1H12 Results

Analysts' Meeting

Segrate, July 2012

Market highlights

- A sluggish global recovery shows signs of continued weakness in all main indicators
- Overall outlook remains gloomy and recovery prospects increasingly uncertain and remote
- Mondadori's markets of reference continue to decline sharply, especially in Italy

Results: highlights

- Revenues: -8.5% (-11.1%* like-for-like)
- EBITDA: -39.0%
- Net profit: 7.5€ m vs. 22.7€ m in 1H11

Also due to lower positive one-offs and higher restructuring investments

- Net financial position of -370€ m (-335.4 € m FY11, -399.2 € m in 1H11)

* Emas consolidation

1H12 Markets' evolution

Value, May 2012	1H12 vs 1H11
Italy	
Books Trade *	-9.1%
Magazines:	
Circulation	-9.4%
Advertising	-14.6%
Add-on sales	-25.2%
France	
Circulation (newsstands)	-5.3%
Magazines advertising	-0.5%

* June 2012

Nielsen (Italy), Kantar Media (France)

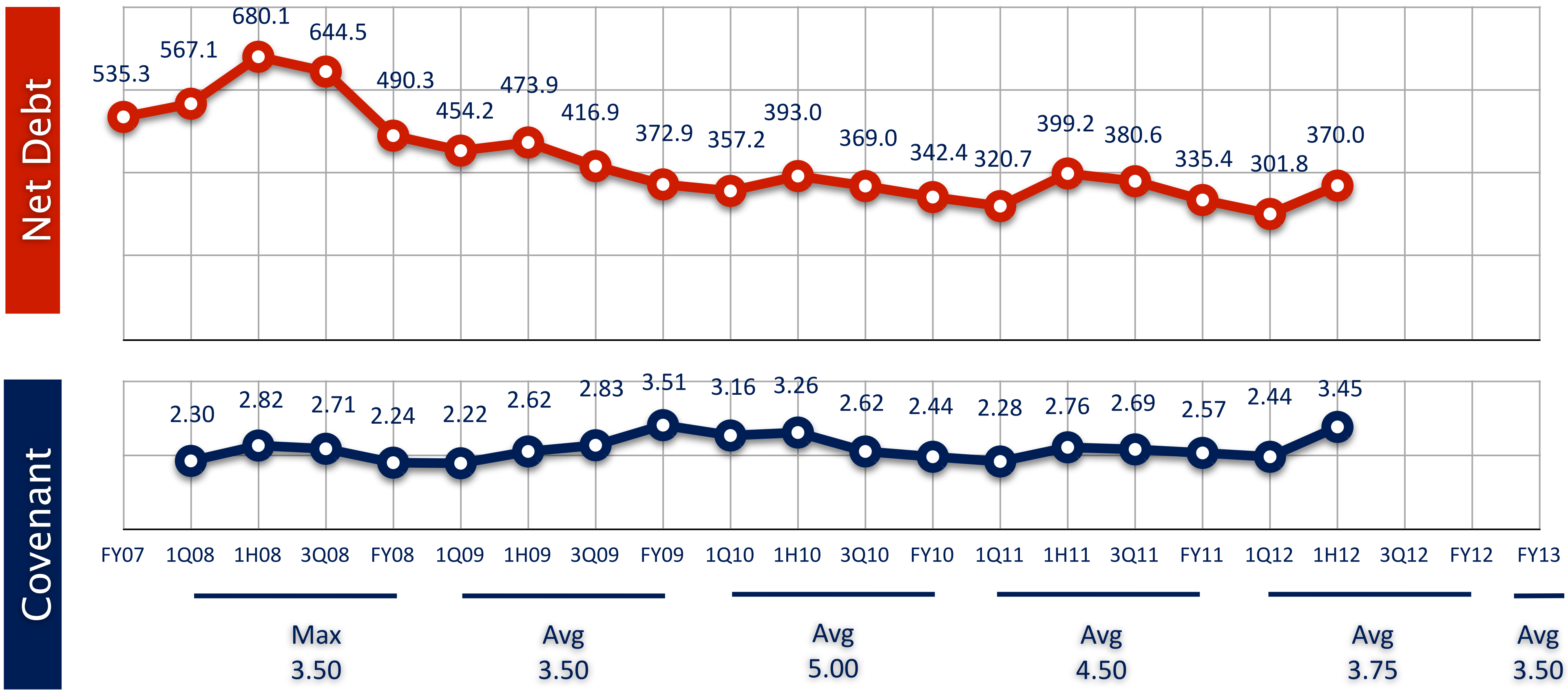
Profit & Loss 1H12

€ mio	1H11	1H12	Change %	
Revenues	738.7	676.2	-8.5	[-11.1%]*
Personnel costs	-137.7	-142.0	3.1	[-3.0%]*
Cost of sales & other	-542,0	-498,2	-81,0	
EBITDA	**59.0**	**36.0**	**-39.0**	
Depreciation	-11.1	-12.2	10.0	
EBIT	**47.9**	**23.8**	**-50.3**	
Financial charges	-10.4	-8.2	-21.2	
Pre-Tax profit	**37.5**	**15.6**	**-58.4**	
Taxes	-14.8	-6.5	-56.1	
Minority interest	0.0	-1.6	nm	
Net Profit	**22.7**	**7.5**	**-67.0**	

