MONDADORI

9 Months 2010 Results

Conference Call with Analysts and Investors

Segrate, November 11th 2010

Market evolution by sectors

ITALY

August data

	in terms of:	FY09	1Q10	1H10	**9M10**
Books Trade	Value	1.8	ND	1.8	**1.7**
Magazine Circulation	Volume	-6.7	-10.6	-9.3	**-9.1**
Add on Sales	Value	-22.1	-32.5	-30.8	**-22.0**
Magazine Advertising	Value	-28.7	-10.3	-9.3	**-8.4**
Advertising Radio	Value	-7.7	12.6	14.6	**12.8**

FRANCE

September data

	in terms of:	FY09	1Q10	1H10	**9M10**
Magazine Circulation	Volume	-3.5	ND	-3.0	**-1.8**
Magazine Advertising	Volume	-13.0	3.0	3.1	**8.8**

A snapshot on 3Q results

€mln

	3Q'09	3Q'10	% change
Revenues	383.5	403.4	5.2%
EBITDA	28.0	48.5	73.2%
EBIT	22.1	42.8	93.7%

Below the EBIT line, the results were affected by two very important non-recurring items):

- the asbsence of the one-off financial gains of € 14.5 million recorded in 2009 related to the Private Placement
- the payment in 2010 of € 8.7 milion concerning the closure of pending litigation

Profit and Loss for 9M10

€mln

	9M09	9M10	% change
Revenues	**1,114.3**	**1,130.2**	**1.4%**
EBITDA	**68.2**	**103.1**	**51.2%**
Depretiation	-18.2	-17.5	
EBIT	**50.0**	**85.6**	**71.2%**
Financial Charges	-14.5	-18.1	
Fiancial gains	14.5	0.0	
Profit before taxes	**50.0**	**67.5**	**35.0%**
Tax and Minority interests	-22.9	-28.1	
Tax on previous year		-8.7	
Net Profit	**27.1**	**30.7**	**13.3%**
Net profit adjusted	**16.6**	**39.4**	

The financial statements for the first none months shows excellent results which offset the significant increase in postal charges of approximately €6 million

Net Financial Position evolution (1/2)

