1Q12 Results

Conference Call with analysts and investors

Segrate, May 2012

Market highlights

- 1Q12 saw a confirmation of the structural economic crisis, mainly in Europe where a growing numbers of countries went into recession
- Further downturns in industrial production, investment and employment compared with FY11
- Mondadori's markets and sectors of reference, especially in Italy, saw a further deterioration

Results: highlights

- Revenues -7.4% vs 1Q11 and -10.1% net of Emas consolidation in Mondadori France
- EBITDA -31.2% due to lower revenues
- Net Profit 2.4 € mio vs 5.0 € mio
- Net Financial position -301.8 € mio improving from -335.4 € mio in FY11

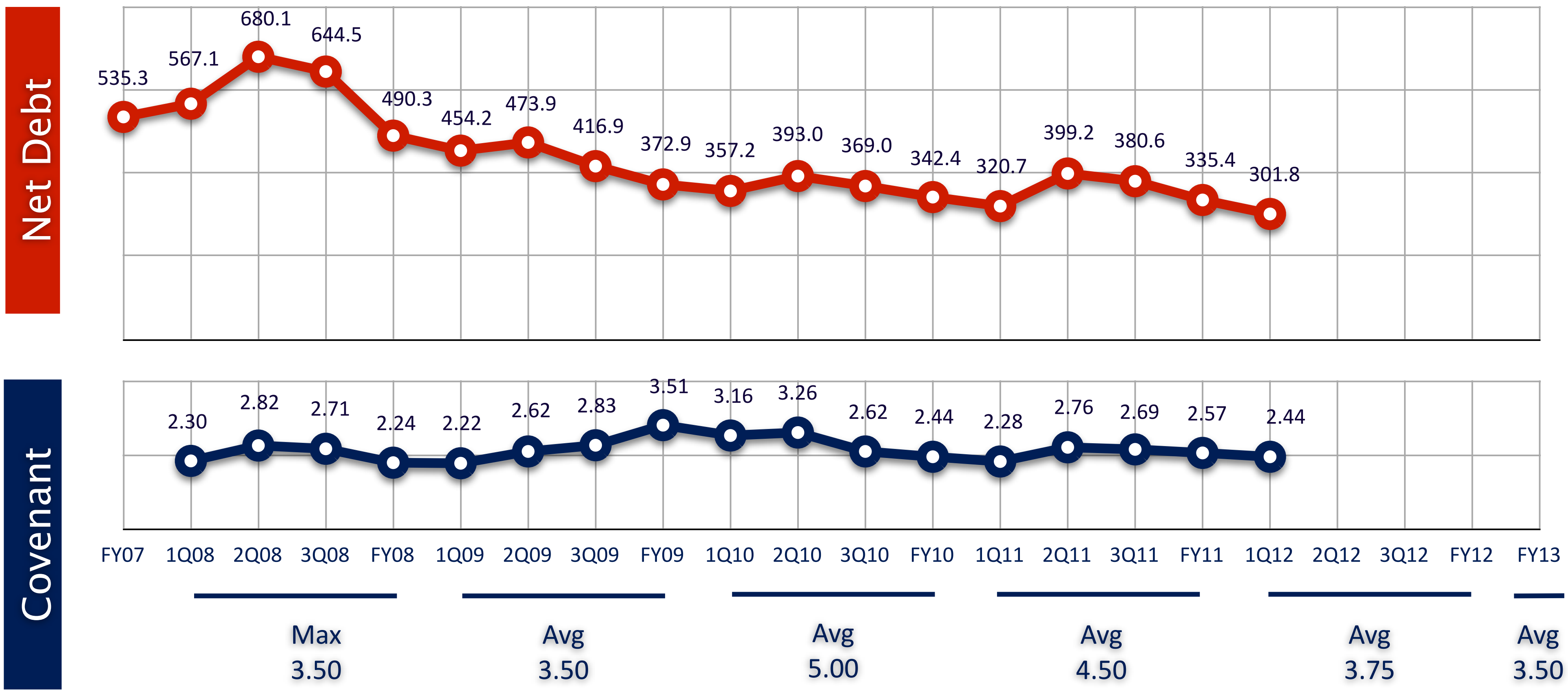
Profit & Loss 1Q12

€ mio	1Q11	1Q12	Var %	
Revenues	354.3	328.1	-7.4	[-10.1%]*
Personnel costs	-68.5	-73.2	6.9	[1.1%]*
Cost of sales & other	-264.0	-239.9	-9.1	
EBITDA	**21.8**	**15.0**	**-31.2**	
Depreciation	-5.5	-6.1	10.9	
EBIT	**16.3**	**8.9**	**-45.4**	
Financial charges	-5.4	-4.4	-18.5	
Pre-Tax profit	**10.9**	**4.5**	**-58.7**	
Taxes	-5.7	-1.8	-68.4	
Minority interest	-0.2	-0.3	50.0	
Net Profit	**5.0**	**2.4**	**-52.0**	

