

The background is a solid light blue color. In the upper right quadrant, there is a large, faint, stylized graphic of an eye. The eye is composed of several overlapping shapes: a large outer curve, a smaller inner curve, and a central circular element with a downward-pointing triangle inside it.

CAIRO COMMUNICATION

Milan, March 27 2018



THE GROUP

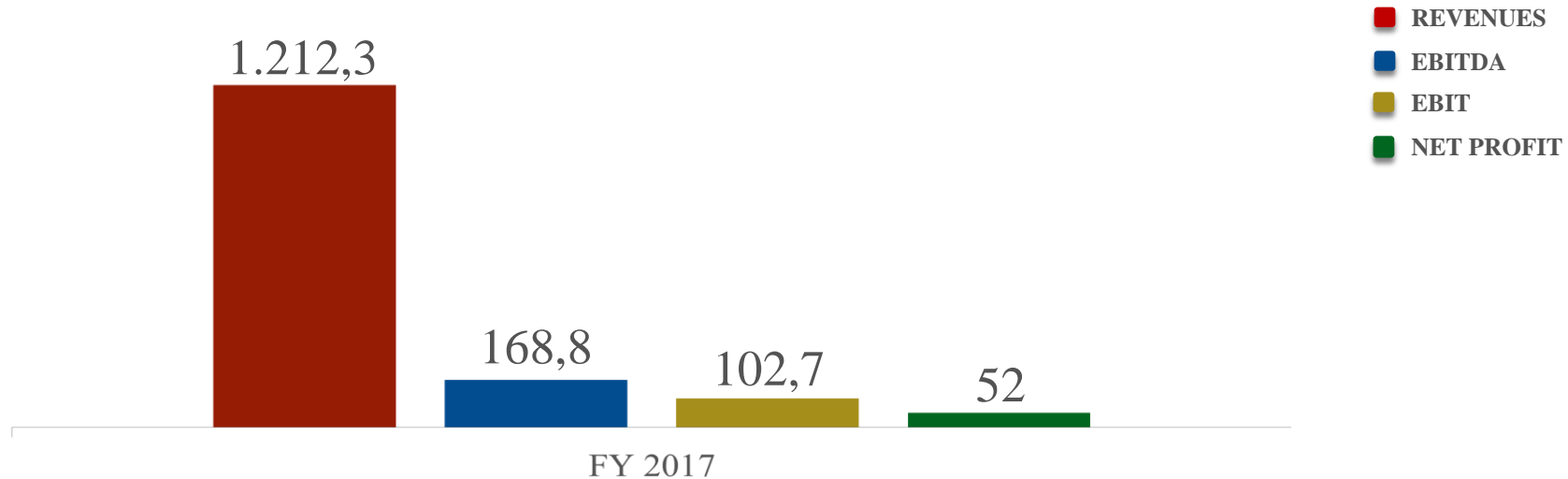
A LARGE MULTI-MEDIA PUBLISHING GROUP

<p>TV & TV INFRASTRUCTURE</p>	<p>MAGAZINES</p>	<p>NEWSPAPERS</p>	<p>ADVERTISING & SPORT EVENTS</p>



EUR million

CAIRO COMMUNICATION

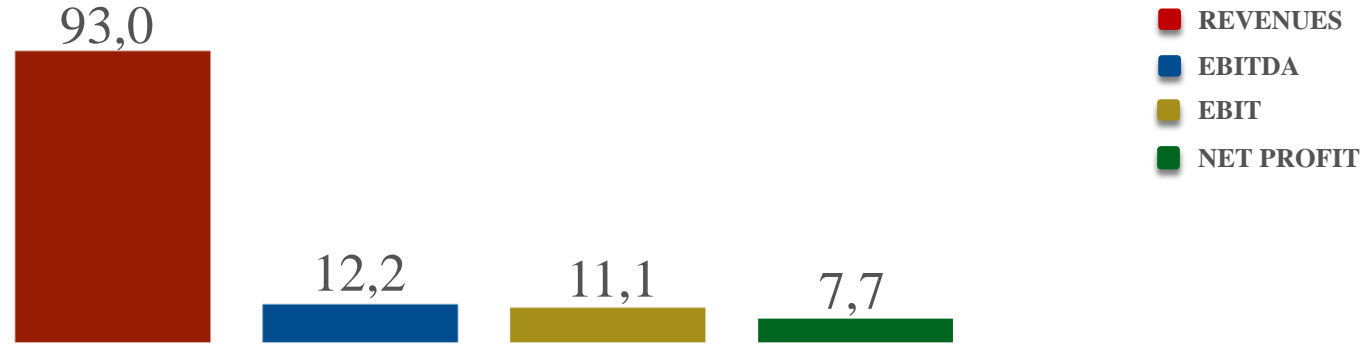


Considering the Group’s entire scope of consolidation, revenues amounted to €1212.3 million, rising sharply vs 2016 (€631.7 million), mainly due to the consolidation of RCS (around €596.6 million increase). Ebitda and Ebit came to €168.8 million and €102.7 million (€85.6 million and €51.4 million in 2016). Profit came to €52.0 million (€21.5 million in 2016).



