Mondadori

1Q10 RESULTS

Analysts' Meeting

Milan, 11 May 2010

1Q10 reference sectors in Italy

Market: Transition period with encouraging signs of an upturn in advertising spending

Reference sectors in Italy (March 2010)			
Sector (% change)	In terms of	FY09	1Q10
Trade Books	value	1,8	nd
Magazine Circulation	volume	(6,7)	(10,6)
Add-on sales	value	(22,1)	(32,5)
Magazine Advertising	value	(28,7)	(10,3)
Radio Advertising	value	(7,7)	12,6

Reference sectors in France (March 2010)			
Sector (% change)	Tipologia	FY09	1Q10
Magazine Circulation	volume	-3.5	nd
Magazine Advertising	volume	(13,0)	3,0

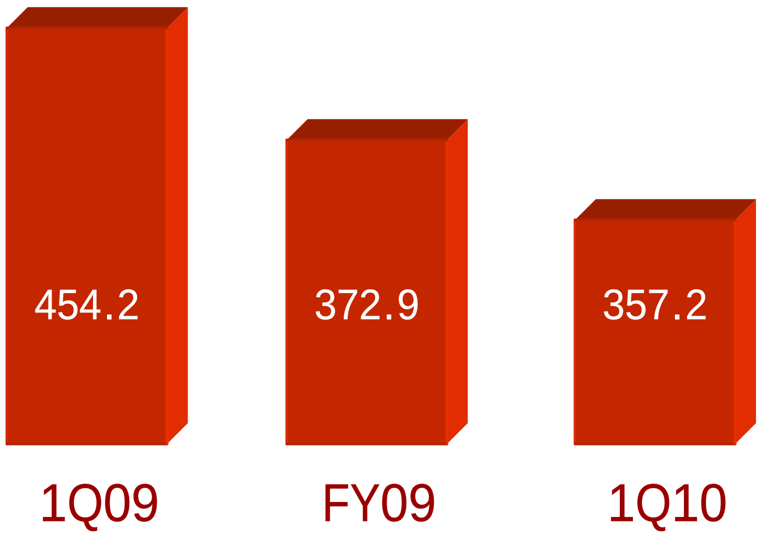
... Mondadori is currently outperforming in its reference sectors in Italy

P&L 1Q10

	1Q09	1Q10	%
Revenues	**354,5**	**344,7**	**-2,8%**
EBITDA	**14,2**	**21,2**	**49,3%**
Amortisations	(6,2)	(5,5)	
EBIT	8,0	15,7	96,2%
Financial charges	(5,4)	(7,1)	
Pre-tax	2,6	8,6	238,0%
Taxation & minority interest	(4,4)	(6,2)	
Net profit	**(1,8)**	**2,4**	

Net financial position

Net Debt



€m

Net debt on EBITDA of 3,2 vs
Covenants of €5.0 in 2010

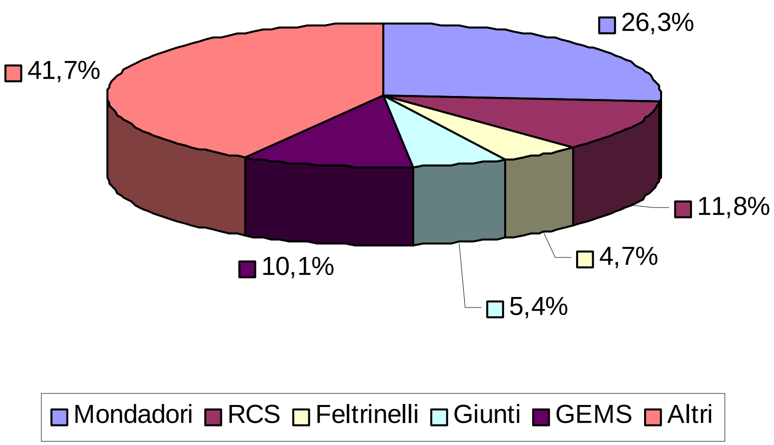
Cash flow

Net Debt FY09	**(372,9)**
Net cash flow	13,8
Capex + share buyback	(9,0)
Severance indemnities + restructuring	(4,1)
Extraordinary items	11,3
Working capital & other	3,7
Net Debt 1Q10	**(357,2)**