* Like for like

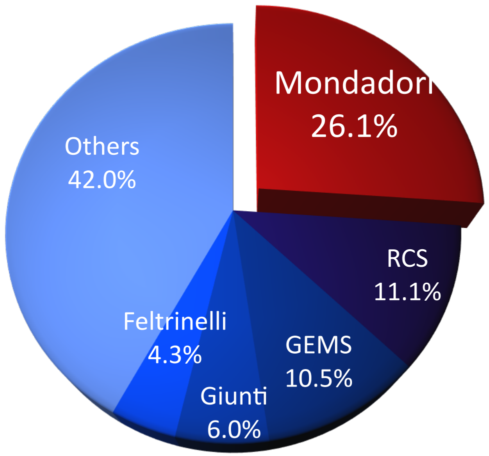
Net debt and covenant evolution

- Net debt € 370 m
- Net debt/EBITDA ratio at 3.45 (average covenant ratio agreed 3.75)

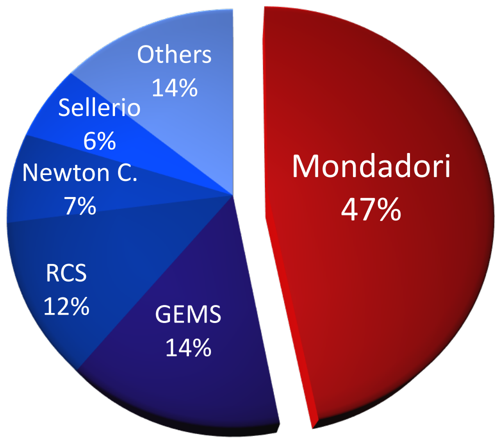


Books: highlights

Market shares (value)



Market share top 10 best seller (value)

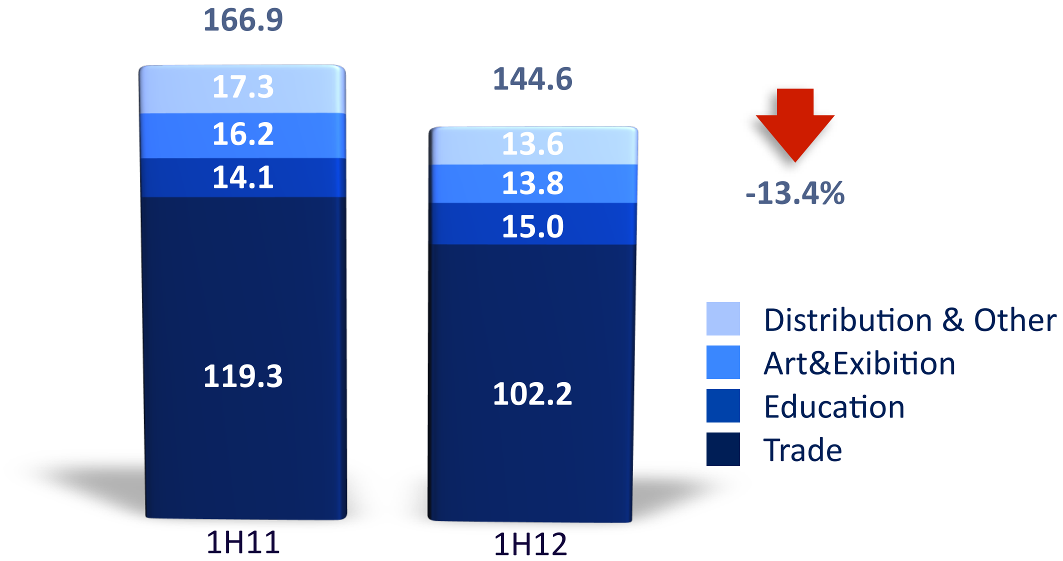


- Market -9.1% due to a general fall in consumer spending, a reduction in average price (-4.6% for the 100 best selling books) and the impact of the Levi decree
- Mondadori confirms its leadership position with:
  - 26.1%: total market share (+0.4 p.p vs 1Q12)
  - 47% of the top 10 best selling books
- While the e-book market remains at an early stage (1-1.5% of the total market) rapid growth is expected thanks to the increased penetration of devices

Nielsen 1H12, Trade division

Books: financial highlights

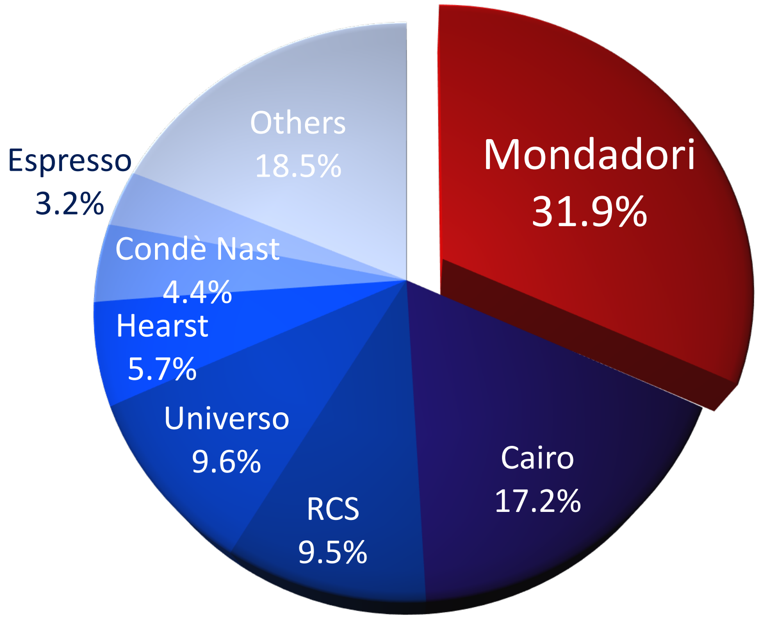
Revenues (€ m)