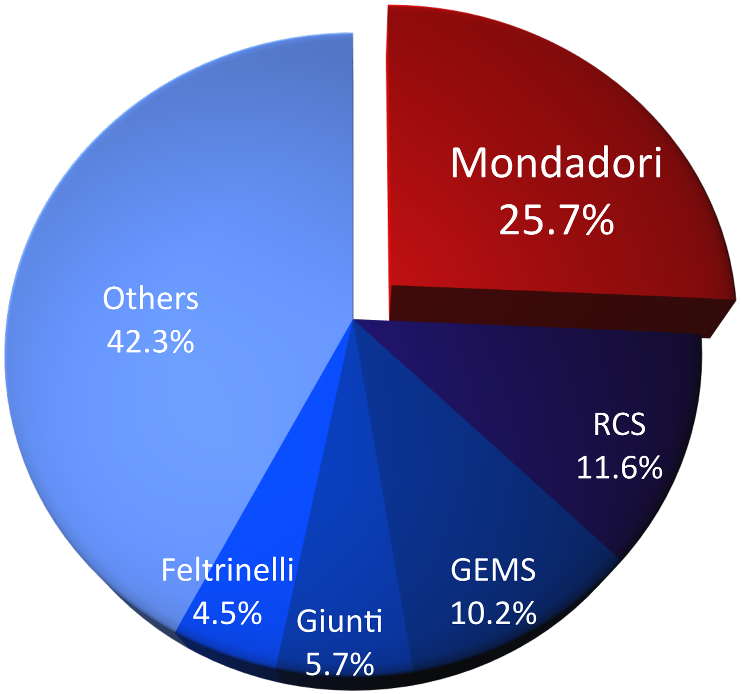
* Like for like

Evolution PFN and covenant

- Net debt 301.8 € mio
- Net debt/ EBITDA ratio at 2.44 below the average covenant ratio agreed with banks for FY12



Books: highlights

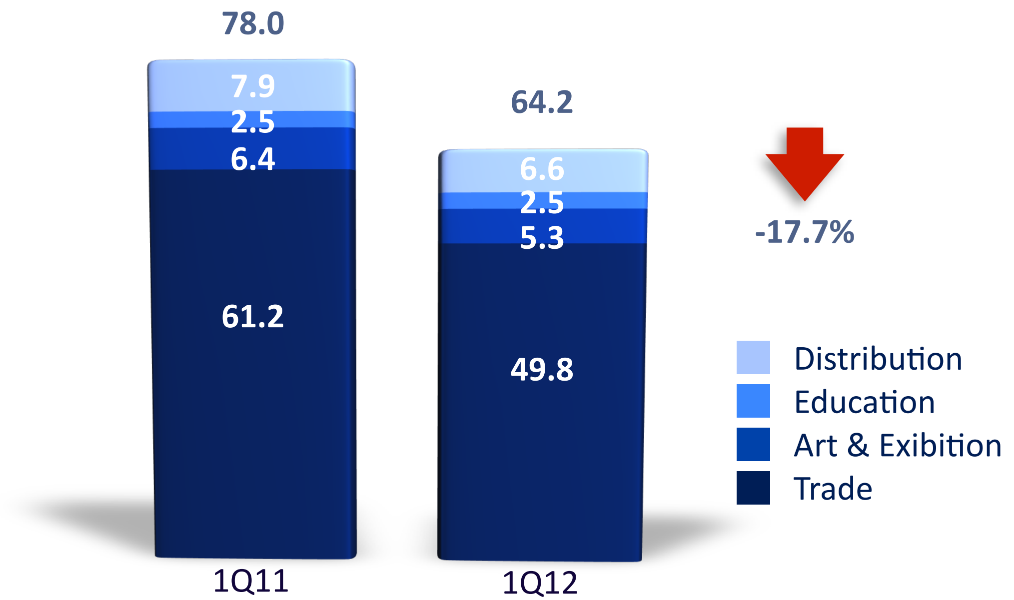


- The general fall in consumer spending and the DDL Levi (Gov. Law) led to a further decline in sales (-11.8% in terms of value)
- All distribution channels, including independent bookstores, saw a significant slowdown
- The average cover price and volumes were down by -4.8% and -12% respectively for the 100 best selling books (Nielsen data)
- The E-book continues to grow rapidly while remaining limited as a proportion of total sales