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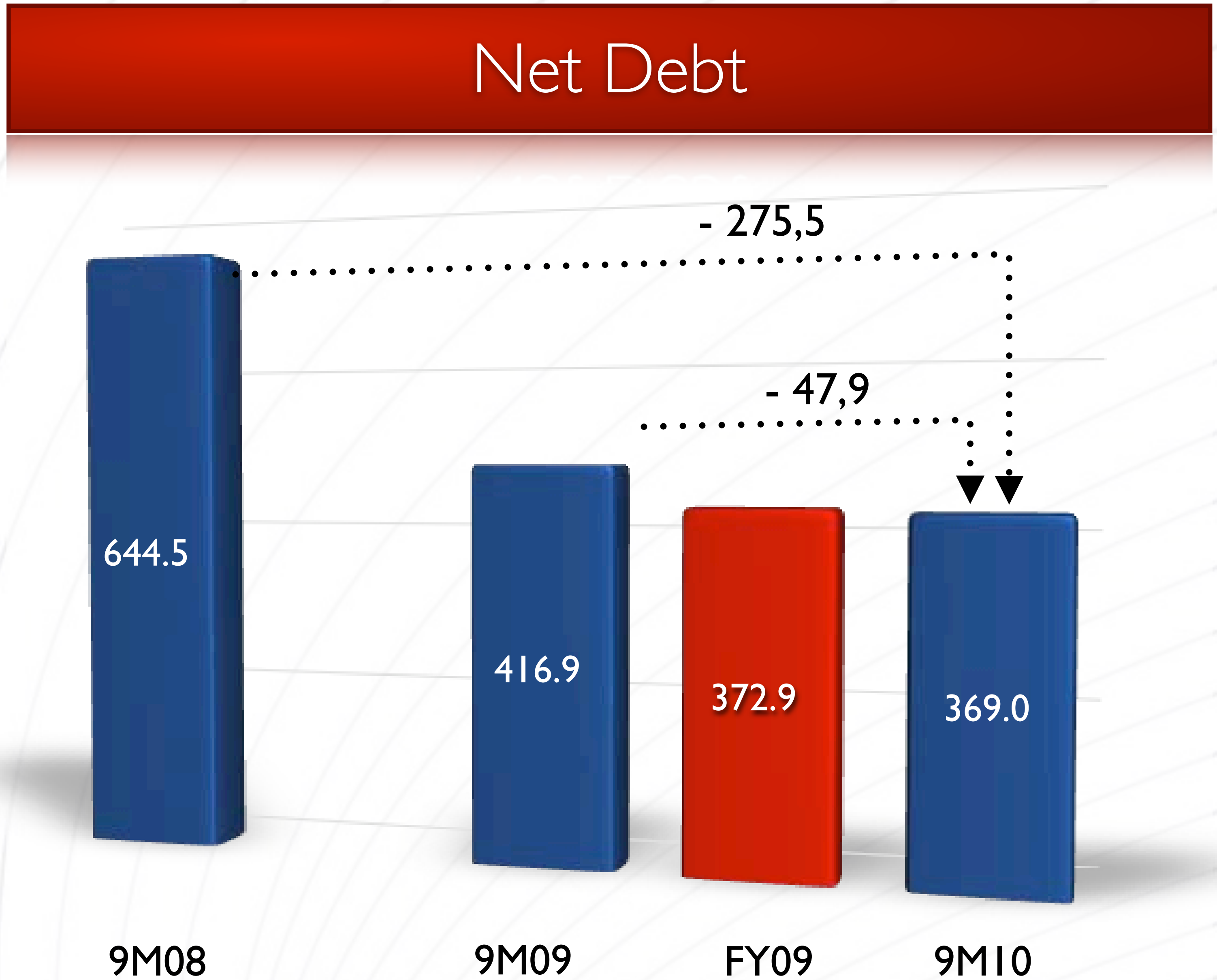
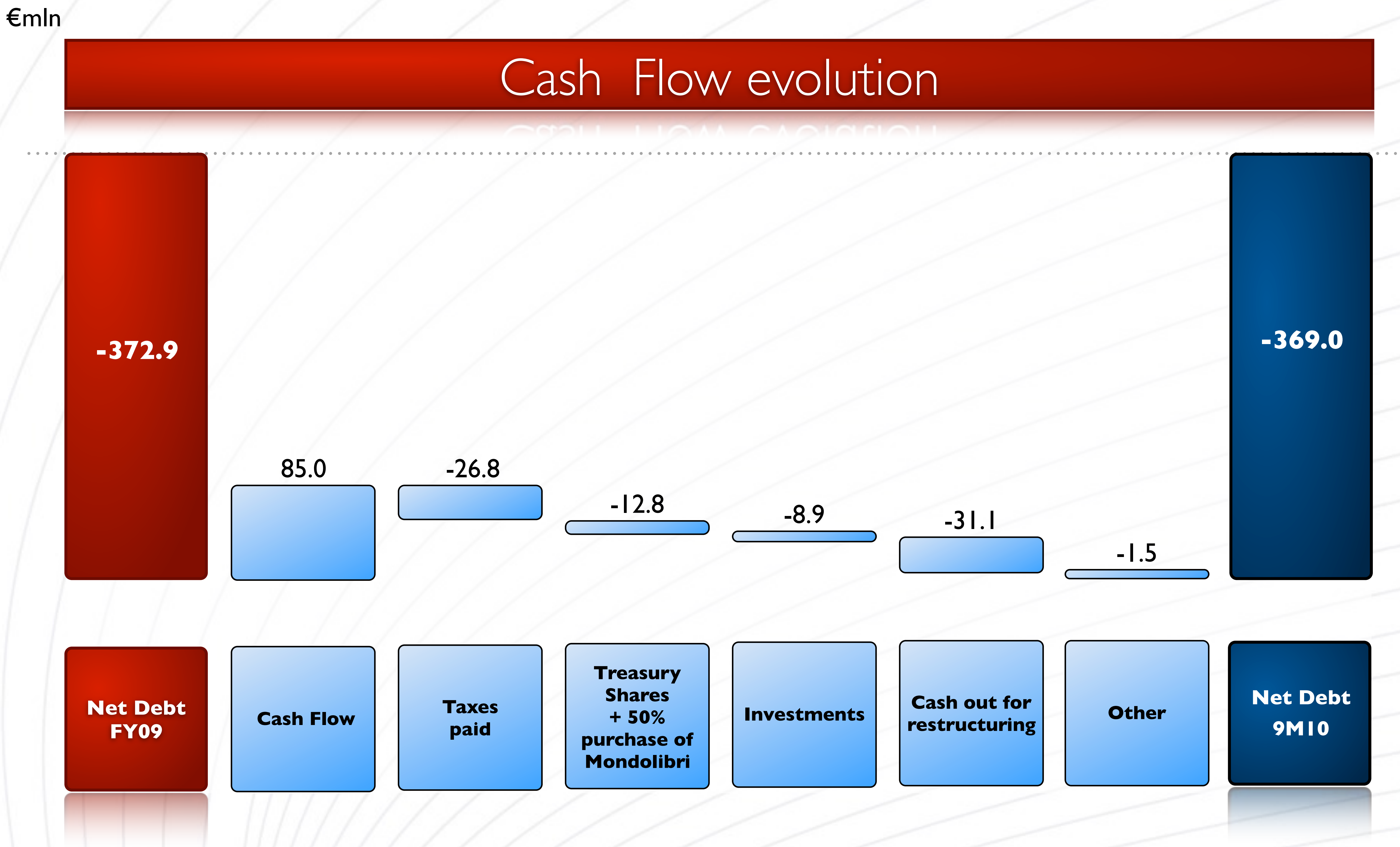
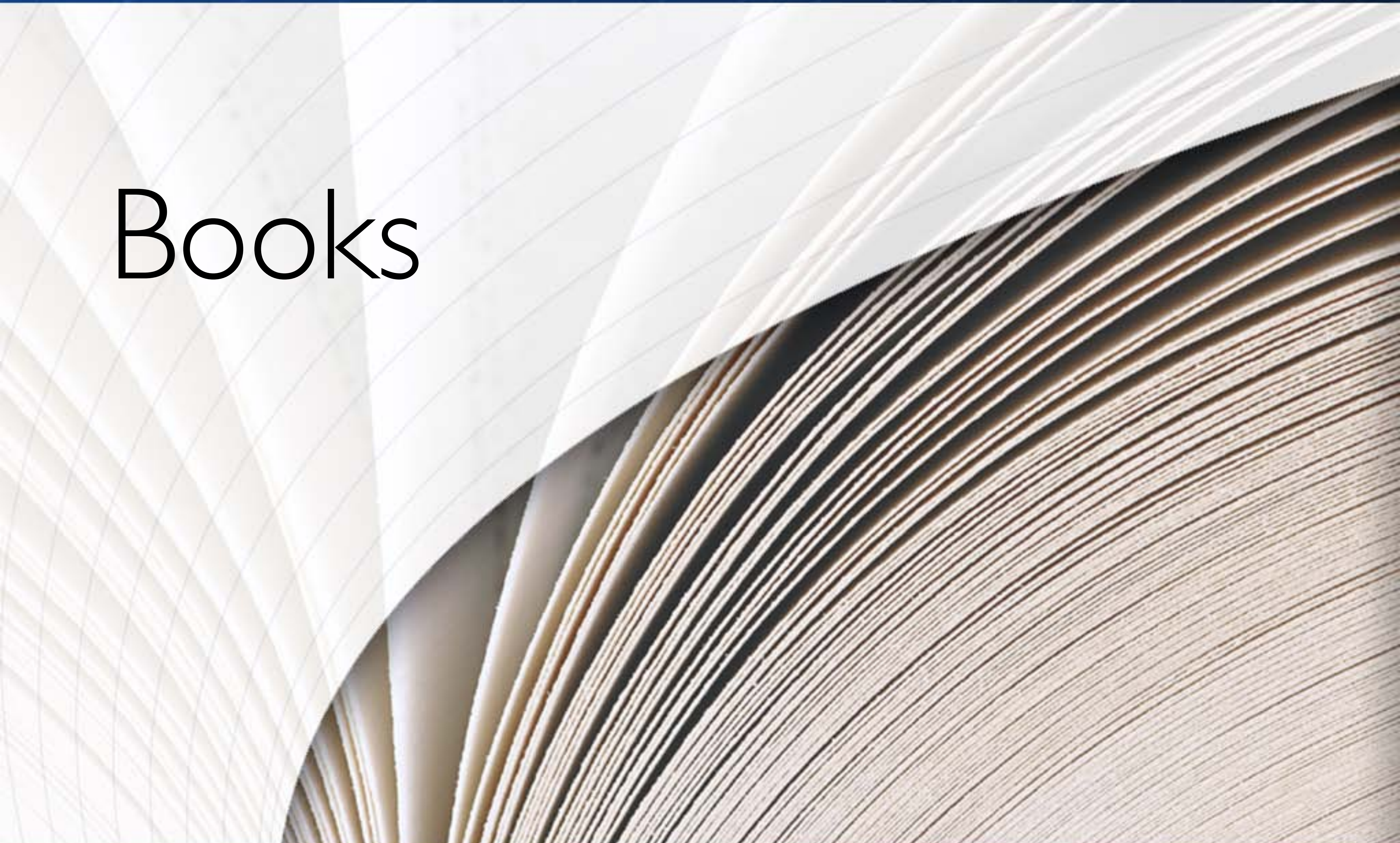