EBITDA (€ m)

- Trade revenues: slower decline vs 1Q12 thanks to:
  - initial impact of *Fifty Shades…*
  - strong results by new titles (Grisham, Sveva. C. Modignani, Ligabue, Del Piero)
- The full impact of the *50 Shades trilogy* and the Premio Strega winner (Piperno) expected in 2H12, along with a strong editorial programme (Follett, Giordano)
- E-books: rise in the number of daily downloads (over 2,100); in July Mondadori and Kobo joint forces to launch in Italy Kobo touch ereader
- EBITDA: marked improvement (YoY)

Magazines Italy: highlights

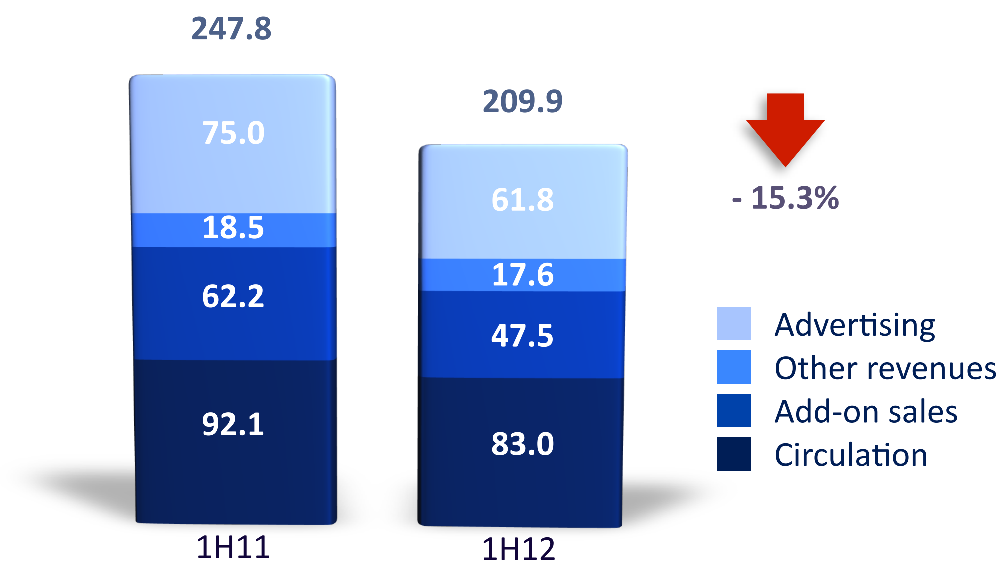


- The recession continues to negatively impact market trends:
  - Circulation: -9.4%
  - Advertising: -14.6%
  - Add-on sales: -25.2%
- Sector slowdown is due also to:
  - new metrics for circulation audits (ADS)
  - new law on liberalisation (Art.39)
  - reduction in subscriptions due to higher postal rates
- Mondadori confirms its leadership position with approx. 1/3 market share of magazine circulation

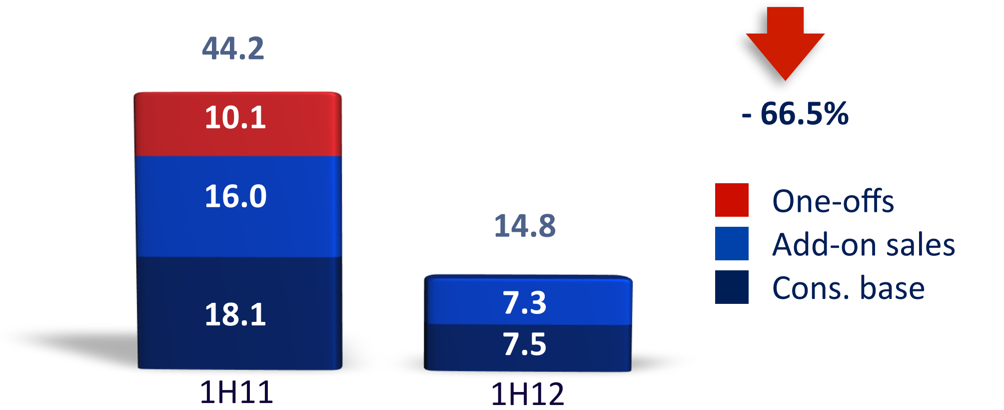
Nielsen may 2012

Magazines Italy: financial highlights

Revenues (€ m)