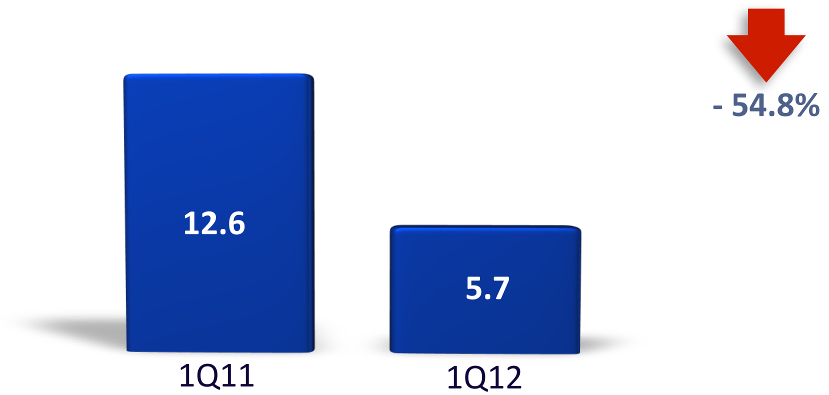
* Nielsen 1Q12, Trade division

Books: financial highlights

Revenues (€ mio)

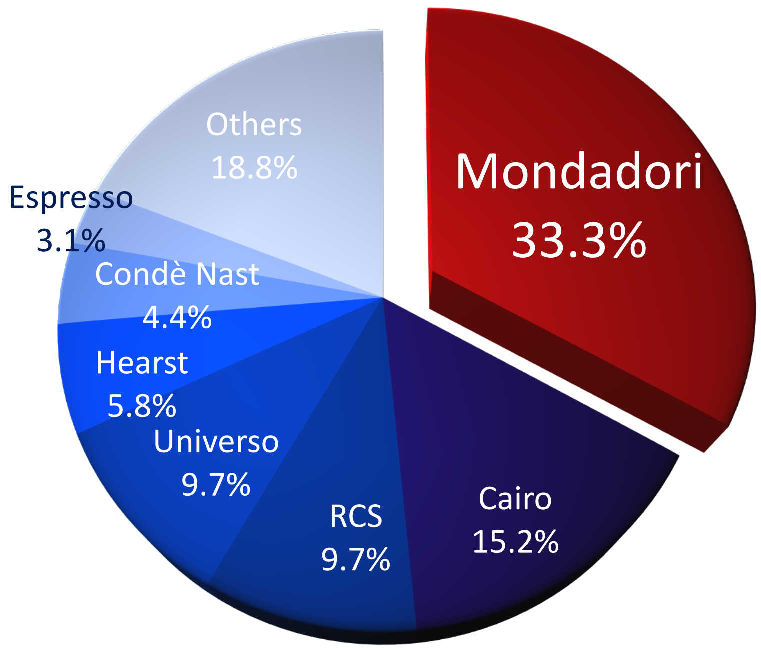


EBITDA (€ mio)



- Trade book revenues down -18.6% despite 36 best sellers out of 100
- Strong editorial programme from 2Q12
- E-book Mondadori: 3,000 catalogue titles, 2,000 daily download since the beginning of the year (already more than total downloads in FY11)
- EBITDA decrease due to:
  - lower average cover price in trade books
  - education: negative impact of 2 € mio for investments related to the reforms in second-level secondary school (SS2)