EUR million

CAIRO EDITORE



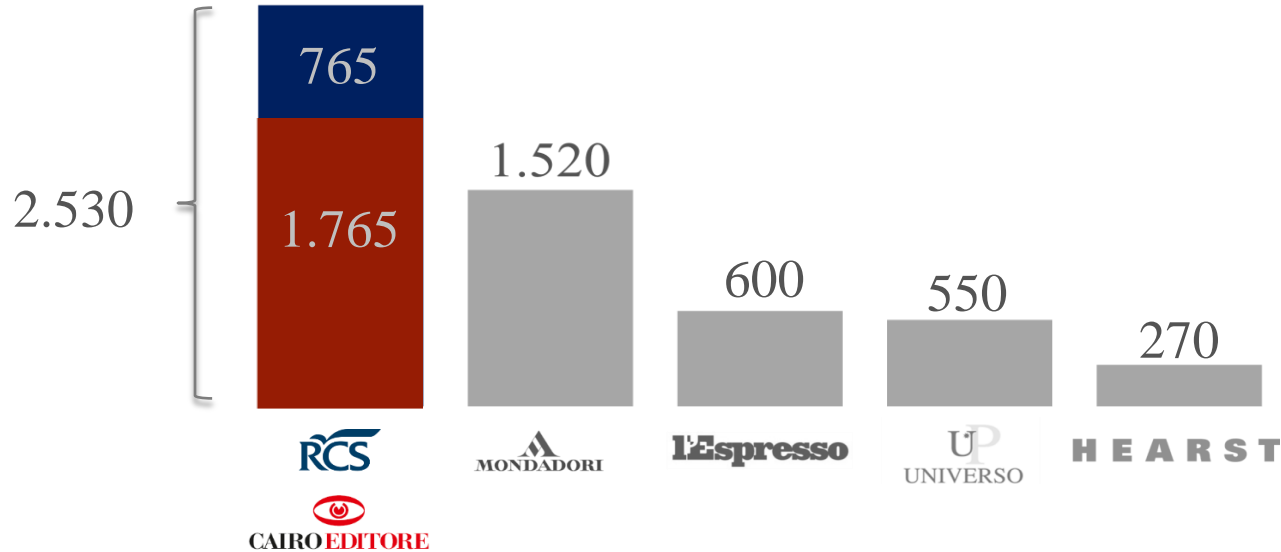
Cairo Editore strengthened the results of its titles, worked on improving the levels of efficiency reached in containing production, publishing and distribution costs, and continued to achieve highly positive results. Gross operating profit (EBITDA) and operating profit (EBIT) came to approximately €12.2 million and approximately €11.1 million.



(000 Copies)

WEEKLY MAGAZINES NEWSSTAND SALES

January-December 2017





WEEKLY MAGAZINES NEWSSTAND SALES

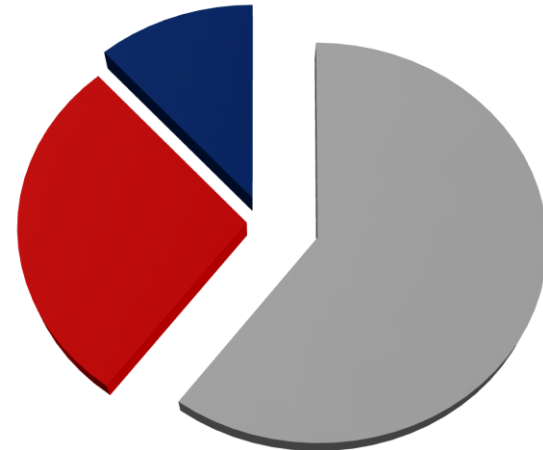
Jan 2017 – Dec 2017

MARKET SHARE

 CAIRO EDITORE 30%



 CAIRO EDITORE +  RCS = 43%



-  CAIRO EDITORE
-  RCS
-  OTHERS



WEEKLY MAGAZINES NEWSSTAND SALES

Jan 2017 – Dec 2017

MARKET SHARE

- CAIRO EDITORE
- RCS
- OTHERS

FAMILY MAGAZINES



+ **OGGI**

47%



56%



FEMALE MAGAZINES



+ **iO**

22%



38%





ADVERTISING REVENUES FOCUS ON MAGAZINES

F



+1% '17 vs '16

+17% '16 vs '15

Female Weeklies market segment
is down **-7,2%**

NUOVO



+8% '17 vs '16

+22% '16 vs '15

Family Weeklies market segment
is down **-6,4%**

NATURAL



+8% '17 vs '16

+2% '16 vs '15

TOURISM



+5% '17 vs '16

+5% '16 vs '15

FY 2017 (January-December)



EUR million



NETWORK LA7



The TV publishing segment (La7) achieved positive Ebitda of approximately €7,0 million, improving sharply versus 2016 (€1,8 million)



LA7

SCHEDULE: ACCESS PRIME TIME & PRIME TIME

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
20:00	TG WE		TG LA7 MENTANA				TG WE
20:30							
21:15	GILETTI	 8 ½ LILLI GRUBER					8 ½ LILLI GRUBER
21:20	 GILETTI	 MOVIES	  FLORIS	  PURGATORI	 FORMIGLI	 BIANCHI	 TV SERIES



