DE AGOSTINI

PRESS RELEASE

De Agostini S.p.A.'s shareholders approve 2008 accounts

CONSOLIDATED NET REVENUE UP 14%
NET LOSS DUE TO NON-RECURRING ITEMS

PARENT COMPANY DE AGOSTINI SPA POSTS NET PROFIT OF €13.3 MILLION

BOARD OF DIRECTORS APPOINTED
MARCO DRAGO AND LORENZO PELLICIOLI CONFIRMED AS CHAIRMAN AND CEO RESPECTIVELY

PLAN TO STRENGTHEN CAPITAL BASE FOR €300 MILLION APPROVED

Novara, 20 July 2009. The shareholders' meeting of De Agostini S.p.A., which met under the chairmanship of Marco Drago, has approved the financial statements for the year ending 31 December 2008 and reviewed the consolidated financial statements for the same period, which were prepared in accordance with IAS/IFRS.

Financial highlights include:

- **Net revenue** of €4,143 million (vs €3,627 million in 2007);
- **EBITDA** of €825 million (vs €871 million in 2007);
- **EBIT** of €274 million (vs €518 million in 2007);
- **Consolidated net result** -€55 million (vs +€139 million in 2007).

The decline in EBIT was due to goodwill and financial asset impairments and greater amortisation (PPA – purchase price allocation) totalling over €200 million.
Net profit attributable to the group, excluding minority interests, amounted to -€125 million, compared with + €72 million in 2007.

"*The year just ended, and the early months of 2009, will certainly be remembered as one of the toughest periods for the economy in the last few decades. Against this backdrop, and partly thanks to the investments made in past years in sectors resilient to the swings of the business cycle, the De Agostini Group has been able to post good operating results, with higher revenues and largely stable margins, stripping out non-recurring items. Meanwhile, the strategic plan was carried to completion with a series of significant growth-oriented investments in the media & communications, gaming and services, and finance sectors, which will constitute an important platform for the future*", said Marco Drago, Chairman of De Agostini.

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At 31 December 2008 the Group had **net debt** of **€4,776 million**, compared with €3,267 million at the end of 2007. The increase was due to the acquisitions and investments completed by the Group, totalling €1.3 billion.

The parent Company, **De Agostini S.p.A.**, posted net profit of €13.3 million, compared with net profit of €100.3 million for 2007, and had a **net cash position of €252.6 million**, compared with €414.7 million at the end of 2007.

Based on the proposal of the Board of Directors, the shareholders' meeting resolved not to pay a dividend and to allocate the entire profit for the year to reserves.

The shareholders' meeting also appointed the new board of directors, raising the number of its members to 13. New members included Carlo Ferrari Ardicini, who replaces Renzo Ferrante among members of B&D Holding's family shareholders, and Alberto Toffoletto, as an independent director. Marco Drago was confirmed as Chairman.
At the meeting of the board of directors held shortly thereafter, Lorenzo Pellicioli was confirmed as Chief Executive Officer.

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Details of performance by sector are provided below.

Publishing
2008 was a critical year for the publishing sector, with results below expectations (revenues down 3.5% to €1,559 million and declining margins). Certain businesses held up well, such as partworks in Japan and Eastern Europe and educational publishing. However, there was a marked slowdown in other key areas, particularly the Italian and French markets, while the market for general reference and cartography suffered again from competitive pressure. Accordingly, measures were taken, some with difficult social consequences, to generate efficiencies and adapt the organisational and cost structure to the new situation.

Media & communication
Media & communication saw significant progress in the content production project started in 2007. Following the acquisition of Zodiak Television, a new company was established – **Zodiak Entertainment** – to oversee all operations in this area. In 2008 this company had pro forma revenues of €408 million. One of the main European operators, it has a significant geographical footprint and a highly diversified product portfolio, including TV dramas, animation and light entertainment.

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Antena 3 TV in Spain had total revenues of €833 million (100% figures), down from the comparable figure of the previous year, due to the deterioration of the country's economic situation and the inevitable consequences for the local advertising market, despite an unchanged advertising market share.
The media & communication sector, which consolidated Antena 3 in proportion to the equity interest held in the joint venture that operates it, and Zodiak Entertainment for the period after the acquisitions became effective, contributed €522 million to consolidated revenues (+ 51%) and €104 million to consolidated EBITDA (up 30%).