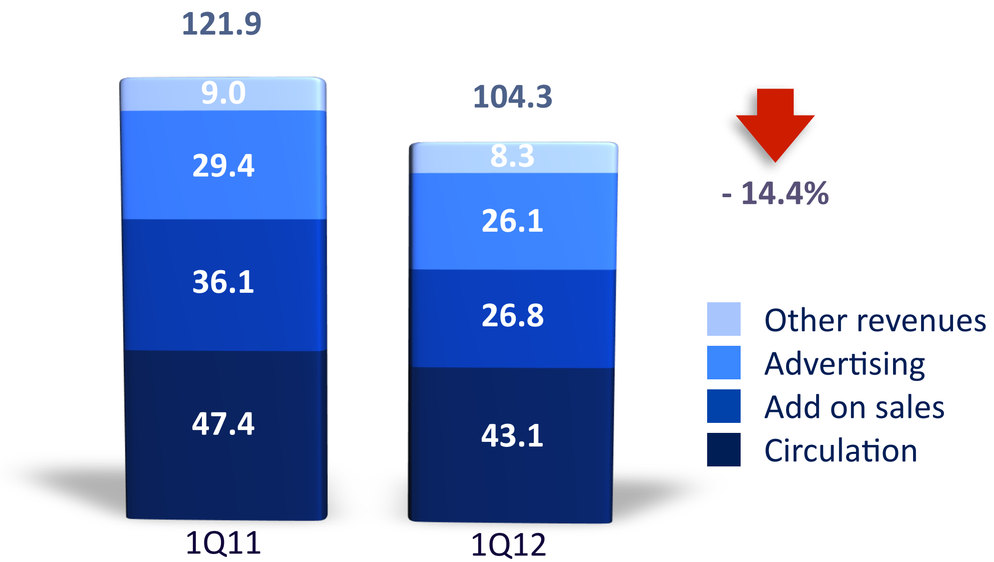
Magazines Italy: highlights



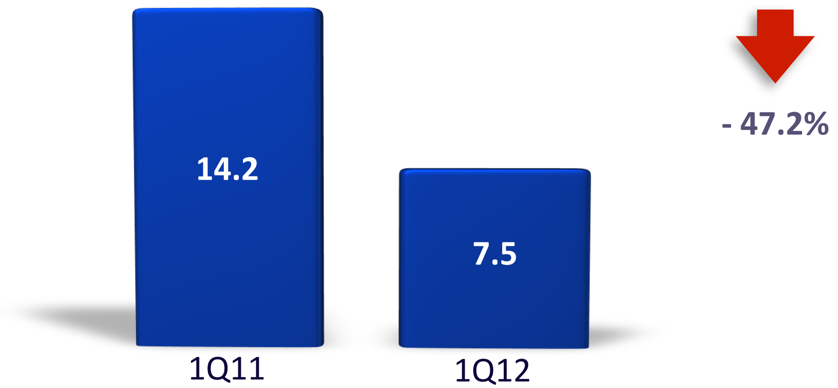
- 1Q12 further market further slowdown vs FY11
  - Circulation (copies): -9.1%, like for like -12.5% (Internal source, Feb.12)
  - Advertising: -11% (Nielsen Feb.12)
  - Add-on sales: -24.8% (Internal source, value, March 12)

Magazines Italy: financial highlights

Revenues (€ mio)



EBITDA (€ mio)



- Total revenue: -14.4% with the following mix:
  - Advertising: -11.2%, for Mondadori magazines, marked increases in the internet (+50%) and international (+63%)
  - Circulation: -9.1%
  - Add on sales: -25.8% (in 1Q11 strong contribution of special initiatives)
- EBITDA: decrease related also to high margins on add-on sales in 1Q11
- The group continued with the re-launch/redesign of magazines. *CHI* in 1Q12, in 2Q *Panorama, TV Sorrisi e Canzoni, Starbene and Grazia*

Advertising: highlights

Media (value)	2M12 vs 2M11	FY11 vs FY10
TV	-6.9%	-3.1%
Newspapers (incl. F/Press)	-5.3%	-7.7%
Magazines	-11.0%	-3.7%
Internet	+12.3%	+12.3%
Radio	-5.1%	-7.8%
Total	-5.7%	-5.0%