NETWORK LA7
AUDIENCE GROWTH

SEP-OCT 2017

NOV-DEC 2017

JAN-MAR 2018

ALL DAY

3,3%

+7%

3,6%

+11%

4,0%

PRIME TIME

20:30-22:30

3,8%

+18%

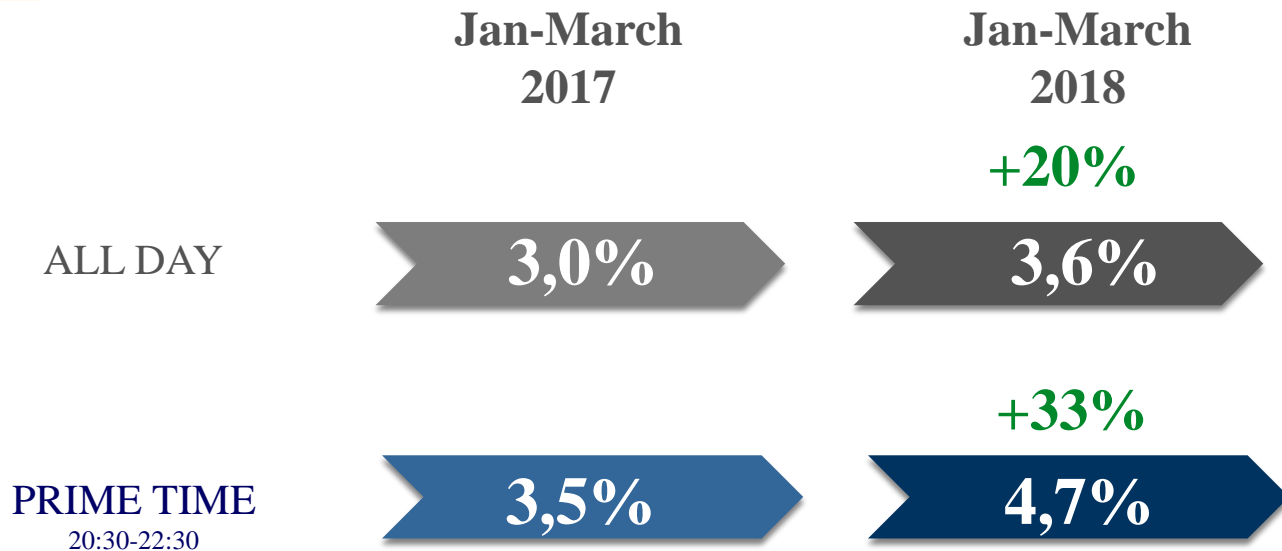
4,5%

+13%

5,1%



LA7
AUDIENCE GROWTH





LA7 – January-March

STRONG GROWTH OF THE LONG-RUNNING PROGRAMS

	SHARE 2018	Δ% vs 2017
OMNIBUS	3,8%	+ 16,0%
L' ARIA CHE TIRA	6,3%	+ 14,5%
TAGADÀ	3,0%	+15,4%
8 1/2	6,2%	+ 3,3%
DI MARTEDÌ	7,0%	+ 46,7%
PIAZZA PULITA	5,1%	+37,3%



LA7

LONG-RUNNING PROGRAMS AUDIENCE RECORDS

6 MARCH



Di Martedì

9,1%



ALL-TIME
RECORD
(AMR)

