PRESS RELEASE

Mandatory public notification (as per CONSOB Regulation N° 11971 of May 14, 1999 and subsequent modifications).

Board of Directors approves interim report on the first half of 2013

- **CONSOLIDATED REVENUES OF €612.3 MILLION: -9.4% COMPARED WITH THE €676.2 MILLION AT 30 JUNE 2012**

- **ADJUSTED CONSOLIDATED GROSS OPERATING PROFIT (NET OF EXTRAORDINARY ITEMS) OF €14.2 MILLION: -48.9% COMPARED WITH THE €27.8 MILLION AT 30 JUNE 2012**

- **CONSOLIDATED GROSS OPERATING PROFIT OF -€5,3 MILLION COMPARED WITH THE €36 MILLION AT 30 JUNE 2012**

- **CONSOLIDATED NET LOSS OF -€27.1 MILLION COMPARED WITH A CONSOLIDATED NET PROFIT OF €7.5 MILLION AT 30 JUNE 2012**

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INCREASED FOCUS ON THE COST REDUCTION PLAN WITH TARGET SAVINGS OF €100 MILLION BY 2015

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MAGAZINES ITALY: THE RE-LAUNCH OF THE THREE LEADING WOMEN'S WEEKLY TITLES HAS PRODUCED RESULTS BEYOND EXPECTATIONS

Segrate, 30 July 2013 - The Board of Directors of Arnoldo Mondadori S.p.A. met today, under the chairmanship of Marina Berlusconi, to examine and approve the interim report for the first half of the year to 30th June 2013, as presented by the Chief Executive, Ernesto Mauri.

THE MARKET SCENARIO

The first half of 2013 saw a continuation of the difficult recessionary period facing the country with GDP expected to be down by about 2% at year-end and unemployment, expected to reach about 12%, and the prospects are of a further deterioration in 2014.
Also France is in a difficult situation, characterised by rising unemployment, now close to 11%, and a fall in consumer confidence to the lowest level since 1987. GDP growth in the first half was close to zero and in July, the ratings agency Fitch downgraded the country's debt rating.

HIGHLIGHTS TO 30 JUNE 2013

During the reporting period even greater emphasis was given to the relaunch of magazines, particularly in Italy where the three main women's weeklies - *Grazia, Donna Moderna, TuStyle* - and *Chi* generated very positive results. The development of digital activities in Italy and France continued and, in Books, the company consolidated its market leadership, thanks to the publication of new bestsellers by Dan Brown (in May) and Khaled Hosseini (in June).
The cost reduction and reorganisation plan, already outlined during the presentation of results at 31 March 2013, continued with target savings of €100 million in 2015, of which approximately €76 million has already been identified.

GROUP PERFROMANCE IN THE PERIOD TO 30 JUNE 2013

The Mondadori Group's results in the first half of 2013 broadly confirm the trend seen in the first quarter, in particular, compared with last year, revenues were down by 9.4%, resulting in a reduced operating margin, however, this was **in line with budget forecasts**.

The difference compared to last year is also due to the presence of positive **non-recurring items of €8.2 million in 2012**, while in 2013 **non-recurring items have resulted in losses of €19.5 million**: largely due to due restructuring costs in the Magazine area with the aim of reducing operating costs and recovering profitability.

Consolidated income statement (€m)	**1H 2013**	**1H 2012**	**% change**
Income from sales of goods and services	612.3	676.2	(9.4%)
Personnel costs (*)	148.0	142.0	4.2%
Cost of sales and management (**)	469.8	503.3	(6.7%)
Income (charges) from investments calculated on a net equity basis	0.2	5.1	(96.1%)
Adjustments for non-recurring items: (positive)/negative	19,5	(8.2)	
Gross operating profit net of non-recurring items	**14,2**	**27.8**	**(48.9%)**
Gross operating profit	**(5.3)**	**36.0**	**n.s.**
- As a proportion of revenues	*(0.9%)*	*5.3%*	
Depreciation of property, plant and machinery	5.7	5.6	1.8%
Depreciation of intangible assets	6.7	6.6	1.5%
Operating profit	**(17.7)**	**23.8**	**n.s.**
- As a proportion of revenues	*(2.9%)*	*3.5%*	
Net financial income (charges)	(10.5)	(8.2)	28.0%
Other financial income (charges)	-	-	-
Profit for the period before taxation	**(28.2)**	**15.6**	**n.s.**
Tax charges (income)	(2.1)	6.5	(132.3%)
Minority interest	(1.0)	(1.6)	(37.5%)
Net profit	**(27.1)**	**7.5**	**n.s.**

(*) Personnel costs: -5.5% net of restructuring
(**) Includes the following items: decrease (increase) in inventories; cost of raw, ancillary and consumable materials and goods; cost of services; various charges (income).