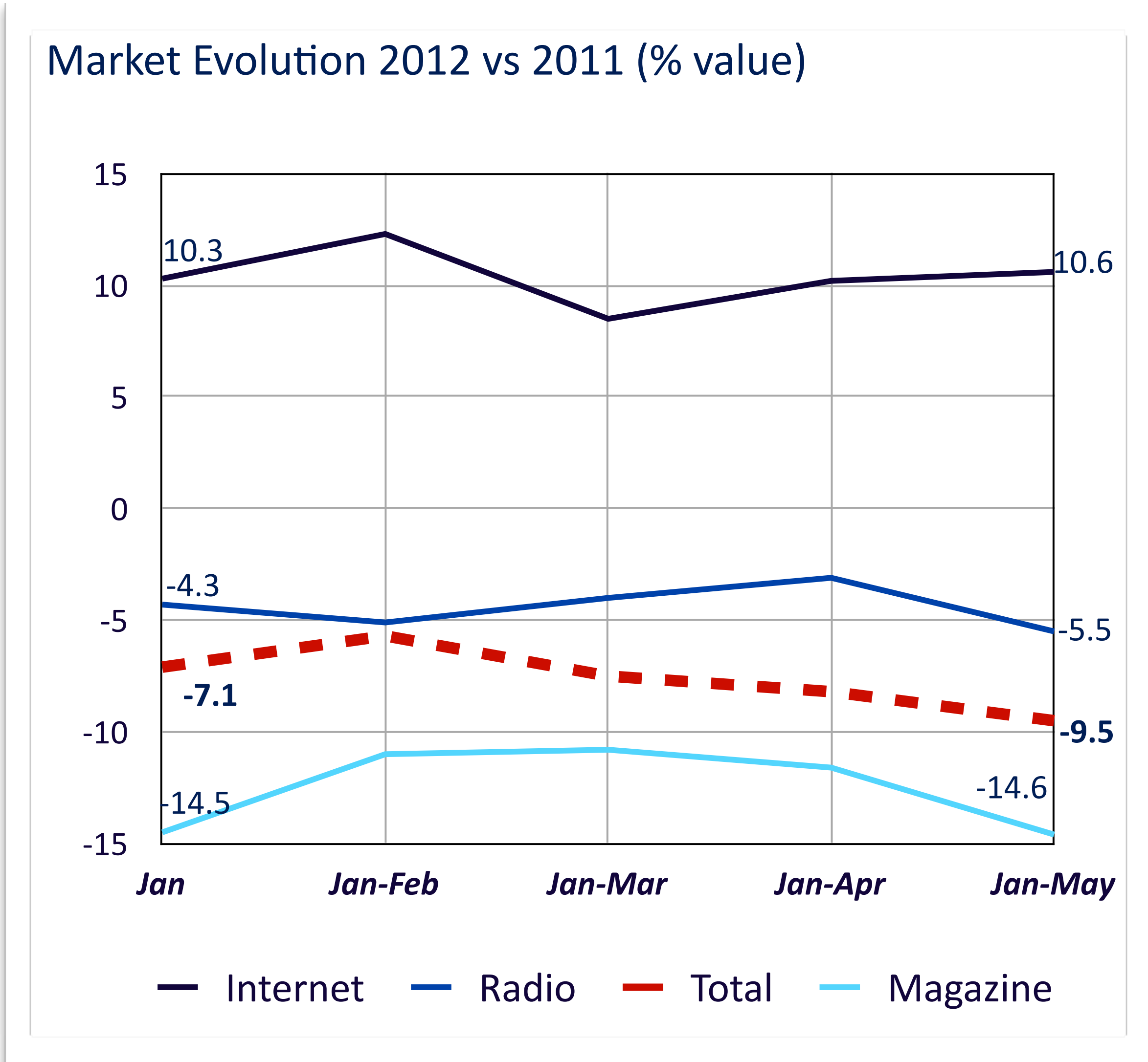


EBITDA (€ m)



- Revenues: -15.3% with the following breakdown:
  - Advertising: -17.6% (excellent performance of the internet +38.8% and international +25.5%)
  - Circulation: -9.9%
  - Add-on sales: -23.6%
- The Group continued with the redesign of magazines with *Panorama* and *Starbene*, similar action on *TV Sorrisi e Canzoni* and *Grazia* planned in 2H12
- EBITDA: down also as a result of one-off capital gains in 2011 and the strong seasonal impact of add-on sales (1H11 accounted for 70% of the total for the year)