22 MARCH



Piazza Pulita

7,1%



THE BEST
RECORD SINCE
DECEMBER 2016

4/5 MARCH



*Maratona Mentana
Election day*

14,3%



ALL-TIME
RECORD
13,2 M Reach

5 MARCH



Otto e Mezzo

9,6%



RECORD SINCE
JANUARY 2013

5 MARCH



L'aria che tira

12,6%



ALL-TIME
RECORD



LA7

SOLID AUDIENCE CONTRIBUTION OF NEW PROGRAMS

JAN-MAR
2018

$\Delta\%$ yoy
in the same time-slot 2017

SUNDAY



6,3%

+ 293%

WEDNESDAY



3,3%*

+ 15%*

FRIDAY



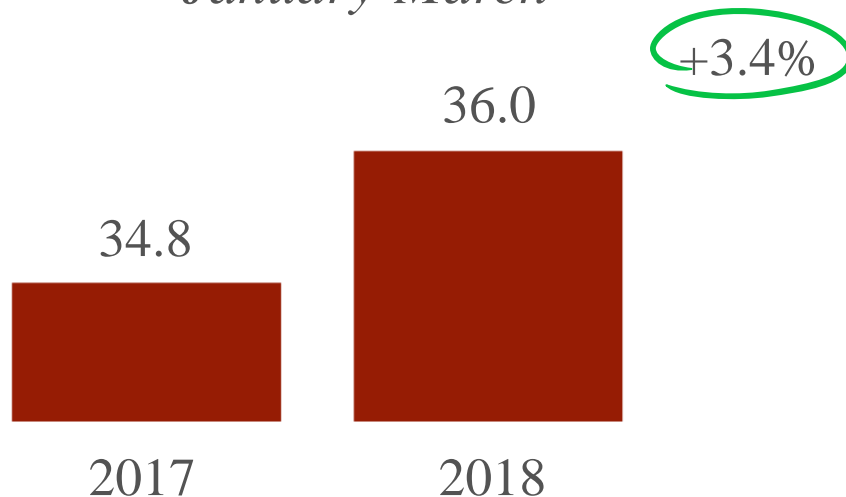
3,75%

+36%



LA7+La7d – Advertising

January-March

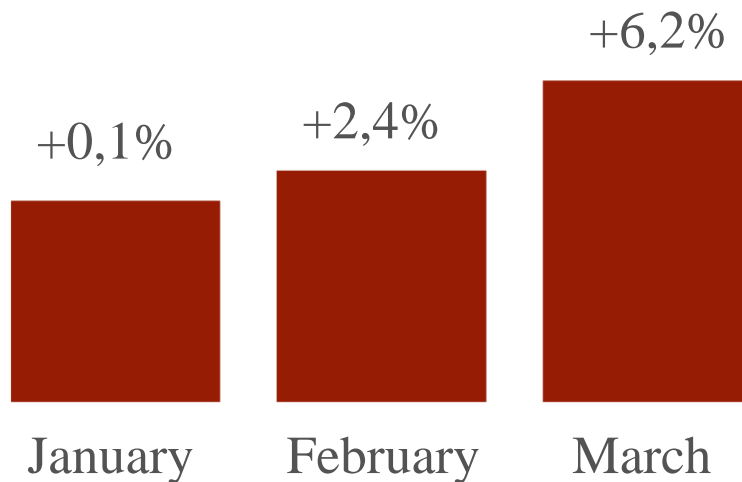


Based on the order book at March 23 2018 advertising revenues for 1Q18 amounted approximately to €36,0M, achieving a growth yoy around 3,4%.



LA7+La7d – Advertising

Yoy monthly trend



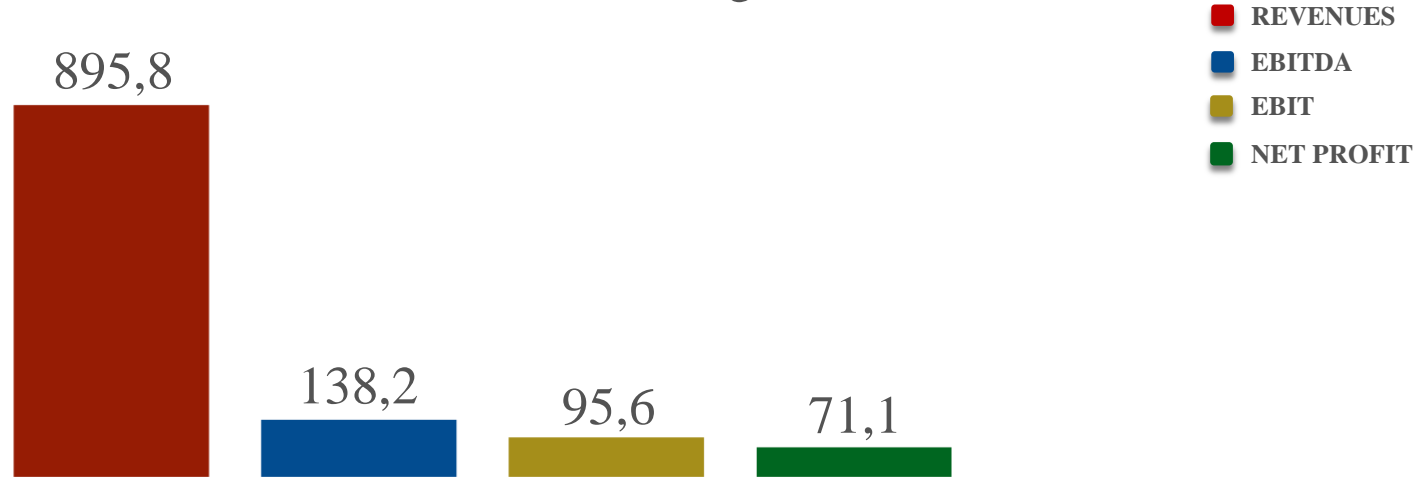
Based on the order book at March 23 2018 advertising revenues increase month by month



EUR million

RCS

Ebitda and Net Financial Debt target reached

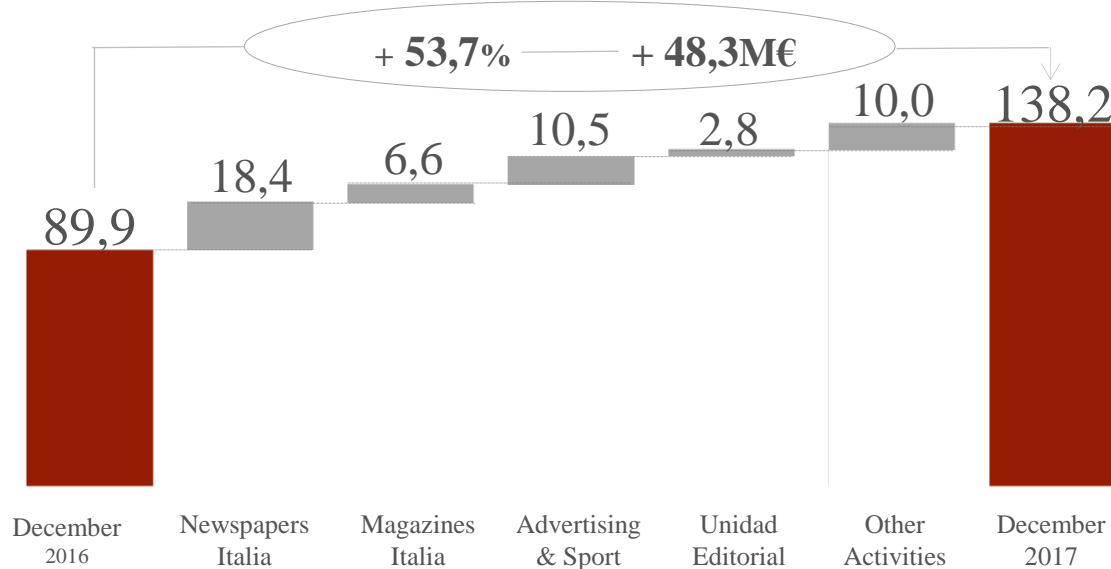


- ✓ Ebitda at €138,2 million, +54% (48,3M) compared to 31 December 2016
- ✓ Strong improvement of net profit: from €3,5M (Fy 2016) to more than €71M
- ✓ Efficiency measures for €58 million



