growth was due mainly to the strong performance of the international Lotteries business, particularly in the U.S., and of Spielo (terminal sales and related services), although revenues for Lottomatica Italia declined slightly due to trends in lotteries and sports betting.

As at 31 December 2012, GTech had a net debt of EUR 2,523 million, significantly less than that of EUR 2,726 million as at 31 December 2011 thanks to the consistent generation of cash during the year.

Financial Investments

In 2012, **DeA Capital** continued to pursue its strategy of enhancing the existing investment portfolio and further developing its asset management business. The shareholding in IDeA FIMIT SGR rose to 64.3%, while the portfolio of *alternative asset management* investments was streamlined by the sale of a number of minor shareholdings.

Net asset value per share as at 31 December 2012 stood at EUR 2.63, up from the EUR 2.38 of the end of 2011 due, above all, to the positive effect of the market performance of the Migros shares.

The net financial position went from - EUR 102.5 million to - EUR 123.6 million due, essentially, to the investments in the *private equity* funds managed by IDeA Capital Funds SGR and to the buyback, which reached 32 million shares, i.e. 10.5% of capital.

Assicurazioni Generali, an insurance company in which the De Agostini Group has a stake, posted an increase in operating performance, but a lower net result compared to 2011 due to impairment losses recognised for a number of *assets* in its portfolio as a result of the performance of the markets and the alignment of the measurement policies to international best practice.

The share posted strong gains (18%) and outperformed the Euro Stoxx index due, in part, to the shift in company strategy.

Lorenzo Pellicioli, CEO of De Agostini S.p.A., said, "*The current year is again one of great instability and weakness in consumption, particularly in Europe.*

It is for that reason that all members of the Group are committed to strengthening our competitive positioning, to expanding in markets that, in this new global landscape, are now driving economic growth, and to simplifying our portfolio of assets, while remaining selective in our investment decisions.

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Within this framework, the goals for 2013 are to consolidate our overall business performance, to maintain a balanced financial structure, and to pursue competitive excellence in all areas of business".

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Following the meeting of the shareholders of De Agostini S.p.A., a meeting of the shareholders of the parent company, New B&D Holding di Marco Drago & C. S.a.p.A. (subsequently renamed B&D Holding), was held to approve the separate financial statements for 2012, which closed essentially at breakeven. Based on the recommendation of the Board of General Partners, the shareholders approved payment of a dividend of EUR 6.6 million by way of a partial distribution of the share-premium reserve.

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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, gaming, and media & communications) and in the financial sector.
De Agostini Editore is present in 30 countries, mainly in the Partworks and Mail Order businesses.
GTech is a leading player on the international gaming and lotteries market and on the market for associated services and technologies.
De Agostini Communications operates in the media content production sector through its subsidiary Zodiak Media, which is present in 20 mainly European countries, and in the broadcasting sector through Atresmedia (Spain), which is under the joint control together with the Spanish shareholder Planeta.
DeA Capital operates in the alternative investments sector, both through direct and indirect private equity investments and through controlling interests in alternative asset management platforms.
The Group also holds a 2.43% stake in Assicurazioni Generali.