Consolidated revenues amounted to **€612.3 million**, a fall of 9.4% on the €676.2 million in the first half of 2012.

Consolidated gross operating profit net of non-recurring items came to **€14.2 million**, a reduction of 48.9% compared with the €27.8 million in the same period of the previous year.

Consolidated gross operating profit came to -€5.3 million, compared with the €36 million in the same period of the previous year.

Consolidated operating profit amounted to **-€17.7 million**, compared with €23.8 million in the first half of last year, with amortizations and depreciations of tangible and intangible assets of €12.4 million (€12.2 million in 1H 2012).

Consolidated profit before taxation showed a loss of **-€28.2 million**, compared with a profit of €15.6 million in the same period of last year, financial charges during the period amounted to €10.5 million.

Consolidated net profit for the period showed a loss of **-€27.1 million**, compared with a profit of €7.5 million in the previous year.

Gross cash flow in the first six months of 2013 was negative for an amount of €14.7 million, compared with a positive level of €19.7 million in 1H 2012. The Group's **net financial position** of **-€367.3 million** is in line with the situation at 30 June 2012 (-€370 million).

Information regarding personnel

At 30 June 2013, permanent and temporary staff in the companies of the Group, totalled 3,574, a fall of 129 (-3.5%) compared to year-end and 171 (-4.6%) compared with June 2012.
A similar trend can be seen in personnel costs (€148 million in the first six months of 2013) which, net of higher restructuring charges, was down by 5.5% compared with the first half of 2012.

The reduction in staff is comparable across the Group and is the result of the introduction, from the end of 2012, of more decisive actions to reduce fixed costs. In particular, compared with a year ago, the Parent

Company has reduced its headcount by 7.1% and costs by 6.1% (net of non-recurring charges), other subsidiaries in Italy have reduced staffing levels and costs, by 5.7% and 7.5% respectively, while Mondadori France has seen a reduction of 2.9%, despite a stable structure.

In terms of cost reductions, the start of the restructuring plan in the clerical areas of Magazines and the centralised units of Arnoldo Mondadori Editore have been particularly incisive, and will continue until the spring of 2014, along with the continued the use of social welfare incentives in various areas of the Direct division. With regard to magazine journalists, where at the beginning of June an agreement was reached for 87 redundancies, it should be noted that solidarity contracts and reduced-hour layoffs have already been activated for the end of the year, as part of the decree concerning access to early retirement 2013-2015, which will generate further significant savings.

COST REDUCTION PLAN

In line with what was announced on 14 May during the presentation the results for the first quarter of 2013, actions are ongoing to reduce costs on various fronts.
In addition to what is described in the section on personnel, in terms of industrial costs we would point to the successful conclusion of negotiations with Elcograf which led to a reduction of layout and printing fees, with the expectation of significant savings from the second half of the year.
In 2014 we also expect further benefits from the direct purchase of paper.
In terms of logistics costs, we are currently reviewing expenses related to the rental agreements, also with the aim of rationalizing the Group’s offices. The is also an ongoing project aimed at improving logistical efficiency related to all of the Group’s major business activities.
Finally, in terms of operating costs, the redefinition of contracts for the provision of general services, a new strategy for Information Technology and other service activities is underway, along with a review of business processes and costs.

RESULTS OF THE BUSINESS AREAS

- ***BOOKS***

In the first half of 2013 there was a slowdown in the trade books market (source Nielsen: -2.7% in terms of copies; -4.1% in terms of value). In this market context, the Mondadori Group confirmed its leadership with a market share of 26% in in terms of value (source: Nielsen).