RCS

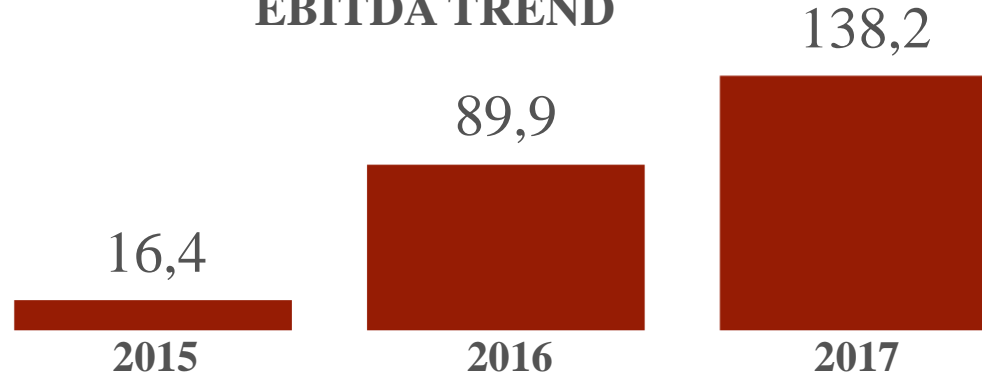
EBITDA CHANGE vs 31 DECEMBER 2016



The improvement in Ebitda is due to the positive results deriving from investment in publishing contents, the constant enhancement of the offering and development of the portfolio of sporting events and the focus on costs in general and constant commitment to efficiency which has made it possible to obtain benefits amounting to €58 million.



RCS
EBITDA TREND



Ebitda margin

1,6%

9,3%

15,4%

Ebitda margin Italy

3,6%

9,3%

17,8%

Ebitda margin Spain

-2,8%

9,2%

10,7%



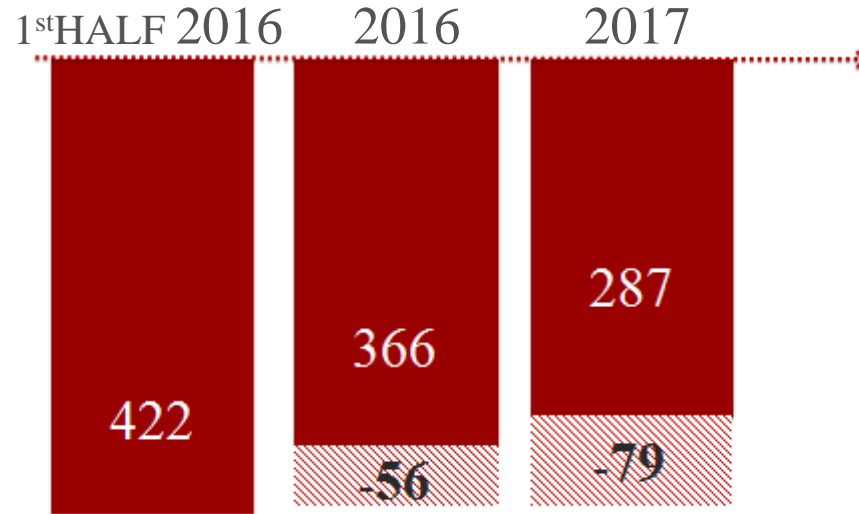
RCS
COST SAVINGS

<i>PRODUCTION (Print-Paper, etc)</i>	13,4
<i>EDITORIAL</i>	7,0
<i>LOGISTIC</i>	2,8
<i>MARKETING</i>	7,1
<i>OVERHEAD</i>	11,0
<i>IT</i>	6,8
<i>PERSONNEL</i>	9,9
<i>TOTAL</i>	58,0



RCS

NET FINANCIAL POSITION



Objective 2018

Further growth in Ebitda and Net Cash Flow
Net Debt below €200 million.



RCS

CORRIERE DELLA SERA WEEKLY SCHEDULE

MON	TUE	WED	THU	FRI	SAT	SUN
<p>Corriere Economia</p>  <p>FREE WEEKLY</p>	<p>Buone Notizie</p>  <p>FREE WEEKLY</p>	<p> Living/Style +0,50€ MONTHLY</p> <p> Vivimilano FREE WEEKLY</p>	<p>Sette</p>  <p>+0,50€ WEEKLY</p>	<p>Corriere Innovazione</p>  <p>10 ISSUES PER YEAR</p>	<p>Io Donna</p>  <p>+0,50€ WEEKLY</p>	<p>La Lettura</p>  <p>+0,50€ WEEKLY</p>



RCS

NEW PROJECTS 2017

L' ECONOMIA



From March 13

The new Monday economic attachment characterised by innovative updated graphics and exclusive contents offers continuous, accurate and fast economic and financial

information
+10.000 copies on Monday

+51% Adv revenues (2017 yoy)

219 new clients

BUONE NOTIZIE



From September 19

New and unique weekly dedicated to social, foundation, companies and people speaking about solidarity and sustainability.