Net Debt on rolling EBITDA 2.62 vs Covenant of 5.0 in 2010 e 4.5 in 2011

Net Financial Position evolution (2/2)

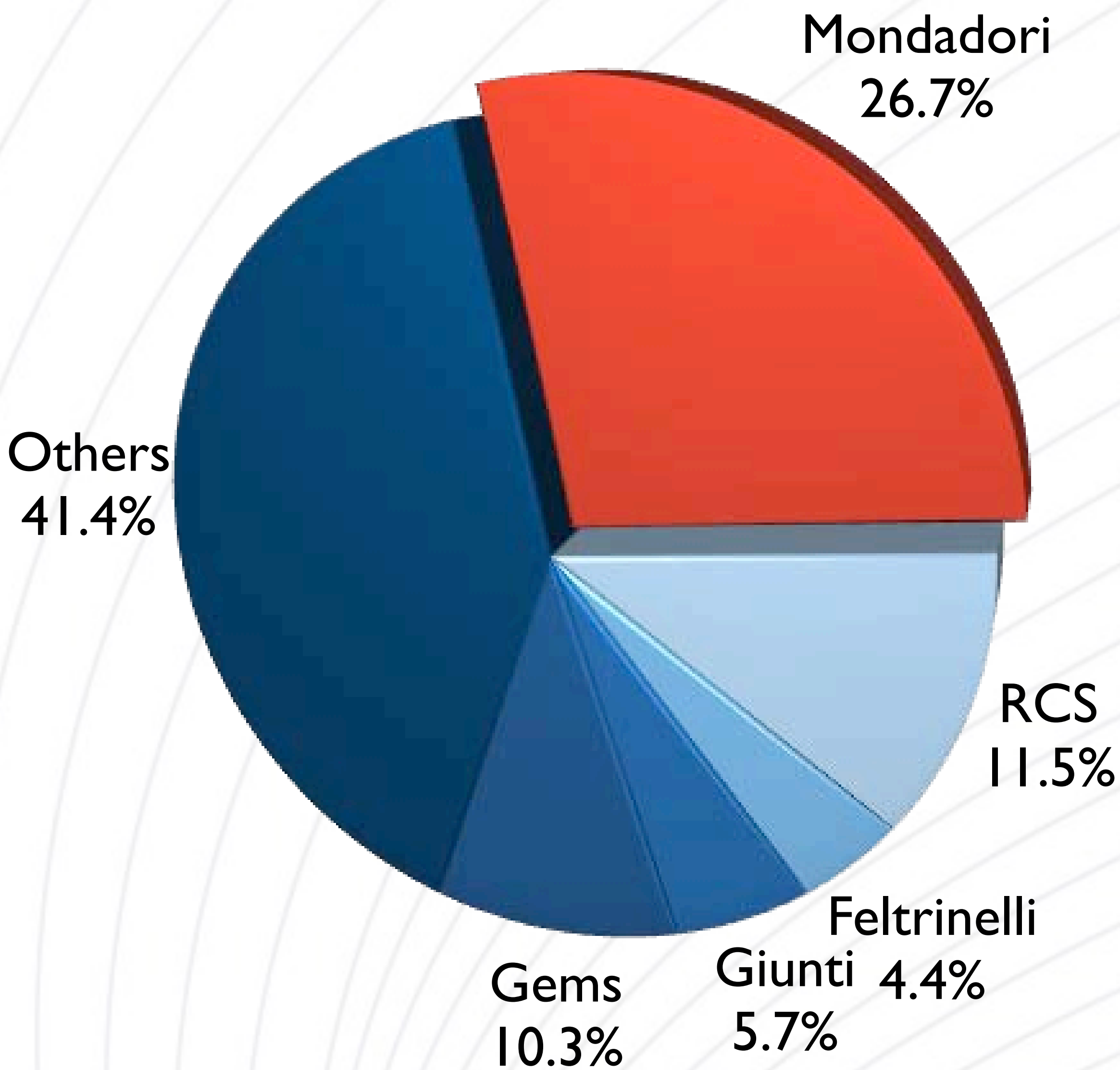


Books



Trade: market share in Italy

Book Market 9M10
excl. LSR



Source: Nielsen Bookscan, (value)

Quality Leadership:

July:
Pennacchi awarded the Premio Strega

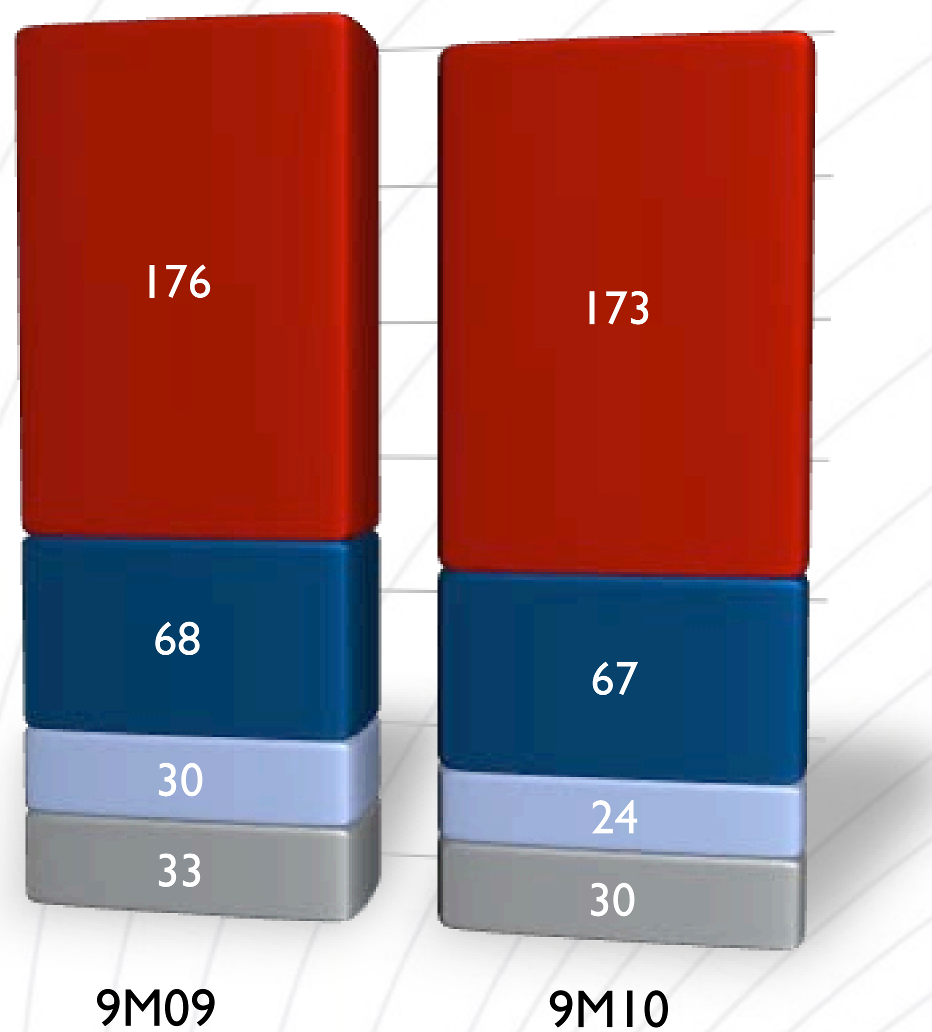
September:
Murgia awarded the Premio Campiello

October:
Vargas Llosa awarded the Nobel Prize

Revenues Breakdown: Books 9M10

€mln

-3.8% ····► 2.6% in 3Q



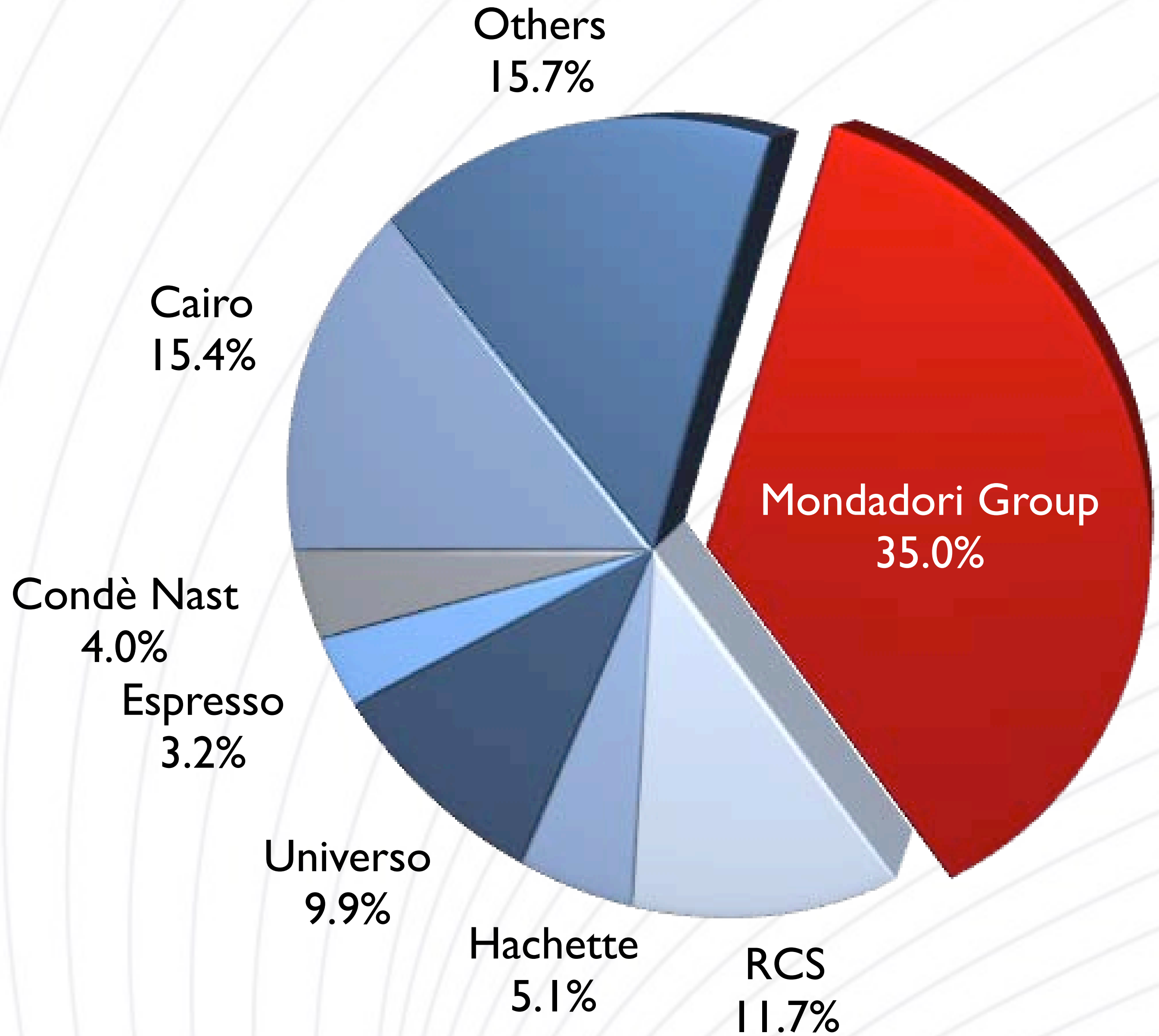
EBITDA margin	
17.3%	**18.1%**

	9M09	9M10	% change
Trade	175.7	173.0	-1.5%
Education	68.0	66.8	-1.8%
Art & Exibition	29.6	24.4	-17.6%
Distributin & Third-party	32.7	30.3	-7.3%
Total	**306.0**	**294.5**	**-3.8%**