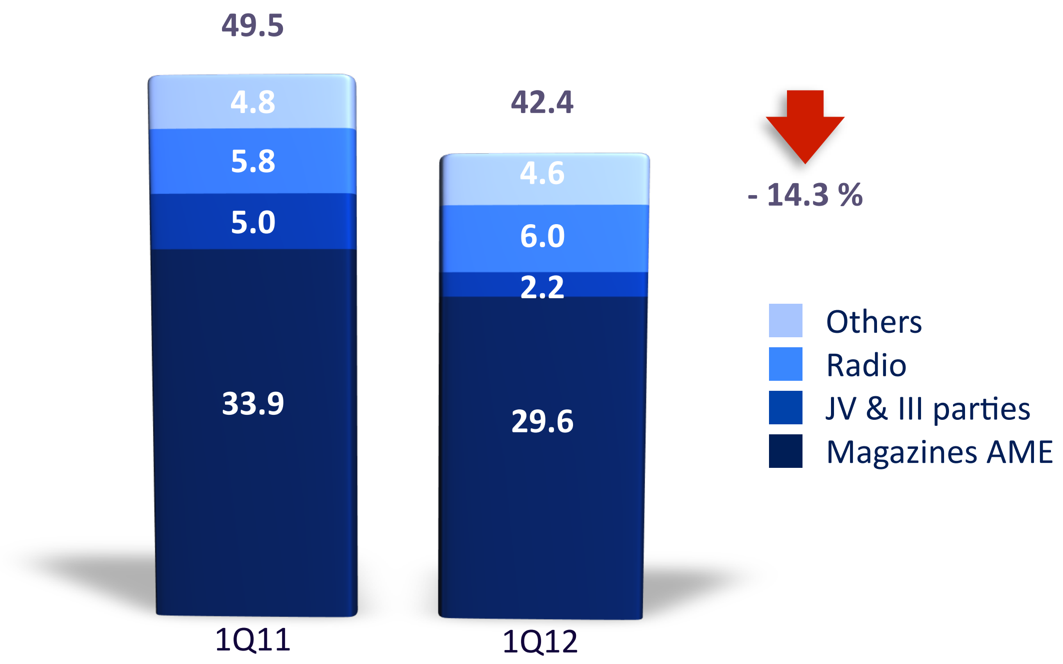
Nielsen feb 2012

Magazines (volume)	1Q12 vs 1Q11	FY11 vs FY10
Fashion	-7.0%	+2.0%
Cosmestics	-8.0%	+8.0%
Design	-15.0%	-5.0%
FMCG	-6.0%	-19.0%
Tourism	-13.0%	-9.0%
Total	**-10.0%**	**-4.0%**

- Ongoing downturn in the first 2M12 in all segments (excluding internet which grew at a slower pace)
- The most important segments (Fashion, Cosmetics and Interiors) which account for 60% of the total volume, were in decline. Only Media, Publishing and Finance performed well but have only a marginal weighting

Advertising: financial highlights

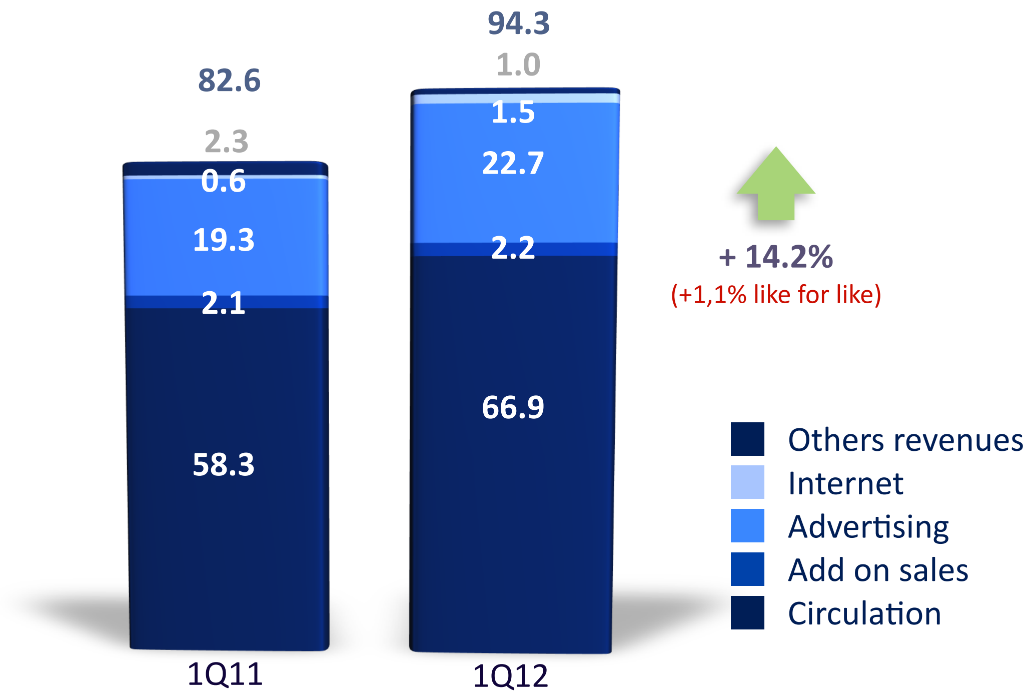
Revenues (€ mio)



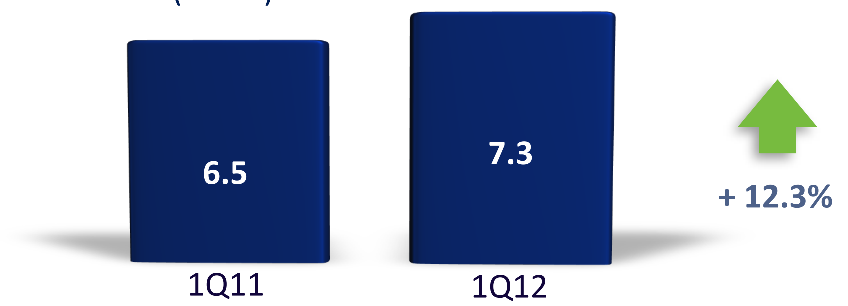
- Total revenues -14.3% mainly due to a reduction in third-party sales
  - Mondadori magazines: -12.7% negatively affected by a decline in weeklies due to a slowdown in the most important sectors (Fashion, Cosmetics, FMGC and Interiors). Monthly titles were less affected thanks to *Panorama Icon*
  - Radio (R101 and Kiss Kiss): +3.4% better than the market (-5.1%)
  - Internet: Mediamond JV continues to perform well with advertising +40% vs 1Q11