+10.000 copies on Tuesday



RCS

NEW PROJECTS 2017

SETTE



From April 27
Every Thursday at
newsstands with the
new chief editor,
Beppe Severgnini
+53% Adv revenues (2017 yoy)
196 New clients



LA LETTURA
Leading cultural offering in the
publishing space, it covers
debates on new expressive
forms, books, stories, art,
biographies and reportage.
Yoy 2015 Adv revenues +80%
Yoy 2016 Adv revenues +40%
Yoy 2017 Adv revenues +37%



RCS

NEW PROJECTS 2017



NOVEMBER 24 2017:

LAUNCH OF CORRIERE TORINO

The new local edition of Corriere della Sera: a completed and detailed newspaper in the Piedmontese chief town, a strategic project with immediate effect: Corriere della Sera double newsstand copies.



RCS

MAIN EVENTS 2017

CIBO
REGOLA
d'ARTE 2018
CORRIERE DELLA SERA

il bello dell'Italia
CORRIERE DELLA SERA



il TEMPO delle DONNE
STORIE, IDEE, AZIONI PER PARTECIPARE AL CAMBIAMENTO

CASA CORRIERE

Food, italian beauty, women lifestyle
New opportunities to give visibility and create engagement



Corriere della Sera

MAIN PERFORMANCES 2017

- Average copies sold.....310.000
- Digital pay subscribers.....69.000 +11%
- Corriere.it
 - ✓ monthly unique users.....47M (+13%)
- Corriere mobile
 - ✓ monthly unique users.....25.2M (+25.1%)
- Growth of advertising revenues



RCS

GAZZETTA DELLO SPORT WEEKLY SCHEDULE

MON

TUE

WED

THU

FRI

SAT

SUN



Launch of a
new FREE
Weekly



FREE
Weekly
dedicated to
volleyball



Launch of a
new FREE
Weekly



€0,5
The unique
Sport Weekly
In Italy



Launch of a
new FREE
Weekly



THE RELAUNCH OF SPORTWEEK

From October 2017

- New wide format and new paper
- New graphic and logo
- High quality for high profile readers
- Wide circulation



Advertising revenues +4,5% Yoy, + 50% from restyling (October 2017)



Gazzetta dello Sport

Geolocalization contents in order to increase the circulation market share in specific areas following customer needs:

DONE

- BERGAMO
- VERONA
- BARI
- PALERMO
- ROMA
- TORINO

TO DO

- BOLOGNA
- GENOVA
- FIRENZE
- EMILIA
- TRIVENETO



Add value through local edition with first page dedicated to each specific team



Gazzetta dello Sport

Digital performances



107M
pageviews

La Gazzetta dello Sport *.it*

Tutto il rosa  della vita

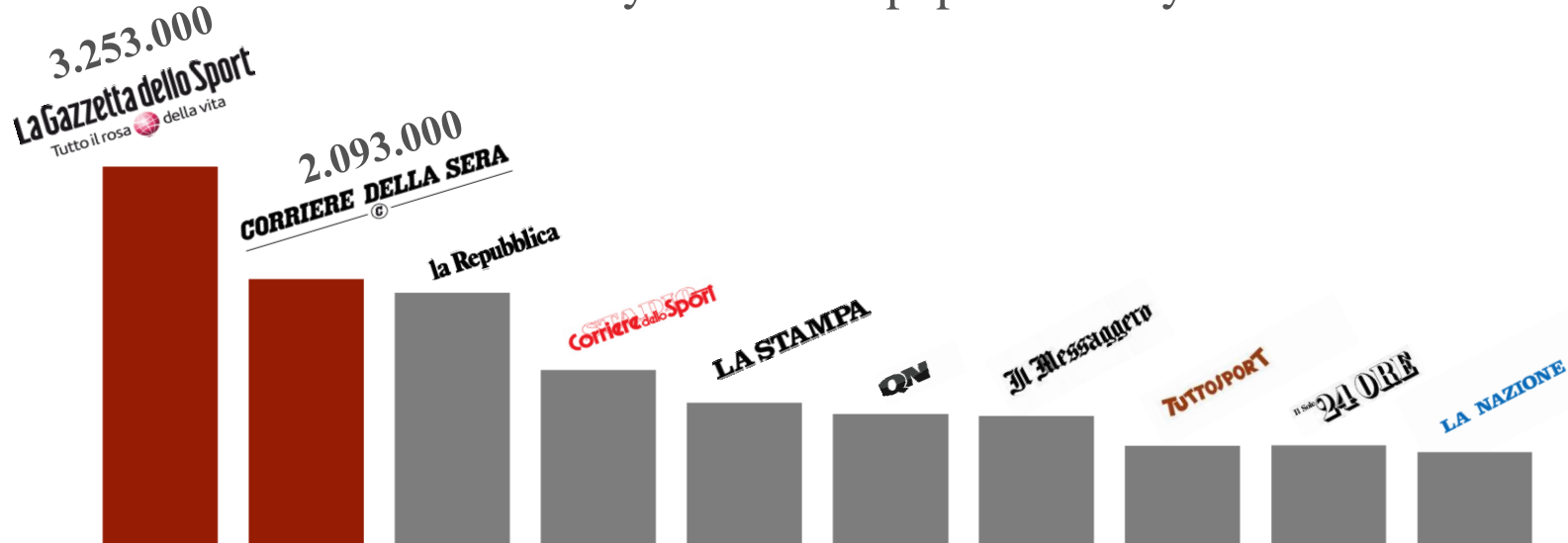
GazzaNet



118M
pageviews



Gazzetta dello Sport and Corriere della Sera Most widely read Newspapers in Italy