Magazine

Circulation (copies) in 9M10 in Italy

Magazine Market (Sept. 2010)
429 milion copies



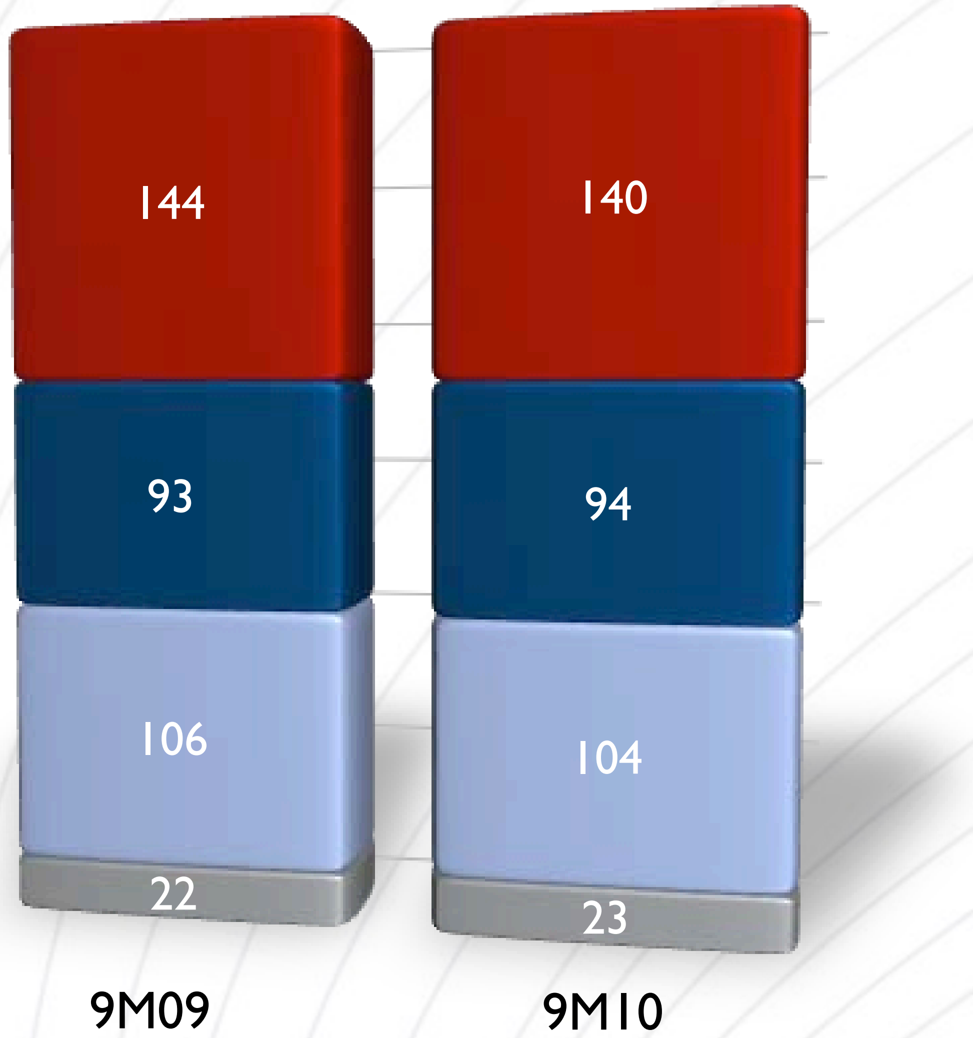
Italian Market Circulation (copies)	-9.1%
Mondadori Circulation (copies)	-4.3%

Italian Market Magazine Adv. (value)	-8.4%
Mondadori Magazine Adv. (like for like)	-1.2%