Mondadori France: financial highlights

Revenues (€ mio)



EBITDA (€ mio)



- Market data by value*
  - Circulation (newsstands only): -4.4%
  - Advertising: +0.7%
- Also like for like (Emas consolidation) total revenues increased by 1.1% with the following mix:
  - Advertising: +2.7% confirming the positive trend in women's upscale titles, *Grazia* (+15%) *Biba* (+21%)
  - Circulation: -0.6% with a slight decrease in newsstands sales while subscriptions continued to increase (34.3% of the total)
- EBITDA: +12.3% thanks to the performance of the title portfolio and by cost reductions

- Continuous focus on products' quality and innovation. In 1Q12 new formats for *Biba, Modes & Travaux, Auto Journal* and brand extansion of *Auto Plus Classique*
- Digital activities:
  - Autoreflex continues to enlarge its clients base
  - New IT platform for all company's sites

* Source Kantar Media, value march 2012

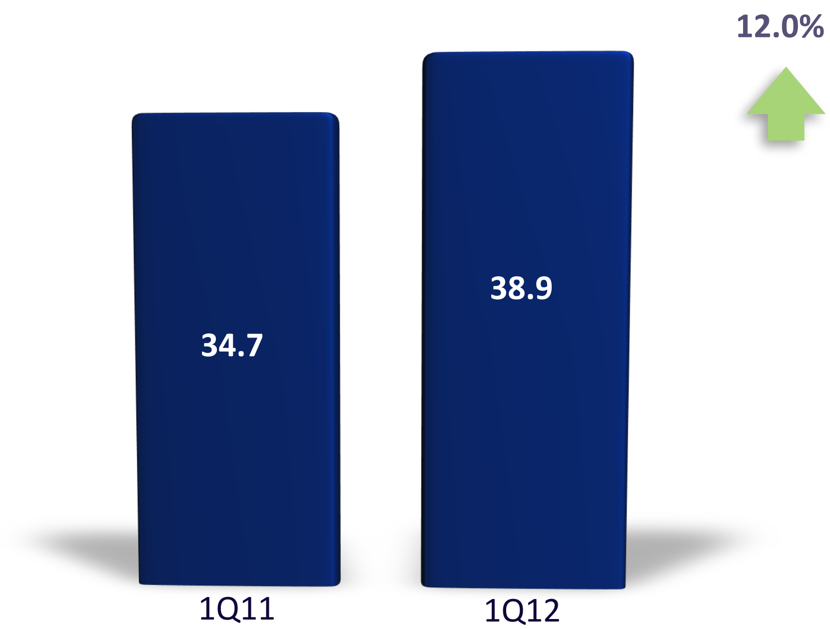
Magazines International network

- The International network, with 28 editions, is confirmed one of the most important on a global basis: in 1Q12 *Grazia* Slovenia was launched and shortly (2Q) also *Grazia* Sud Africa

- *Grazia* with growing revenues is network's most important assets with 19 editions in 4 countries:
  - 9 weeklies (France,UK, Germany, Holland, Emirates, Russia, Bahrain, Australia and South Africa)
  - 1 fortnightlies (China) to become weekly this year
  - 9 monthlies (Asia and Balkans)

Magazines International network

Total turnover (€ mio)