Books

Trade: the business and market share in Italy

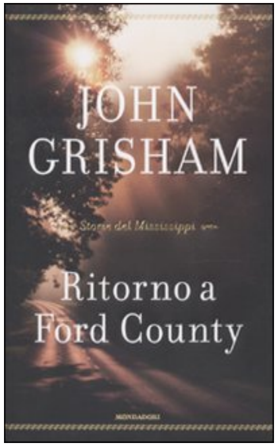
The Book Market in 1Q10: excl LSR



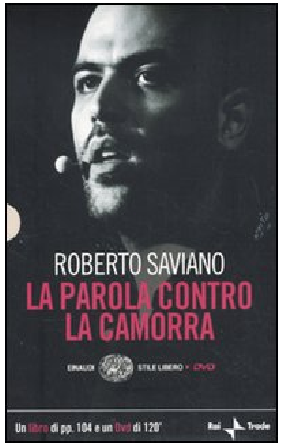
Nielsen market figures for the the first quarter of 2010 are not available yet

Source: Nielsen Bookscan, in terms of value (under review)

Trade: Main *hardcovers* in 1Q10



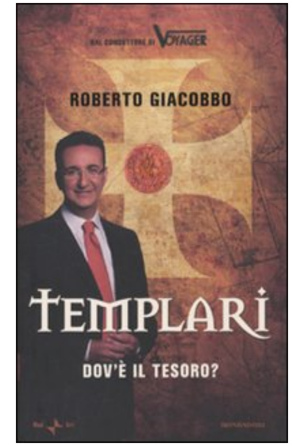
RITORNO A FORD COUNTY
John Grisham



LA PAROLA CONTRO LA CAMORRA
Roberto Saviano

LA COMPAGNA DI SCUOLA
Madeleine Wickham

I SOGNI FANNO RIMA
Pierdavide Carone



TEMPLARI. DOV'E' IL TESORO?
Roberto Giacobbo

BIANCA COME IL LATTE, ROSSA COME IL SANGUE
Alessandro D'Avenia

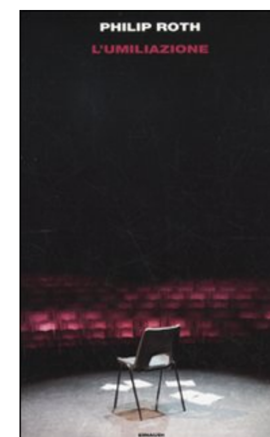
IL SUSSURRO DELLA MONTAGNA PROIBITA
Siba Shakib

UNA GRAZIA INFINITA
Danielle Steel

PRIMA DI MORIRE ADDIO
Fred Vargas

CHELITTICHEFAZIO2
Luciana Littizzetto e Fabio Fazio

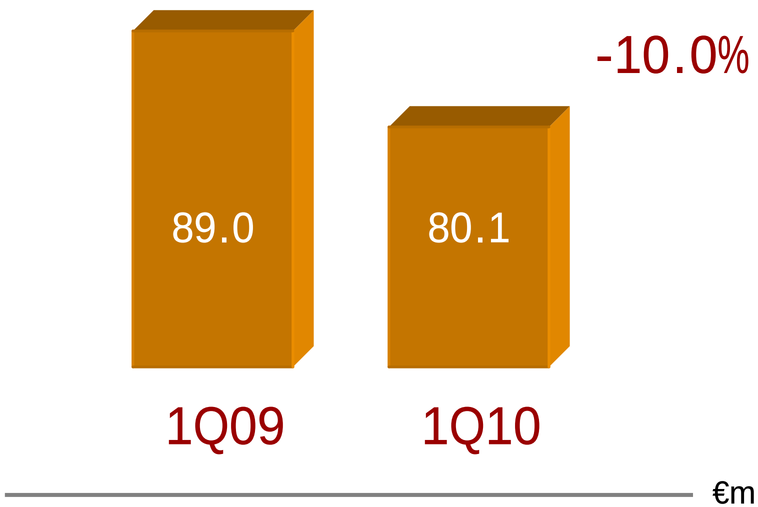
IL MONDO DI PATTY
AA.VV.