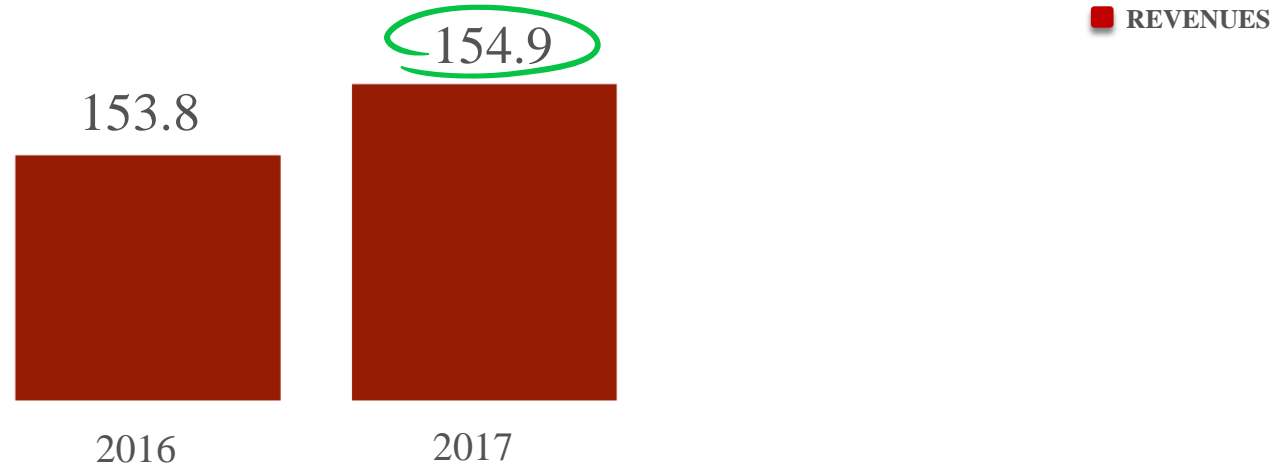


The recent publication of Audipress survey confirm the leadership of Gazzetta dello Sport and Corriere della Sera, the newspapers most read in Italy



Newspaper Italy

Growth in advertising revenues



In a declining market (-7.7% Nielsen data) advertising revenues grew by 0.7%, 1.1M€, first time since 2011 reversing the historical trend; net of sport events of 2016 the adv revenues grew by 3.1%. Net of the same effect La Gazzetta dello Sport system grew by 9.8% in adv on paper, and 21.4% in digital adv.



OGGI

OGGI

MAIN PERFORMANCES 2017



- Average total copies sold.....280.000*
- Yoy copies sold (Newsstands).....+10,5%
- Advertising revenues.....+3%
- Strong growth of brand extensions

RCS – Magazines



OGGI

SISTEMA OGGI



OGGI CUCINO
 FROM MONTHLY TO FORTNIGHTLY
 SOLD WITH OGGI (+0,50€)
HAS TRIPLED CIRCULATION
 FROM 9.000 TO 27.000 COPIES



OGGI ENIGMISTICA
 WEEKLY
SALES MORE THAN TRIPLED
 FROM 13.000 TO 41.000 COPIES



OGGI ENIGMISTICA
 MONTHLY
LAUNCHED IN JANUARY 2018
 55.000 COPIES



ADVERTISING REVENUES

FOCUS ON MAGAZINES

OGGI



ADV
REVENUE

+3%

LIVING



ADV
REVENUE

+11,4%

DOVE



ADV
REVENUE

+12%

STYLE



ADV
REVENUE

+5%



Rcs – Magazines

STRONG GROWTH IN MARGINS

	2015	2016	2017
Revenues	105	99.2	93.6
Ebitda	- 1,9	7.6	14.2
Ebitda Margin	-1,8%	7.7%	15.2%