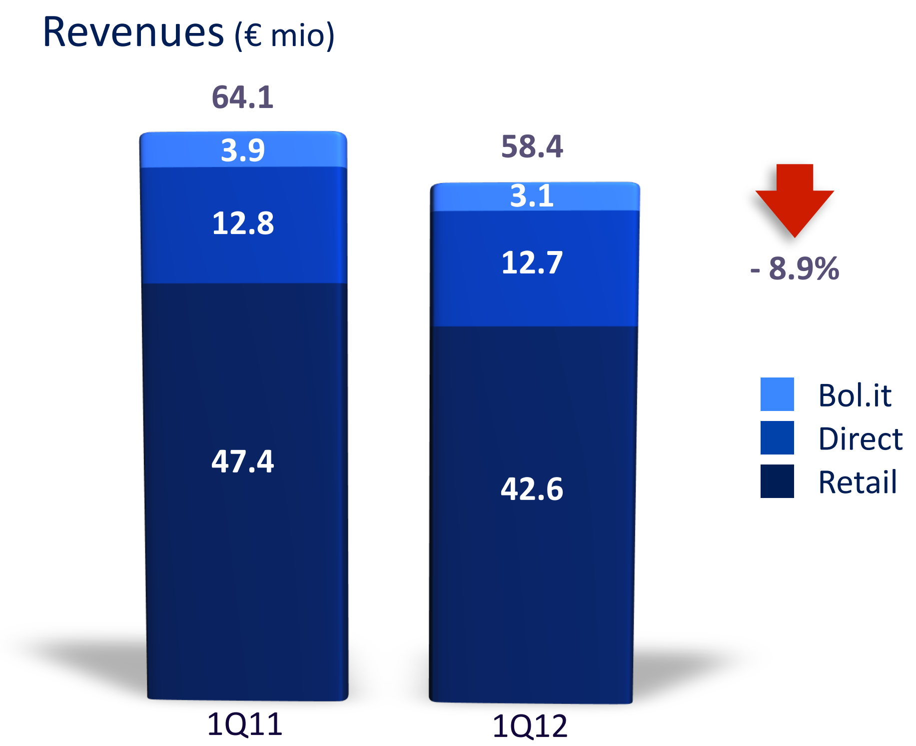
- Total Network turnover grew by +12% thanks to the excellent performance of the advertising collection (+24%)

- JVs results reported strong revenues performance:
  - China +55%
  - Russia +30%

  - Attica: results in line with expectation, in difficult market conditions

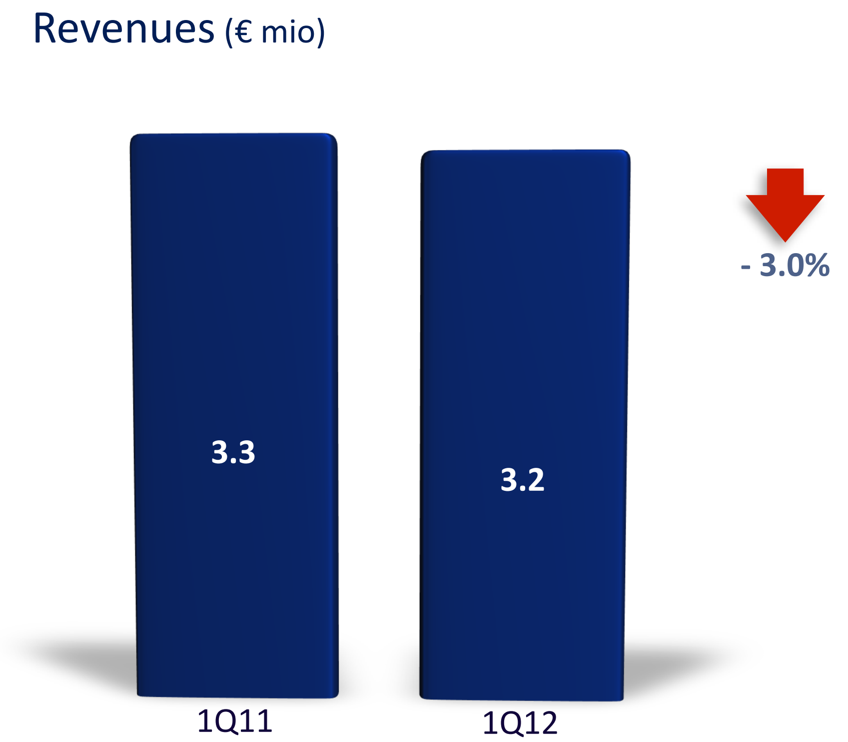
Total expected turnover for FY12 in excess of 170 € mio

Direct & Retail: financial highlights



- Continuous fall in consumer spending had a negative impact on total revenue: -8.9%
- In 1Q12 actions were taken to optimize and redefine the offer including:
  - bookstores network rationalization
  - product range expansion: Emporio Mondadori Brand and BoxForYou
  - new corners in partnership in large stores

Radio: financial highlights



- Total net revenues down by -3.0% but better than the market -5.1% (Nielsen of Feb.12)
- Continuous focus on editorial innovation with the strengthening of the programme
- Average daily listeners now over 3 million (independent source)

Digital: highlights

- Digital activities in 1Q12 evolved as follow:

  - Publishing activities, e-books, properties, on line subscriptions and on line advertising, in the related business areas of: Books, Magazines both in Italy and in France
  - E-commerce, through www.bol.it and bookclubs in the Direct area
  - Diversification activities, CRM investments and gaming in the Holding division