Advertising: highlights



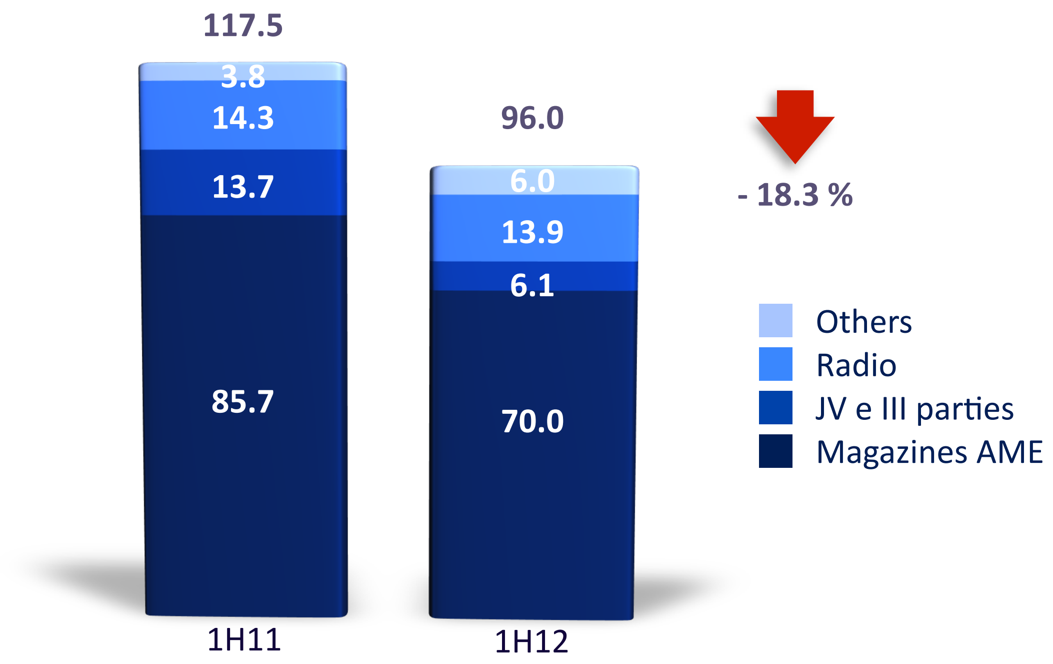
- General reduction in all sectors except internet
- Decline in all the most important segments:
  - Fashion: -10%
  - Cosmetics: -11%
  - Interiors: -15%
  - FMCGs: -12%

  Accounting for 70% of the total market which recorded a YoY fall

Nielsen May 2012

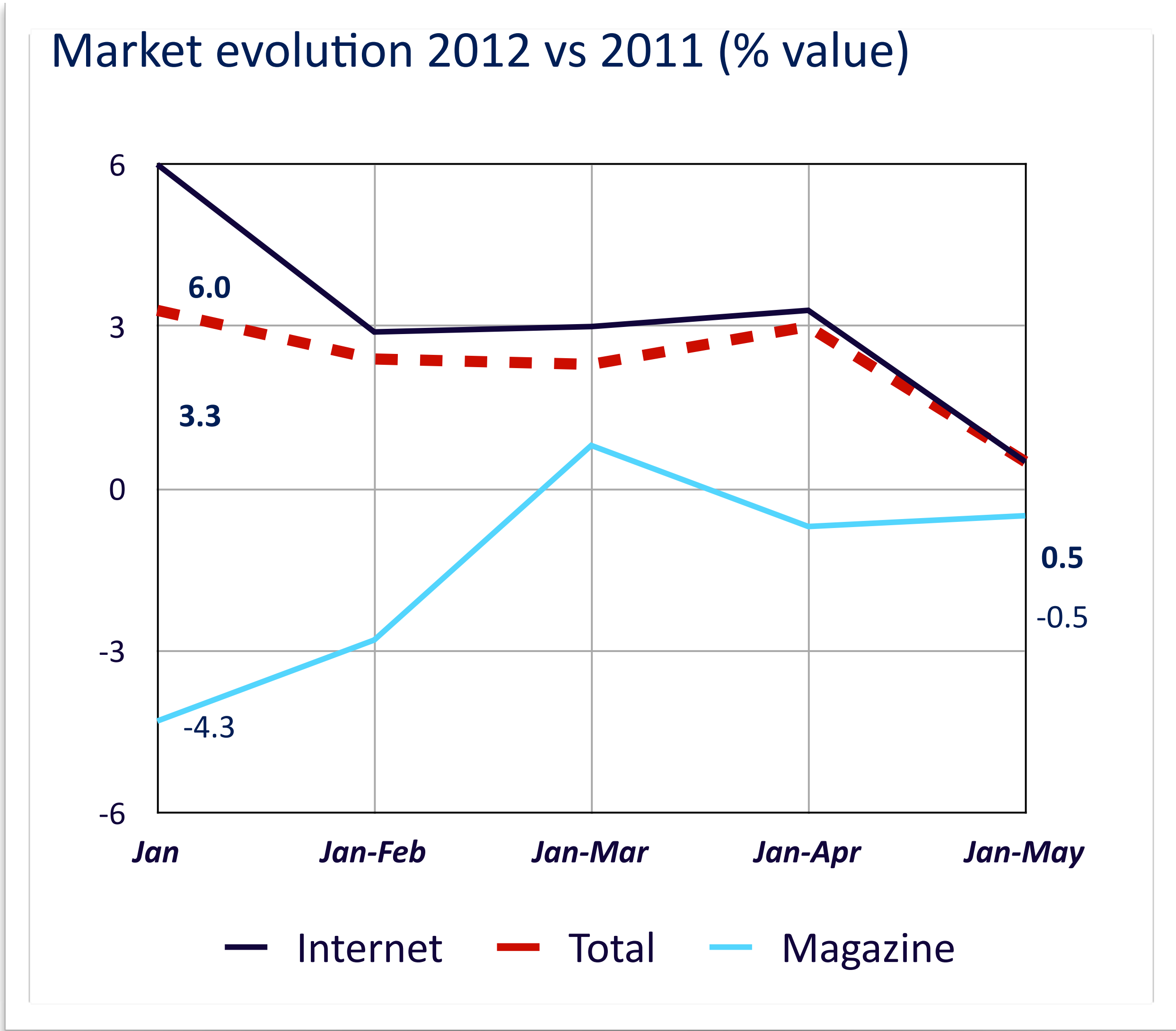
Advertising: financial highlights

Revenues (€ m)