L'UMILIAZIONE
Philip Roth

Books in 1Q10

Revenues



Ebitda	14,0%	13,4%

Revenue Breakdown

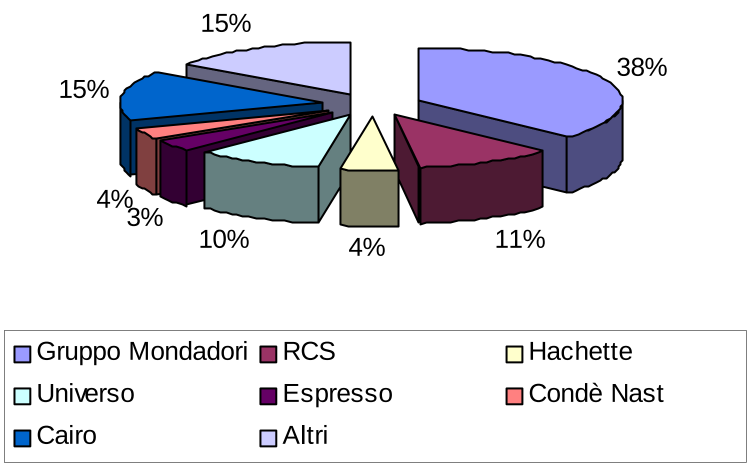
Revenues	1Q09	1Q10	%
Trade	69,3	60,9	-12,0% *
Education	2,3	2,5	8,7%
Art books & exhibitions	8,3	7,6	-8,4%
Distribution & third party	9,1	9,1	-0,1%
Total	**89,0**	**80,1**	**-10,0%**