Source: Internal

Revenues Breakdown: Magazine Italy 9M10

€mln



EBITDA margin

9M09	9M10
7.9%	**11.9%**

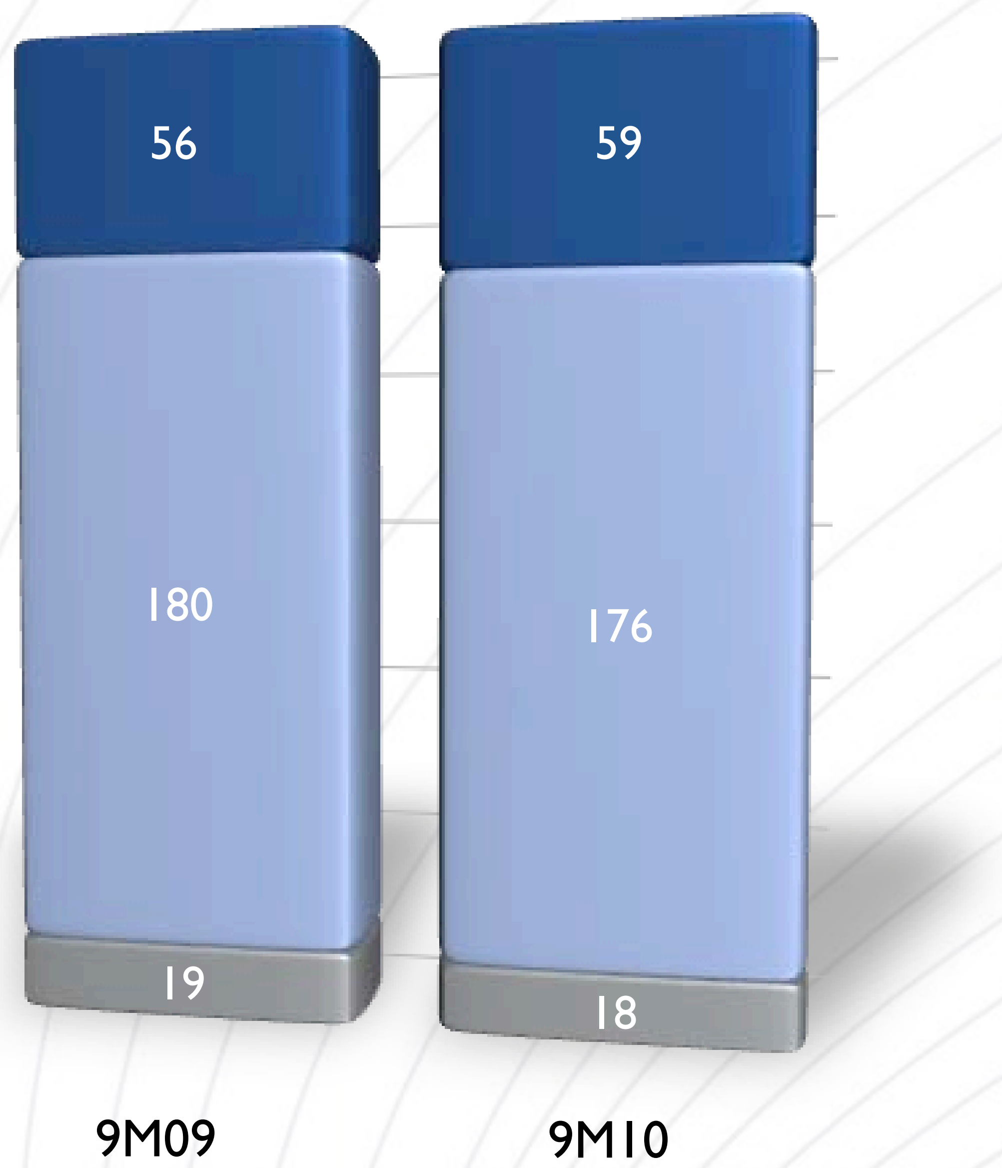
Despite an increase in postal charges

	9M09	9M10	% change
Circulation	144.5	140.3	-2.9%
Add on sales	93.1	94.4	1.4%
Total	237.6	234.7	-1.2%
Advertising	106.4	103.8	-2,4%*
Other revenues	22.5	23.5	4.4%
Total	**366.5**	**362.0**	**-1.2%**

* -1.2% like for like

Revenus breakdown: Magazine France 9M10

€mln



EBITDA margin	
5.2%	7.3%

		9M09	9M10	% change
Advertising	Exisiting Titles	56.2	59.3	5.5%
	Titles closed/to JV	-6.4		
	Total restated	49.8	59.3	19.1%
Circulation	Exisiting Titles	179.6	175.8	-2.1%
	Titles closed/to JV	-11.5	-0.1	
	Total restated	168.1	175.7	4.5%
	Other	19.0	17.5	-7.9%
	Total	254.8	252.6	-0.9%
	Total restated			**6.7%**

Magazine Market France		
	Circulation (volume)	-1.8%
	Advertising (volume)	+8.8%

Advertising

Advertising Market details as of August 2010

Advertising

	Value (%)	Weight on total (%)
Television	+7.7	**55.0%**
Newspaper	-1.0	**17.3%**
Magazine	-8.4	**9.5%**
Radio	+12,8	**5.6%**
Internet	+17,7	**4.0%**
Total	+ 4.8%	

Magazine Market (volume)

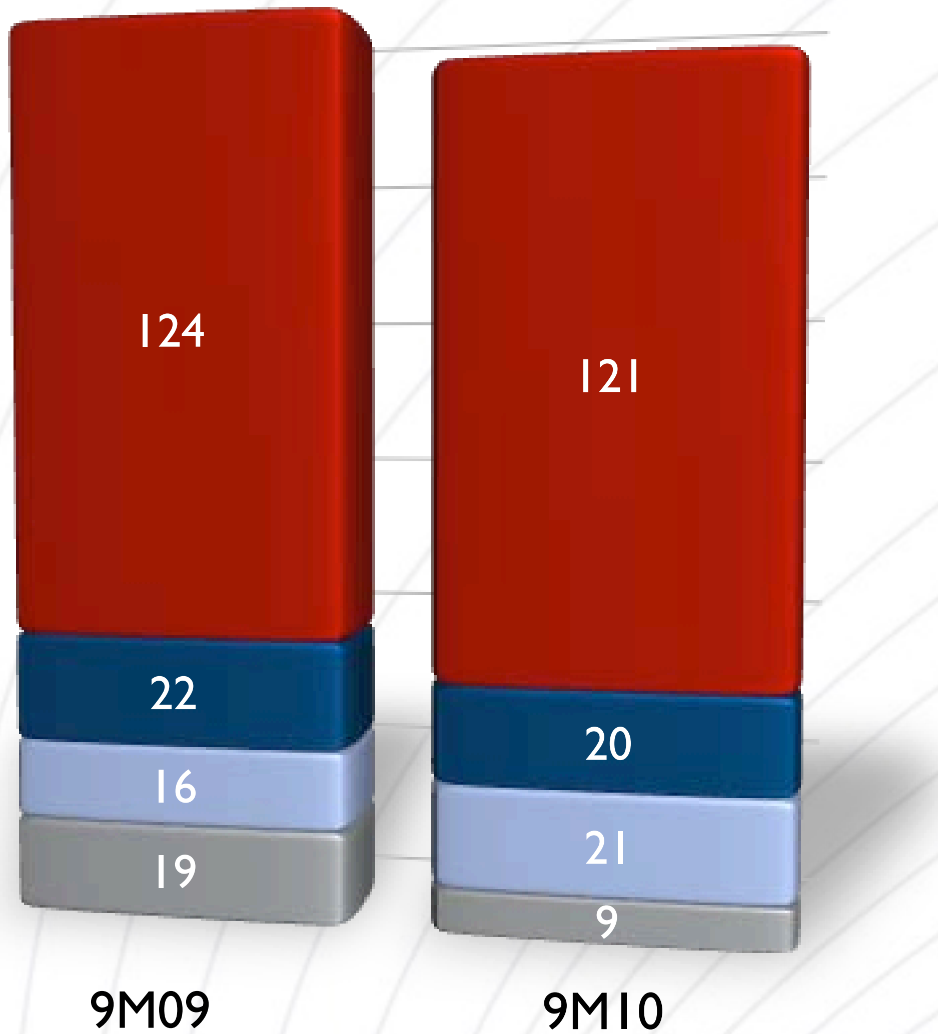
Sector	Weight	Performance (%)
FASHION	30.3	+1.3
COSMETICS	14.3	+2.8
INTERIORS	13.2	-1.0
FMCGs	12.8	+16.0
TOURISM	5.5	-4.9
AUTO	4.7	-4.9
FINANCE	2.2	-20.8