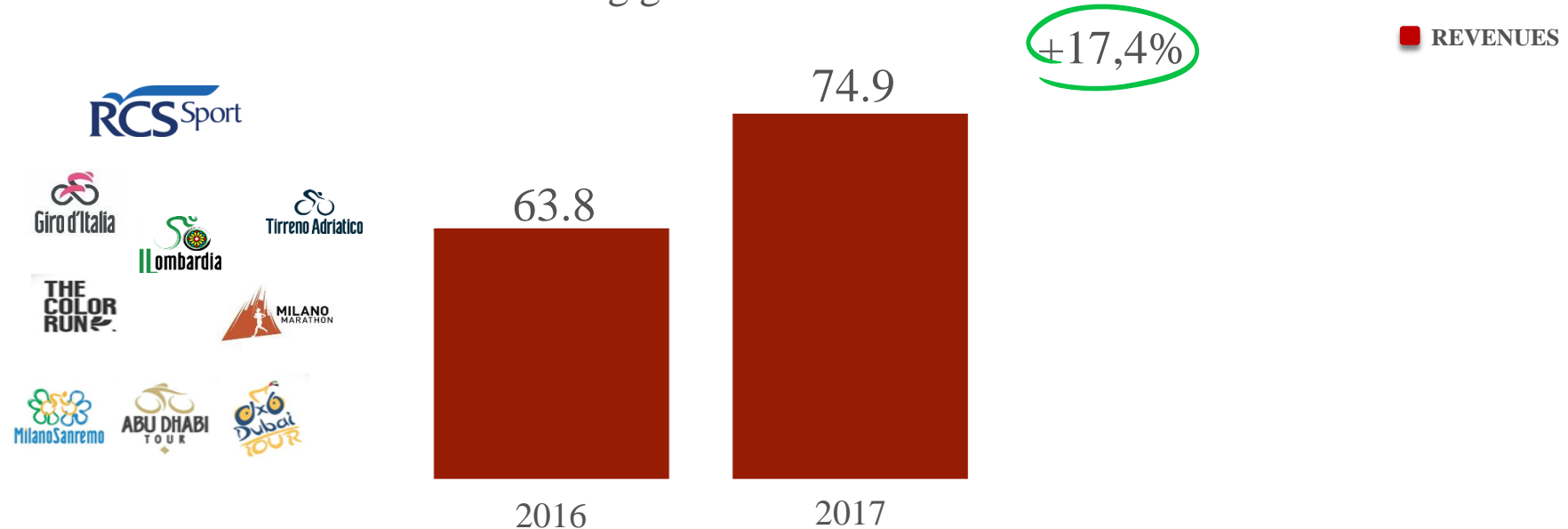


The strong growth in margins is related to the excellent trend of the “Sistema Oggi” and to the effective focus on cost curbing



RCS SPORT EVENTS

Strong growth in revenues



Ebitda of the Advertising and Sport business area grew overall by 86% yoy (€22.7M vs €12.2M)

2018: FURTHER GROWTH IN REVENUES AND MARGINS ARE EXPECTED



RCS SPORT EVENTS



Giro D'Italia



10,7 M Racegoers involved in the event

TV coverage

194

Covered Countries

20

Tv Networks (18 broadcasting live)

777M

Total worldwide audience

Giro online

7,3M

Unique Users

75M

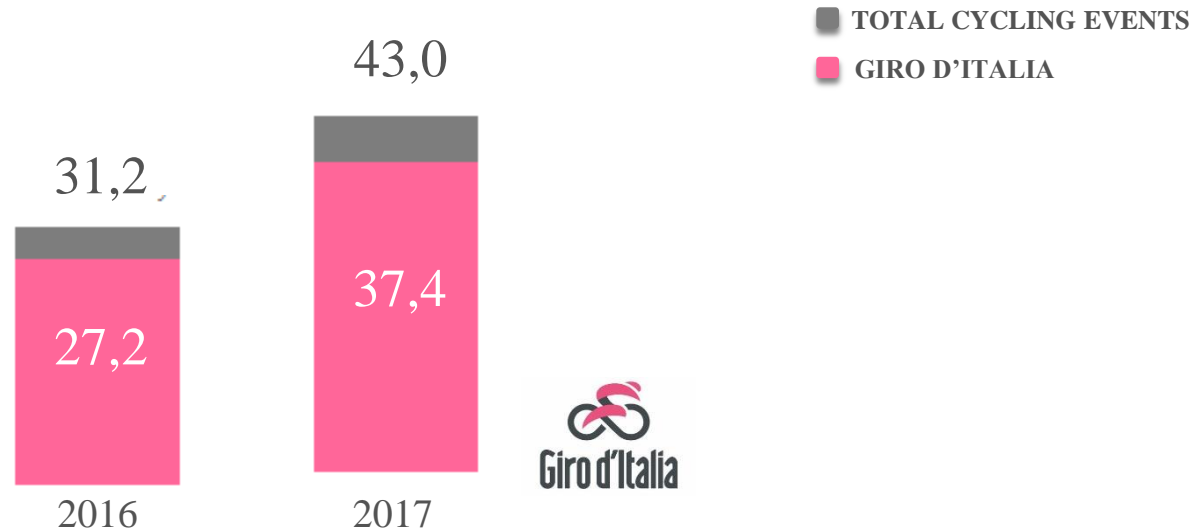
Page views





RCS SPORT EVENTS

Revenues of cycling events



Strong growth of cycling sport events; relevant contribution of Giro D'Italia.



OUTLOOK 2018-2019

- **Maintain high circulation levels, supporting the publications with appropriate marketing activities**
- **Maintain focus on curbing production, publishing and distribution costs**
- **Maximize adv revenues**



OUTLOOK 2018-2019

- **Audience share and advertising growth thanks to new show schedule**
- **Audience share and advertising growth of LA7D**
- **Take advantage of the realization of the Mux**
 - ✓ **Optimize bandwidth costs**
 - ✓ **Lease part of the capacity to third parties**
 - ✓ **Launch new tv channel**



OUTLOOK 2018-2019

- **Increase the local news coverage in big cities and regions** (Corriere della Sera)
- **Enrichment of weekly/monthly editorial offer** (Corriere della Sera and Gazzetta dello Sport)
- **Maximize adv revenues**
- **Further revenue growth in sport events**
- **Launch of Solferino in the publishing book market**
- **Continuos commitment to pursue efficiency**



OUTLOOK 2018-2019

- **Intensify focus on cost curbing** (keeping Italy as a benchmark)
- **Daily newspapers: focus on product improvement** (weekly/monthly editorial offer, mktg/publishing events, ecc)
- **Launch of new editorial products**
- **Maximize adv revenues** (new sales organization model, benefit from football world cup, further growth of digital adv revenues)
- **Increase synergies between Spain/Italy** (publishing contents, add on, advertising, ecc)