*As is normal, the publishing schedule is focused on the second half of the year

Magazines

Circulation (copies) in 1Q10 in Italy

The Magazine Market in 2010:
144 million copies



Italian Market Circulation (copies)	-10.6%
Mondadori Circulation (copies)	-4.4%

Source: Internal (copies) – March 2010

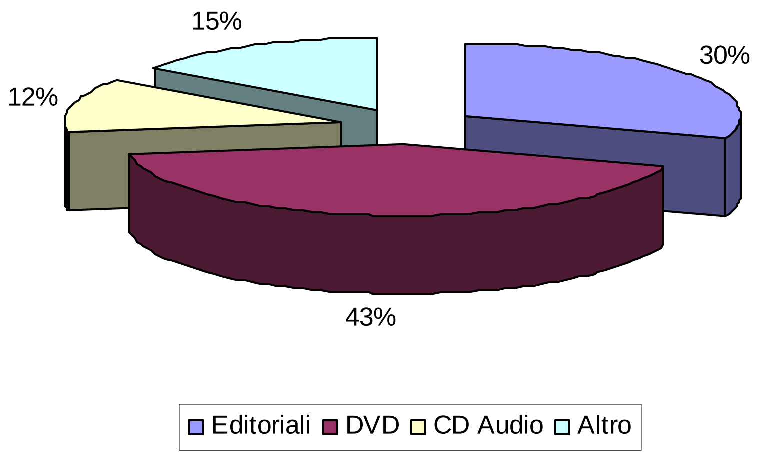
The add-on sales market in Italy

Italian Market
In terms of value

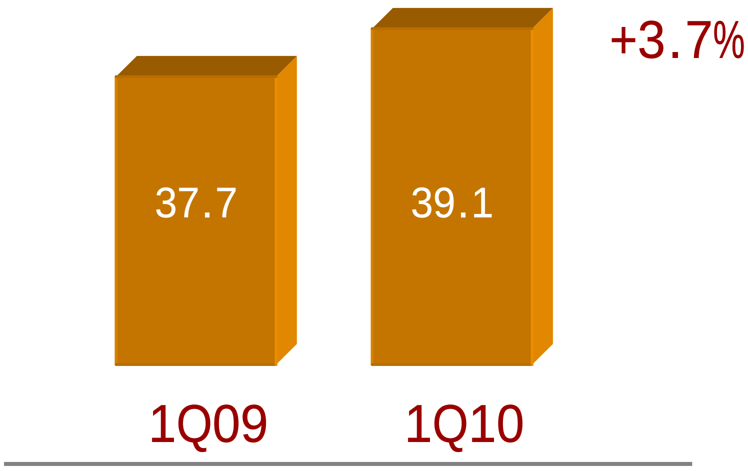
-32.5%

Mondadori Group

1Q10 Sales by product type:
In terms of value



Revenues



€m

Source: Internal (in terms of value) – March 2010

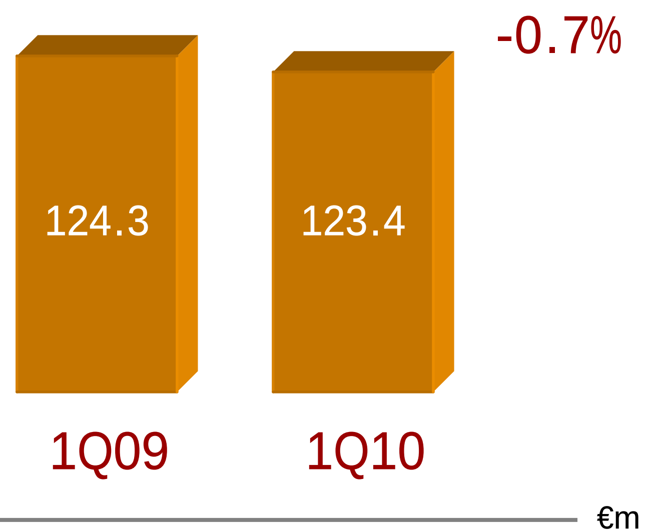
The ADV Market in Italy

Nielsen revenues (value)

Nielsen (March 2010)		
Sector (% change)	In terms of	Market
Television	value	6,0
Newspapers	value	3,5
Magazine	value	(10,3)
Radio	value	12,6
Internet	value	3,0
Total market	value	4,0

Magazines (Italy) 1Q10

Revenues



Ebitda	8,4%	11,4%

Revenue Breakdown

Revenues	1Q09	1Q10	%
Net circulation	50,7	48,5	-4,3%
Add-on sales	37,7	39,1	3,7%
Total circulation	88,4	87,6	-0,9%
Advertising	29,3	28,1	-4,1%
Other	6,6	7,7	16,7%
Total	**124,3**	**123,4**	**-0,7%**

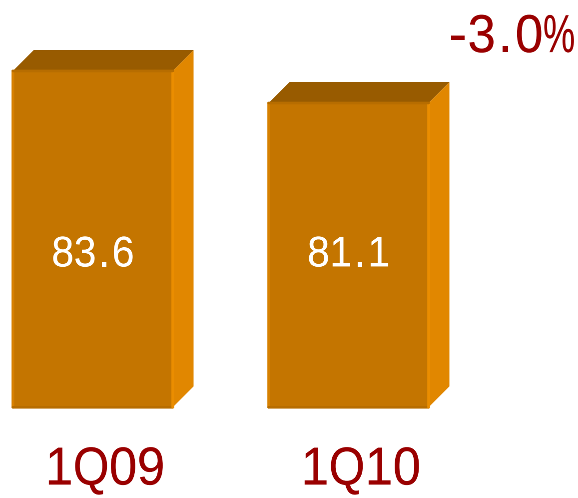
The Italian Magazine Market

Circulation (volume): -10.6%

Advertising (value): -10.3%

Magazines (France) 1Q10

Revenues



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Ebitda	4,5%	5,3%

Revenue Breakdown

Revenues	1Q09	1Q10	%
Advertising underlying	16,8	17,5	4,2%
Advertising titles closed / JV	2,5		
Total ADV	19,3	17,5	-9,3%
Net circulation	57,3	58,0	1,2%
Add-ons sales	2,7	2,5	-7,4%
Other	4,3	3,1	-27,9%
Total	**83,6**	**81,1**	**-3,0%**

The French Magazine Market

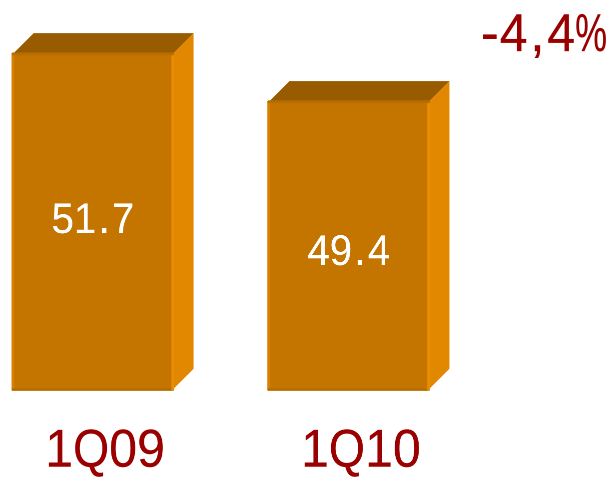
Circulation (volume): not available

Advertising (volume): Market +3.0%

The Advertising sales company

The Advertising Sales Company 1Q10

Revenues



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Revenue Breakdown

Revenues	1Q09	1Q10	%
Magazine AME	33,9	32,9	-2,9% *
Third parties Magazine	5,7	4,9	-14,0%
Total Magazine	39,6	37,8	-4,5%
Radio (R101 + Kiss kiss)	4,0	6,2	55,0%
Other (not comparable)	8,1	5,4	-33,3%
Total	**51,7**	**49,4**	**-4,4%**