During the period, revenues generate by the Books area amounted to **€134 million**, a fall of 7.3% from the €144.6 million the previous year.
Among the Group's publishing houses, **Edizioni Mondadori** saw revenues rise by 2.6% over the same period of 2012. Of particular note was the 14 May 2013 publication, simultaneously worldwide, of the highly anticipated new novel by Dan Brown, *Inferno*, ten years after the success of *The Da Vinci Code* (80 million readers around the world, including 3 million in Italy) .
With a print run of 700,000 copies, *Inferno* was supported by a major marketing and communication campaign, which involved all the channels, from traditional retail to digital outlets, making the book to be the most sold in the first six months of the year, with excellent results also in the e-book format.
Edizioni Piemme closed the first half of 2013 with an increase in revenues of 8.2% over the previous year. The most important event was the publication on 21 June of *E l’eco rispose*, the new novel by Khaled Hosseini, which went straight to the top of the best-sellers list, where it remains.
In the first half of 2013 **Mondadori Electa** saw sales rise by 19.6% over the same period of 2012. The main reasons for this was the great success of the exhibition area and in the excellent performance of museum bookshop sales.

On the e-book side, the market segment recorded steady growth, during the period January to June 2013, the Mondadori Group's four trade publishing houses saw an increase of 129% of total downloads, compared with the same period of 2012.

- ***MAGAZINES ITALY***

The ongoing recession continues to have an adverse affect on the performance of consumer magazines.
The figures available in May 2013 showed a decline in newsstand revenues of 12.3% (internal source), a slump of 18.3% in add-on sales (internal source) and magazine advertising revenues down by 24.4% (source: Nielsen).

The Magazines Italy area recorded revenues in the period of **€177.9 million**, a fall of 15.2% from the €209.9 million in the first half of 2012. The most important part of this trend can be attributed to the magazines (-16.2%), only partly offset by strong growth in revenues from Internet sites (+9.3%) and the licensing of International Activities (+14%).

In more detail, magazines were affected by the negative trend in the reference markets and recorded, as already mentioned, an overall fall of 16.2% (-13.4%, on a like-for-like basis, i.e. net of the effects due to the transformation of *Flair* as a supplement of *Panorama*, and the closure of *Panorama Economy*).
This trend was characterised by important activities and significant differences:

- o in May, there was the simultaneous relaunch of the three main women's weeklies *Donna Moderna, Grazia* and *TuStyle*, a segment where Mondadori is the absolute leader;
- o in June *Casaviva, VilleGiardini, Panorama Travel* and *Men's Health* were closed, with the subsequent introduction of solidarity incentives and layoffs;
- o the results of 2013 had to do without the contribution of *Panorama Economy*, which ceased publication in May 2012;
- o *Flair* was transformed into a supplement of *Panorama*.

In particular:

- Circulation revenues fell by 13.1% compared with the previous year (-9.7% on a like-for-like basis). The relaunch operations have resulted in very positive results, both in terms of copies sold and in terms of advertising sales.
  There was a progressively positive performance in June of the three women's magazines: compared with the last issue before the relaunch, *Grazia* saw an increase of 22.1% in copies; *Donna Moderna* a hike of 25.6%; while *TuStyle* was up by +39.5% (source internal; progressive April-June).
  The good performance of *Chi* also continues thanks to a review of the editorial content and the various exclusive news stories published during the period. The ADS figures for May showed an average circulation of 299,283 copies (up 9% compared with the same month of 2012 and 4% in the second quarter of 2013 compared with the same period last year).
  In July, to total average weekly circulation of more than 1,150,000 copies per week is expected for the three women's titles and *Chi*.
  The second quarter also saw the redesign of *GraziaCasa*, with an enrichment of the content to talk to readers not only about furniture, but also art, style and fashion.
  TV Sorrisi e Canzoni confirmed its role as Italy's biggest selling weekly with 647,300 copies (down 7% compared with 2012, source: ADS May 2013).
- In terms of advertising revenues for Mondadori magazines, see the "Advertising" section;
- The market for add-on sales in the first five months of 2013 saw significant reduction (-18.3% in terms of value, internal source); in this context Mondadori recorded a better performance with a slowdown of 10.7%. During the period the number of initiatives was rationalised, in order to minimise the economic risks and maximise margins: this strategy has resulted in a reduction in both initiatives and revenues, but a significant increase in profitability.