Source: Nielsen - August 2010

Revenues Breakdown: Advertising Sales Company 9M10

€mln

-6.3% → like for like in line with 2009



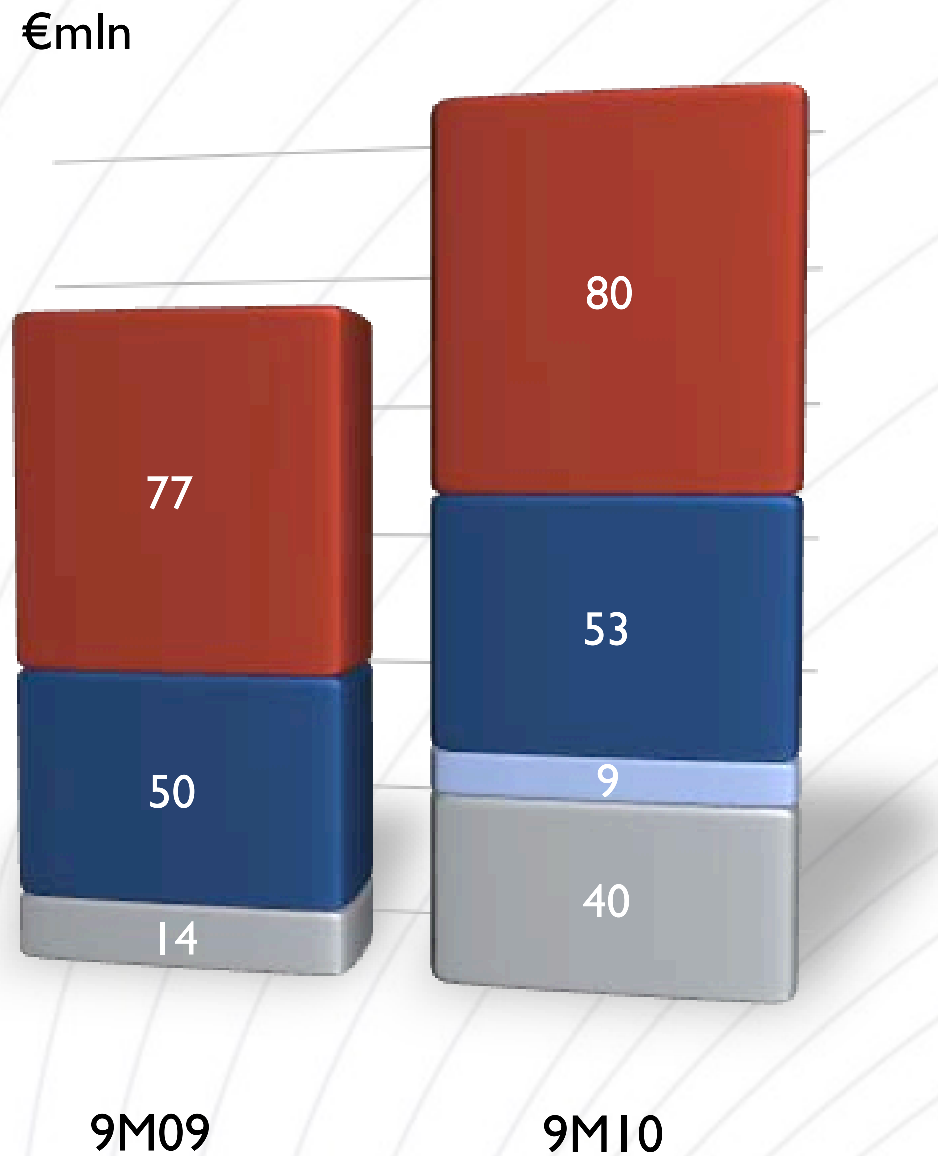
	9M09	9M10	% change
Magazine AME	123.9	120.9	-2.4%
Magazine Third parties	22.5	19.6	-12.9%
Total Magazine	146.4	140.5	-4.0%
Radio (R101 + Kiss Kiss)	16.2	20.6	27.2%
Other (not comparable)	19.0	9.1	-52.1%
Total	**181.6**	**170.2**	**-6.3%**

Magazine Market Italy	Advertising (Value)	-8.4%

Source: Nielsen August

Direct & Retail

Revenues Breakdown: Retail & Direct 9M10



EBITDA margin	
-0.7%	1.4%

	9M09	9M10	var %
Own Stores	76.9	79.7	3.6%
Franchising	49.5	52.9	6.9%
Other		9.1	
Total Retail	126.4	141.7	12.1%
Direct (Cemit + Book Club + Bol.it)	13.8	39.5	186.2%*
Total	**140.2**	**181.2**	**29.2%**

* Strong Revenues increase for Bol.it +34%

	9M09	9M10
Own Stores	30	31
Edicolé	191	205
Bookstore in franchising	239	258
Mondolibri	67	76
Total	527	570