Gaming and services
Gaming and services again experienced significant growth, with revenues up by 24%, to €2,059 million, thanks mostly to the Italian operations, which drove the overall sector performance. In 2008 significant investments were made (€395 million), partly to gain a foothold in areas with high growth potential, such as the Interactive and Sport Betting sectors, laying the groundwork for further growth in the segment.

Investment activities
DeA Capital made substantial investments in the private equity sector – by joining a consortium set up to acquire Migros Turk, Turkey's leading food retailer - and in alternative asset management, which resulted in the expansion of the range of funds under management. To this end, a significant impetus to growth came from the acquisition in Italy of property management company First Atlantic Real Estate.
DeA Capital used virtually all the €416 million available for new investment opportunities at the end of 2007, thus completing the execution of its investment plan.

Turning to the equity interest in **Assicurazioni Generali**, the financial market turmoil had an adverse impact on the company's results, which were still positive and unaffected by investment in "toxic" assets. The share performed in keeping with the trend that depressed all financial sector equities, though it outperformed its main peers, thus confirming its soundness as a medium/long-term investment for De Agostini.

Lorenzo Pellicioli, the Group's Chief Executive Officer, said:
"*We are having another difficult year in 2009 due to the macroeconomic scenario and the continuing instability of financial markets. In this context, the De Agostini Group's strategy will focus on existing businesses, with special emphasis on cost efficiencies and on strengthening our position so that we can launch a new value creation process as soon as the right conditions are in place. We are confident about the future, mindful that we have invested mostly in activities that can deliver good results, with concrete opportunities to come out*

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of this crisis stronger than ever, thanks to an extremely diversified portfolio in defensive sectors and with a strong international footprint".

Following the shareholders' meeting of De Agostini S.p.A., B&D Holding di Marco Drago & C. Sapa, the controlling company, held its own general meeting, which approved the 2008 financial statements, with a profit of €66.6 million (up 20% on 2007). Based on the proposal of the board of general partners, the meeting unanimously resolved not to pay a dividend and to allocate the entire profit for the year to reserves.

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Subsequent events after year-end

In light of market conditions, and therefore the appropriateness of reducing leverage, the first months of 2009 saw the early closing of a total return equity swap on Assicurazioni Generali shares, which at 31 December 2008 accounted for 1.1% of share capital. This transaction made it possible to reduce net debt by over €200 million.

De Agostini's equity investment in Assicurazioni Generali is now of 2.5% of total shares outstanding.

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Following the shareholders' meetings where the respective financial statements were approved, extraordinary meetings were held by De Agostini S.p.A. and B&D Holding, which in turn, unanimously approved a significant and far-reaching plan to strengthen the Group's capital base.

This plan gives the board of directors of De Agostini S.p.A. the power to raise equity – through the issue of a mandatory convertible bond – by up to €300 million. The objective of the plan is to provide the parent company with adequate financial flexibility to take advantage of any investment opportunities and to support the growth of core portfolio companies.

The resolutions adopted call for the controlling company, B&D Holding, to fund the above deal partly by using the available cash and partly through an equity injection by the existing shareholders.

To this end, Marco Drago said, "*the plan to strengthen the capital base of the holding companies is the chosen business response of the family shareholders, acting in concert and with complete unity of purpose, to ensure that the group is ideally placed to best confront the challenges of the current economic and financial scenario.*

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The greater degree of financial flexibility will enable the Group to carry out its commitments leading to the achievement of its overall strategic plan in a framework of continuity".

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De Agostini
De Agostini is a family-owned international group set up as a financial conglomerate, which operates in diversified business sectors (publishing, gaming, media & communications) and in finance.
De Agostini Editore, sub-holding and parent company of the Group's publishing segment, operates in 30 countries, mainly in the partworks and catalogue sales segments.
Lottomatica Group is a leading international player, partly through its US subsidiary GTech, in the gaming and lottery sector and in related services and technologies.
De Agostini Communications is active in the production of media content - through its subsidiary Zodiak Entertainment, which operates in over 20 countries, mainly in Europe – and in broadcasting, through Antena 3 de Televisión (Spain) – a company held jointly with its Spanish partner Planeta Corporation.
DeA Capital is active in alternative investment, through direct and indirect private equity investment as well as through controlling interests in, and joint control of, alternative asset management platforms.
De Agostini also holds a 2.5% stake in Assicurazioni Generali.

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