- Total Revenues: -18.3% with the following breakdown:
  - Mondadori magazines: -18.3% negatively affected by the slowdown in most important sectors (-23.4% including JVs & third parties)
  - Radio (R101 and Kiss Kiss) -2.9%, but with a better performance vs the market (-5.5%)
  - Online adv sales confirmed their excellent performance thanks to the Mediamond JV (+65% YoY)

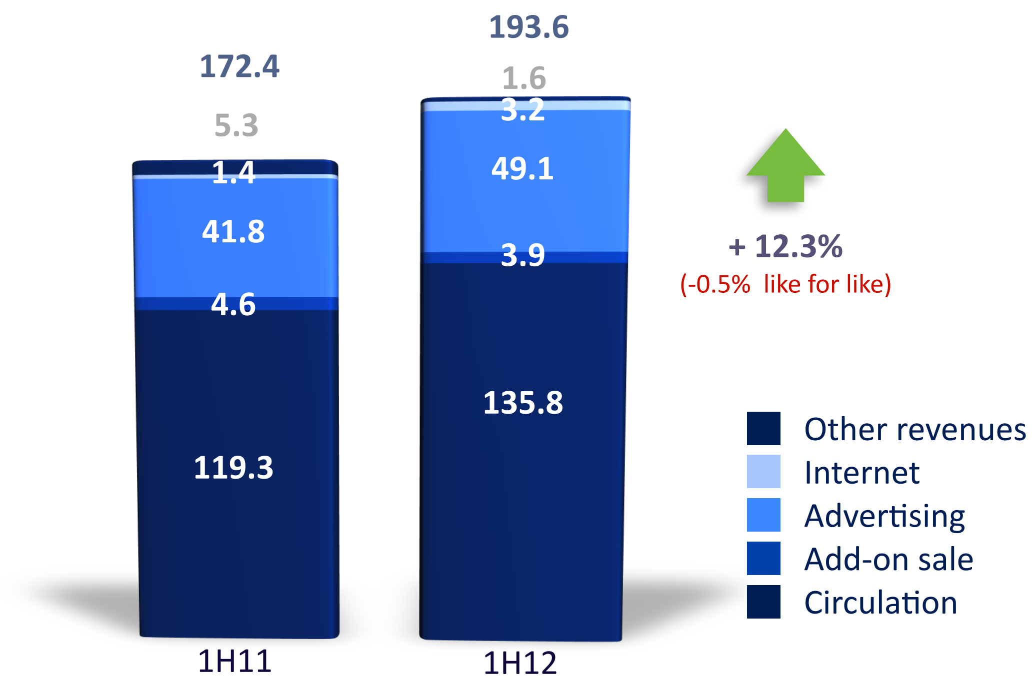
France: market highlights



- General market situation better than in Italy, both in terms of consumer spending and advertising investments
- Magazine advertising market and the internet essentially stable over the period
- Newsstands circulation -5.3% (internal estimate)

Mondadori France: financial highlights

Revenues (€ m)



EBITDA (€ m)

- Total revenues: +12.3% (stable on a like-for-like basis)
  - Advertising: +2.9% thanks to women's upscale and auto titles
  - Circulation: -1.5% with a continued increase in subscriptions (33.6%)
- *Grazia* closes to break even with sales of 187.000 copies (+3.3% YoY) while advertising sales increased by 11.1%
- Continuous focus on brand extensions with *AutoPlus Classicques, Closer C'est leur histoire* and *Closer Plage*

* EMAS consolidation

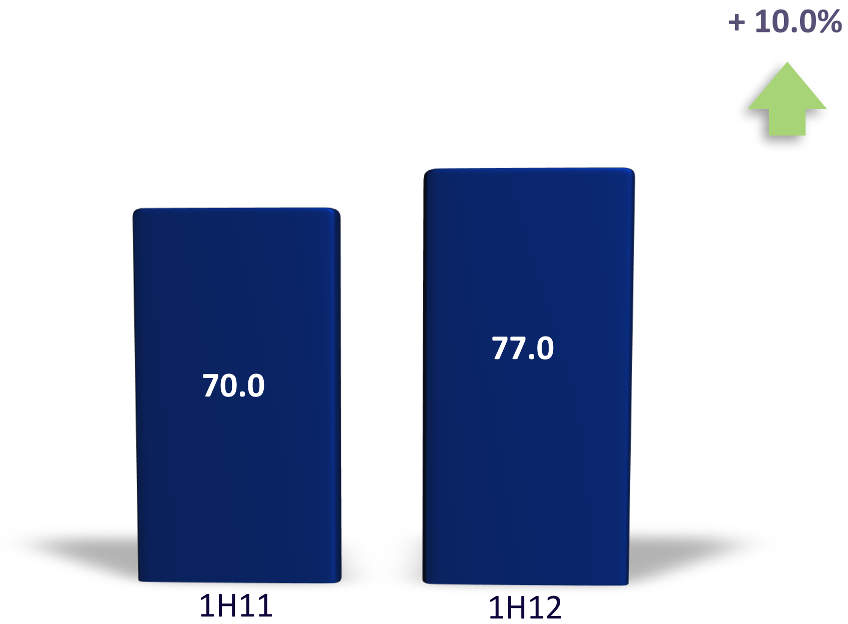
Magazines international network

- The Group's international network activities include:
  - Brand licensing management and development
  - Advertising sales to Italian clients for international editions
  - Content and photo sales to international edition
  - Development and control of the JVs (China, Russia and India)