Radio

Revenues: Radio 9M10

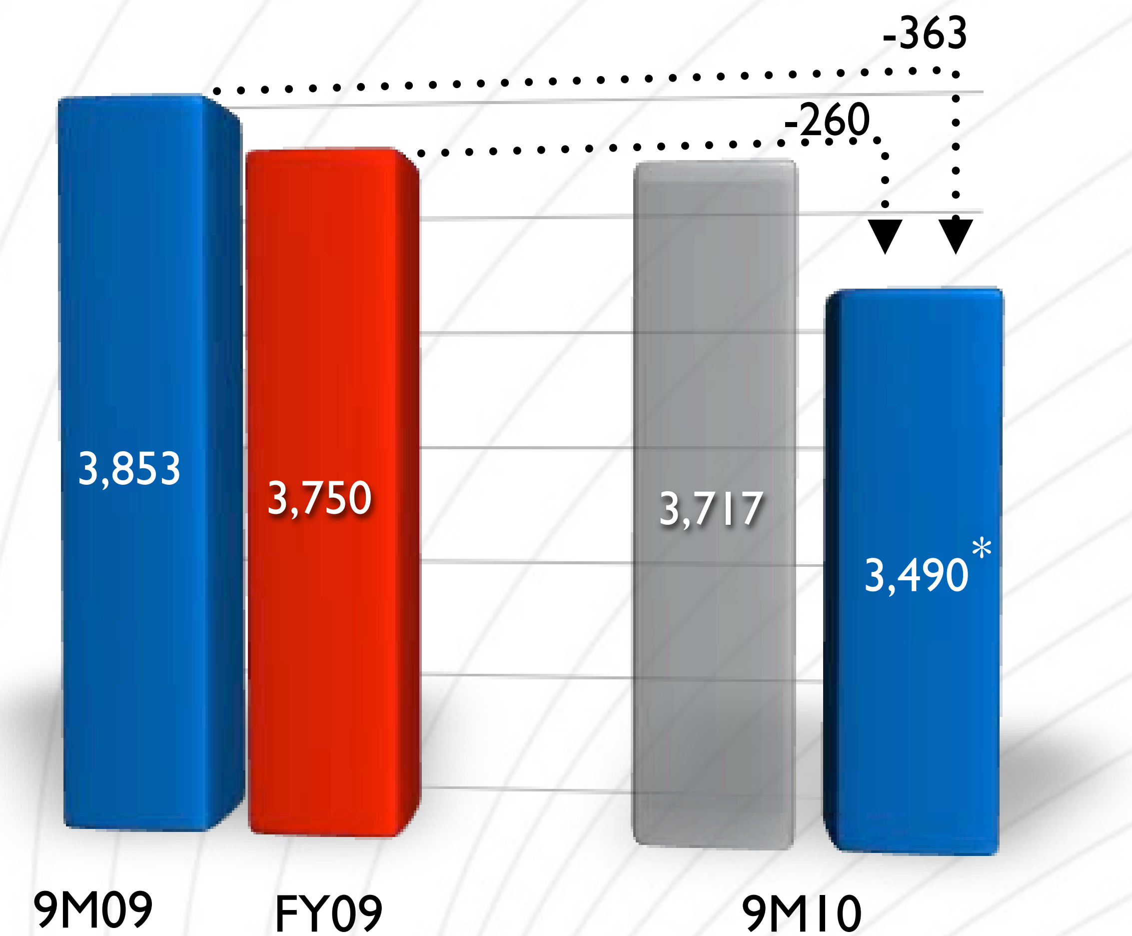
€mln

	9M09	9M10	change %
Net Revenues	9.7	10.2	5.2%

- Advertising +10% but lower special initiatives
- Strong recovery of reported result from € -3.8 million to € -1.3 million

Personnel and Costs evolution

Headcounts



*Net of Mondolibri equal to 227 headcounts

Evolution of cost saving plan

As of September:

- Achieved 85% of saving in operating cost which forecasted a target of €170 million in the three year period (2009 -2011)
- Achieved 688 Headcounts reduction equal to 89% of the forecasted period 2008 - 2011
- -9% personnel costs compared to September 2009

Guidance for the full year

In the third quarter of the year the positive trend continues with:

- Revenues improving with respect to the market trends in all the divisions and continuous development of the new businesses
- We have also meet the targets for reorganization in terms of both simplyfing corporate procedures and reducing operating costs

For full year 2010, in absence of unforeseen events, we expect to report:

- Strong growth in operating income despite the increase in postal charges
- Significant improvement in net profit notwithstanding the negative impact of extraodinary items

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Annexes

Revenues by division

€mln

	9M09	9M10	% change
Books	306.0	294.5	-3.8%
Magazine Italy	366.5	362.0	-1.2%
Magazine France	254.8	252.6	-0.9%
Advertising	181.6	170.2	-6.3%
Direct & Retail	140.2	181.2	29.2%
Radio	9.7	10.2	5.2%
Other	13.3	14.4	8.3%
Gross Revenues	1,272.1	1,285.1	1.0%
Intercompany	-157.8	-154.9	-1.8%
Net Revenues	**1,114.3**	**1,130.2**	**1.4%**

EBITDA by division

€mln

EBITDA published

	9M09	9M10	% change
Books	52.8	53.2	0.8%
Magazine Italy	29.1	43.0	47.8%
Magazine France	13.2	18.4	39.4%
Advertising	-2.2	-4.0	ns
Direct & Retail	-0.9	2.5	ns
Radio	-2.6	-1.2	ns
Other	-21.2	-8.8	ns
EBITDA	**68.2**	**103.1**	**51.2%**

EBITDA *margin*

	9M09	9M10
Books	17.3%	18.1%
Magazine Italy	7.9%	11.9%
Magazine France	5.2%	7.3%
Direct & Retail	-0.7%	1.4%
EBITDA *margin*	**6.1%**	**9.1%**

Balance Sheet

€mln

	FY09	9M09	9M10
Net Working Capital	-144.6	-143.0	-142.6
As a % on revenues	9.4%	12.8%	12.6%
Net Capital Employed	919.2	950.1	932.4
Net Debt	-372.9	-416.9	-369.0
Total group shareholder's equity	546.3	533.2	563.4

Details on Operating Costs: 9M10

€mln

	30/09/2009	30/09/2010[1]	change (values)	% change
Labour costs[2]	209.9	189.5	-20.4	-9.7%
Paper, prinitng and other production costs	292.2	285.8	-6.4	-2.2%
Right, royalties and commissions	124.7	122.7	-2.0	-1.6%
Adv. services and subscriptions	89.3	87.6	-1.7	-1.9%
Third parties consultancy	54.8	54.9	0.1	0.2%
Transport and Shipping[3]	34.2	34.4	0.2	0.6%
Lease and data processing costs	36.4	36.0	-0.4	-1.1%
Travel and other expenses	34.1	309.0	-3.2	-9.4%
Energy and maintenance costs	11.3	10.5	-0.8	-7.1%
Total[4]	**886.9**	**852.3**	**-34.3**	**-3.9%**
Total [4] excluding Grazia	**877.2**	**829.4**	**-47.8**	**-5.4%**

(1) Like for like excluding Mondolibri
(2) Excluding Restructuring
(3) Figures adjusted as of September to offset the increase in postal charges
(4) Excluding goods for sales and other third party services

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