- In1Q12 all the above mentioned activities generated total revenues of 10.9 € mio and a EBITDA of -6.1 € mio (-5.2 € mio in 1Q11)

2012 Outlook

- 1Q12 saw a confirmation of the most negative forecasts regarding the overall economic crisis and the consequent recessive effects

- As of today there are no signs of a recovery: the sector of reference for Mondadori saw a further reduction in volumes compared with the already weak trends in 4Q11

- Group confirmed its focus on:
  - leadership in Italy in both books and magazines
  - consolidating France performance
  - developing digital publishing activities
  - expanding the international network
  - further reduction in operating costs in addition to the 30 € mio already announced for FY12

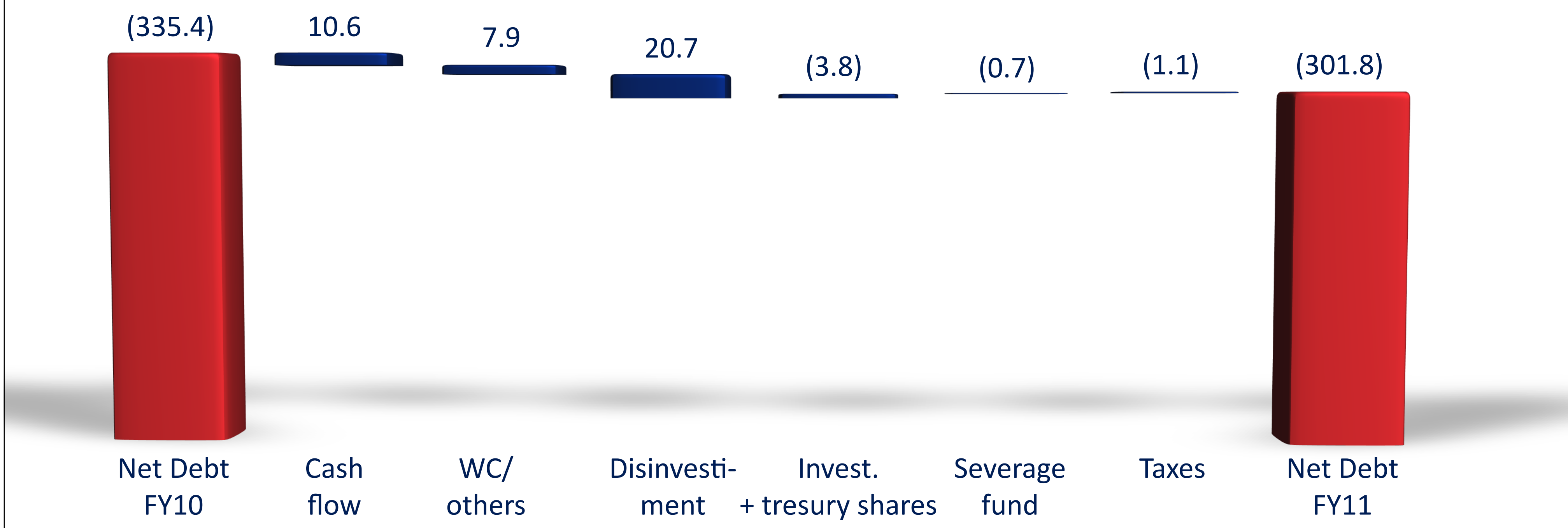
- Unless there is a significant turnaround in the market trends in the short term the Group can not confirm the FY11 profitability

Annexes

1. Net Debt evolution

2. Results breakdown

1. Net debt evolution



2. Results breakdown

Revenues

€ mio	1Q11	1Q12	Var
Books	78.0	64.2	-17.7%
Magazines Italy	121.9	104.3	-14.4%
Magazines France	82.6	94.3	14.2%
Mondadori Adv.	49.5	42.4	-14.3%
Direct & Retail	64.1	58.4	-8.9%
Radio	3.3	3.2	-3.0%
Digital	5.8	5.7	-1.7%
Gross revenues	405.2	372.5	-8.1%
Intercompany	-50.9	-44.4	-12.8%
Net revenues	354.3	328.1	-7.4%

EBITDA

€ mio	1Q11	1Q12	Var
Books	12.6	5.7	-54.8%
Magazines Italy	14.2	7.5	-47.2%
Magazines France	6.5	7.3	+12.3%
Mondadori Adv.	-2.4	-2.7	nm
Direct & Retail	-2.5	-1.3	nm
Radio	-1.0	-0.8	nm
Holding&Other	-5.6	-0.7	nm
Total	21.8	15.0	-31.2%