*Mondadori weeklies flat

The Italian Magazine Market

Advertising (value): -10.3%

Retail & Direct Marketing

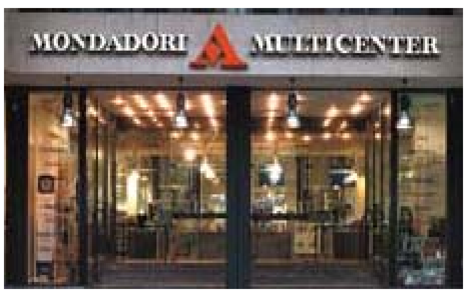
Mondadori Retail 1Q10

Outlets

Own stores

Franchising

Bookstores & Multicenter	Bookstores	Edicolè
32	**251**	**205**



Club

Own stores
23

Franchising
50

internet

e-commerce

Physical

Books
DVD
CD
Games
Miscellaneous

Liquid

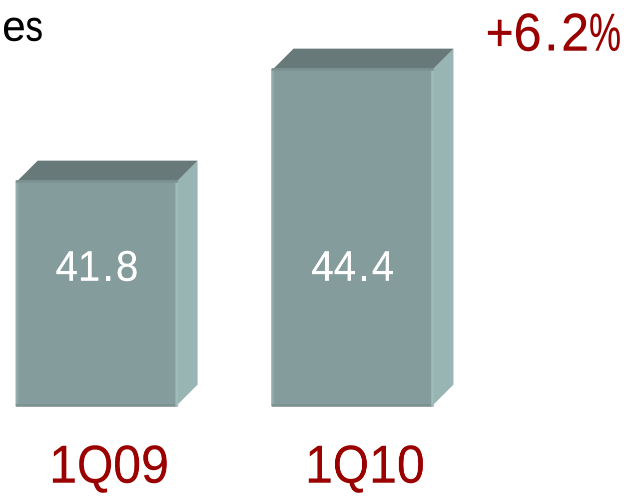
Music
Ringtones
Audiobooks

An increase of 55 outlets vs March 2009 (excluding Mondolibri)

Direct & Retail: 1Q10 Results

Retail

Revenues



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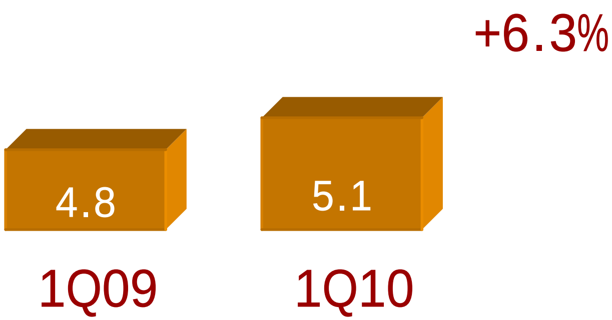
Of which:

Own stores	+1,1%
Franchising	+15,3%

Direct marketing

Revenues



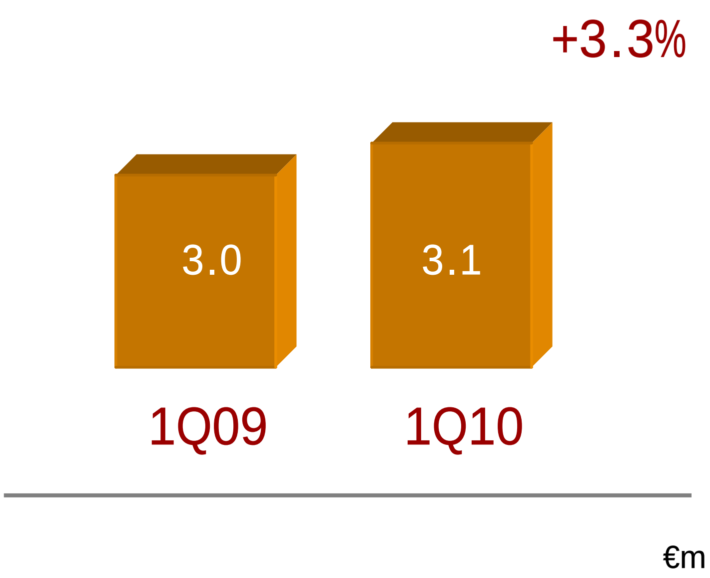
€m

Despite a negative market perfomance (-1.4% in terms of value)