- With 29 editions published (19 of *Grazia*) the network is among the most important in the world: total turnover is expected in excess of € 170 m for the year

Magazines international network: highlitghts

Total turnover(€ m)



Strong growth of all the activities

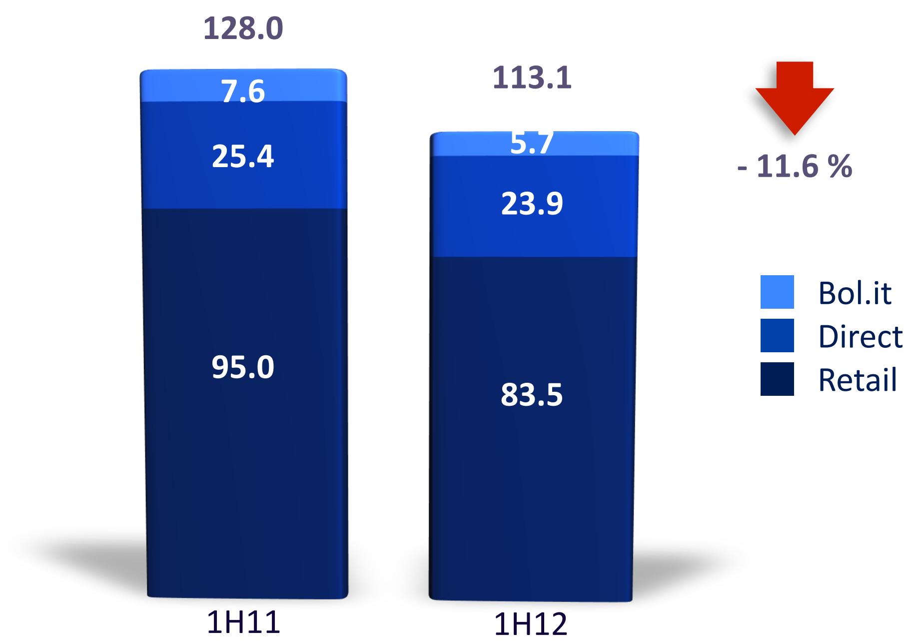
- Licensing:
  - In 1H12 new editions of *Grazia* were launched in Slovenia and South Africa
  - Advertising revenues: +20%
  - Launches planned for Flair Germany and Grazia Poland in 2H12

- Network's advertising collection +27%: under evaluation the possibility to increase the clients base outside Italy

- Joint Ventures:
  - Strong increase in advertising revenues (Russia +26% and China +58%)
  - Attica: results in line with forecasts, despite tough market conditions, and thanks to effective cost controls and increased market share vs competitors

Direct & Retail: financial highlights

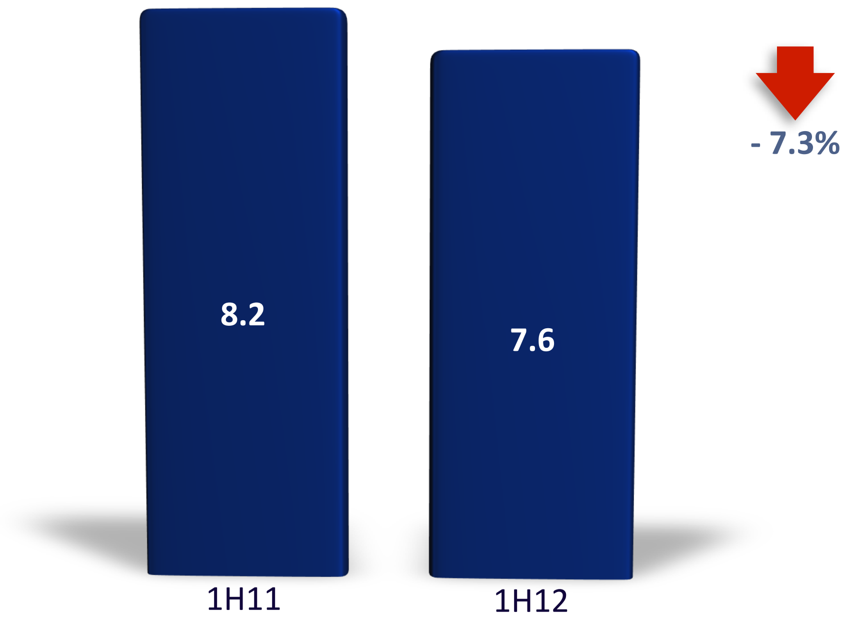
Revenues (€ m)



- Total revenues -11.6%, mainly due to the fall in consumer spending
- During the period the actions put in place in 1Q to optimise and recover profitability continued:
  - rationalisation of the bookstore network
  - expansion of the product range from Emporio Mondadori and Gift box to additional bookstores and large-scale retailers