Radio

Radio R101: 1Q10 Results

Revenues

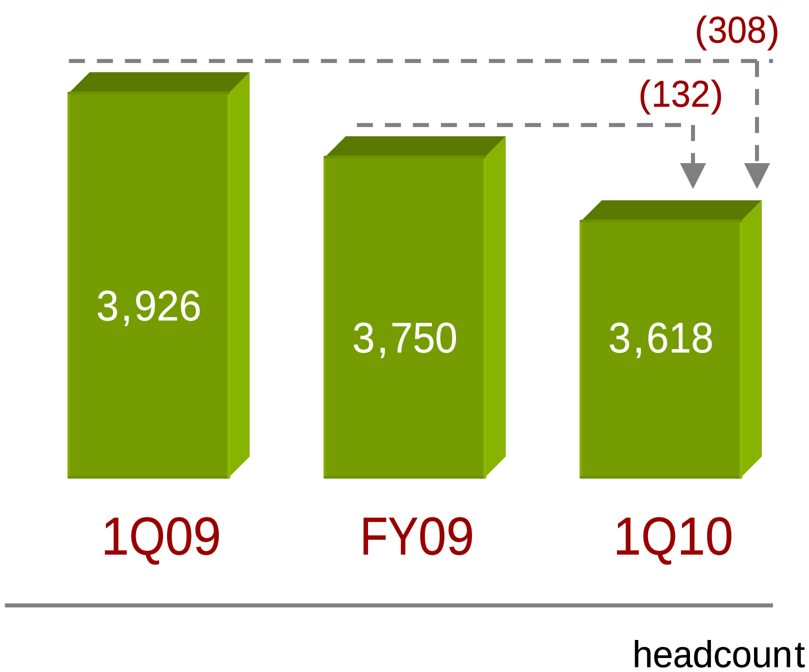


Listeners

Audiradio figures for the the first quarter of 2010 will be published at the end of May as the system of measurement has changed from a telephone survey to a diary panel

Personnel and costs

Personnel



1Q10 Cost savings

Of which personnel	(5.8)	-8.1%

... in the face of a 2.8% reduction in revenues

Forecast for the full year

In the light of the results of the first quarter, it is estimated that, in the absence of unforeseen circumstances, Mondadori will be able to improve the level of its operating profitability compared with last year.

Financials

Ebitda by division

Ebitda reported

EBITDA	1Q09	1Q10	
Books	12,5	10,7	(1,7)
Magazines Italy	10,4	14,1	3,7
Magazines France	3,8	4,3	0,5
Advertising	(1,9)	(2,3)	(0,4)
Direct	(0,3)	0,3	0,6
Retail	(1,6)	(1,1)	0,5
Radio	(2,9)	(1,2)	1,7
Holding and other	(5,8)	(3,6)	2,2
Total	**14,2**	**21,2**	**7,0**

Ebitda *margin*

EBITDA margin	1Q09	1Q10
Books	14,0%	13,4%
Magazines Italy	8,4%	11,4%
Magazines France	4,5%	5,3%
Advertising		
Direct		
Retail		
Radio		
Holding and other		
Total	**4,0%**	**6,2%**

€m

Balance Sheet 1Q10

	FY09	1Q10
Net working capital	(144,6)	(140,8)
As a % of revenues	9,4%	9,2%
Net Capital employed	919,2	899,6
Net Debt	(372,9)	(357,2)
Net Assets	546,3	542,4

€m

Cost saving details 1Q10

Cost saving details	1Q10	Change vs 09	%
Labour costs (1)	66,3	(5,8)	-8,1%
Paper, printing & other production costs	95,7	(4,4)	-4,4%
Rights, royalties & commissions	36,3	(0,4)	-1,2%
Advertising services & subscription management	30,0	(1,8)	-5,5%
Third party consultancy & collaboration	19,5	0,1	0,7%
Transport & shipping	11,8	0,8	7,1%
Rent & data processing costs	12,4	0,8	6,6%
Travel, telephone, …	10,1	(2,7)	-21,1%
Energy & maintenance	3,4	(0,8)	-18,6%
Total (2)	**285,5**	**(14,2)**	**-4,7%**

(1) Excluding restructuring, including carry forward
(2) Excluding goods for sale and third-party service

€m