Radio: financial highlights

Revenues (€ m)



- Revenues: -7.3%
- An incisive cost reduction plan has been introduced
- Continuous focus on editorial innovation with new programmes and presenters and a stronger weekend schedule
- Sponsorship events (cycling Giro d'Italia and marathon Stramilano) with a strong impact on R101 brand awareness

Digital: highlights

- In 1H the internet sites of the most important Mondadori magazine titles, both in Italy and in France, recorded strong growth both in terms of page views and advertising revenues (+29% in Italy and +25% in France vs 1H11)

- Development in the digital area continued in online sales (Bol.it), investments in CRM and new businesses (Glaming): Total revenues amounted to € 21.4 m with an EBITDA of -€ 11.5 m

- JVs: excellent performance by Mediamond while the activities of Autoreflex in France continued to grow

2012 Outlook

- The period of recession is expected to continue in 2H12, as confirmed by all leading researchers and the Bank of Italy

- Mondadori's priorities will continue to be on:
  - consolidation of international activities, also through partnerships
  - digital development
  - control of editorial quality and product innovation
  - the reorganisation of processes and structures according to new guidelines aimed at further increasing operating cost reductions

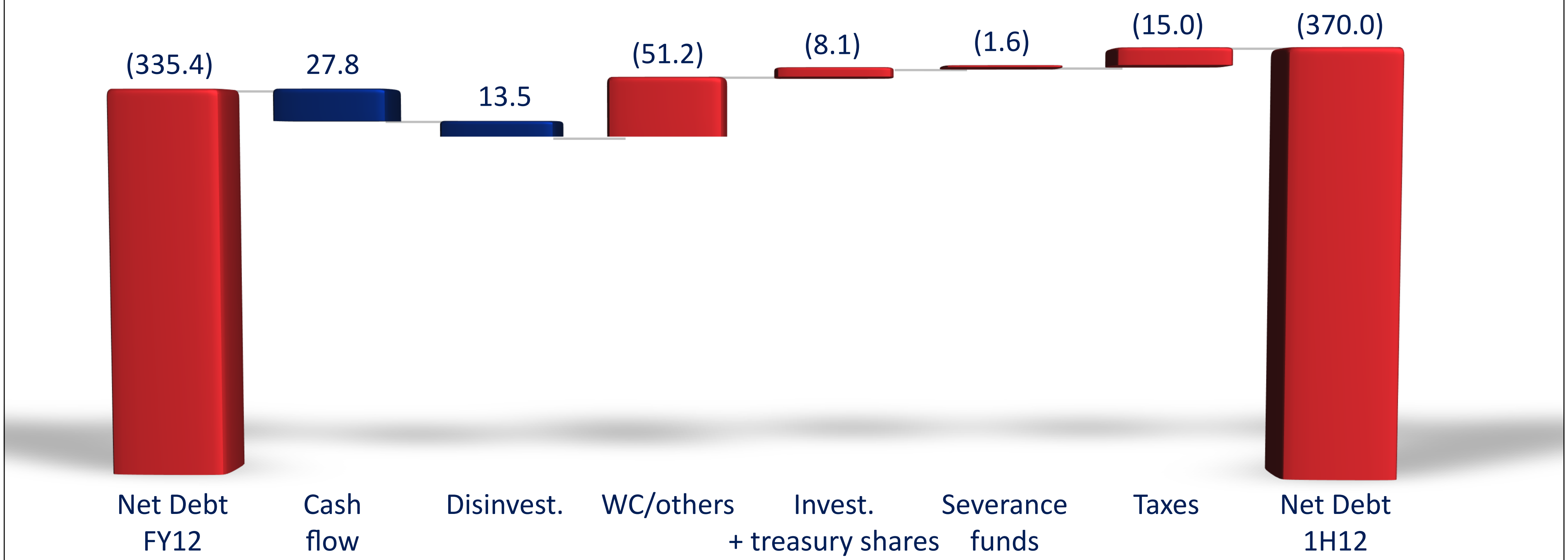
- In view of the current scenario, the Group is not in a position to confirm the level of profitability recorded in FY11

Annexes

1. Net Debt evolution

2. Results breakdown

1. Net Debt evolution



2. Results breakdown

Revenues

€ m	1H11	1H12	change
Books	166.9	144.6	-13.4%
Magazines Italy	247.8	209.9	-15.3%
Magazines France	172.4	193.6	+12.3%
Mondadori Adv.	117.5	96.0	-18.4%
Direct & Retail	128.0	113.1	-11.6%
Radio	8.2	7.6	-7.3%
Holding&Others	13.6	11.1	-18.2%
Gross revenues	853.1	775.7	-9.1%
Intercompany	-114.5	-99.6	-13.0%
Net revenues	738.7	676.2	-8.5%

EBITDA

€ m	1H11	1H12	change
Books	15.7	14.1	-12.7%
Magazines Italy	44.2	14.8	-66.5%
Magazines France	18.7	20.0	+7.3%
Mondadori Adv.	-3.1	-3.2	nm
Direct & Retail	-4.1	-3.8	nm
Radio	-0.7	-0.4	-41.3
Holding&Others	-11.7	-5.5	-54.8
Total	59.0	36.0	-39.3%