The websites of the main magazine titles of the Mondadori Group have confirmed in 2013, not only the ability to generate ever-increasing traffic, but also to achieve results in terms of advertising revenues, which were up 9.3% compared with the first half of 2012, significantly outperforming the market (-0.3%, source: Nielsen in May). Contributing to these results:

- Donnamoderna.com confirmed a very positive trend in the first half compared with 2012, both in advertising sales (+8%), and levels of network traffic that saw a further improvement on the already excellent results in the first quarter, with a monthly average of almost 12 million unique users;
- Grazia.it saw a sharp increase in advertising revenues (+42% over the previous year) and the audience (+34% unique visitors in June compared with the same month last year, and a +14% hike in page views), thanks to a mix of actions on the user-experience and the handling of editorial content;
- Panorama.it which showed an increase in the period of unique users of 67% and 51% in page views compared with the same month of 2012, thanks to the traffic of the male style/fashion segment in the *Icon* channel;
- Panorama-auto.it continued to see a high performance both in terms of unique users and page views, which now total an average of more than 11 million per month.

International Activities

The Group's international activities, concentrated in the company Mondadori International Business S.r.l., saw a rise in first half 2013 revenues of 10% compared with the previous year.

Licensing: revenues from royalties were up by 14%, thanks to new editions launched by *Grazia International Network* over the last 12 months (South Africa, Poland, Spain and South Korea).

Advertising: advertising sales were in line with the previous year, with a decidedly better performance than the market of reference.
From January 2013, Mondadori International Business S.r.l. expanded its activities to include the sale of advertising for international clients also in the French and Swiss markets and began operating as exclusive agent for advertising sales in Italy for titles that are not part of the Mondadori Group.
Holdings:

- Mondadori Seec Advertising Co. Ltd, the exclusive advertising sales company for the edition of *Grazia* in China, launched in February 2009, in the first half of 2013 recorded a rise in revenues of 28% compared with the same period of 2012;
- Mondadori Independent Media, the joint-venture that publishes the Russian edition of *Grazia*, saw first-half 2013 revenues up by 9% compared with 2012.
- Attica Publications, in an economic context that continues to be very difficult, has taken a dominant position in the Greek magazine market; faced with a fall of almost 30% in the market, Attica saw a fall in advertising sales of around 8% and ended the first half with a positive net result that was beyond expectations.

At 30 June 2013 the volume of business generated by the international network for *Grazia* amounted to €51.6 million, an increase of 9% on the first half of 2012.

- ***ADVERTISING***

Advertising investments in the first five months of the year were down by 17.2% compared with 2012, confirming the difficulties seen in recent years. There was a slight improvement, compared with previous months, for newspapers and radio, the exceptions were magazines and internet.

Mondadori Pubblicità ended the first half of 2013 with total sales of **€76.8 million**, a fall of 20% compared with the €96 million of the same period of 2012.
Mondadori magazines saw a like-for-like fall of 21.9%, with a performance that was significantly better than the market (cumulative to June Fcp: -26.1%), also as a result of the simultaneous relaunch of the three main women's weeklies, *Grazia*, *Donna Moderna* and *TuStyle,* and initiatives on cooking and interiors titles. If we exclude the titles no longer in the portfolio, the figure is -29,3%.

Regarding advertising sales for radio, the first half of 2013 ended with an increase of 17.6%, mainly thanks to the acquisition of the concession, from 15 April, for Radio Italia Solo Musica Italiana. This operation substantially modified the positioning of Mondadori Pubblicità in the radio market: with a daily average of 7.5 million listeners net of duplications (source: Eurisko Radiomonitor 2012) and placing the company among the top three operators in the sector, with a leadership position in the female target *th*at permits significant synergies with the print portfolio and the web.

In the Internet segment Mediamond outperformed a market in a continuing slowdown with +19,9% compared with 2012. Of special note were the results for Grazia.it (+42%) and Videomediaset (+40%).

- ***MAGAZINES FRANCE***

Also during the second quarter of the year, the market of reference for Mondadori France saw a slowdown in both circulation and advertising sales.
Consolidated revenues in the period came to **€176.9 million**, a fall of 8.6% on the €193,6 million of the first half of 2012; on a like-for-like basis, a fall of 7.5% (*Télé Star*, *Télé Poche* and *Autoplus* benefited from an extra issue in 2012).

The downturn in the period is mainly the result of

- a lower number of weekly issues in the auto and TV segments;
- increased and significant investments for the development of digital products;
- a reduction in magazine circulation due to a strike by Presstalis, the main distributor;
- comparison with a first half in 2012 when the advertising trend was still positive, with a marked slowdown in the second half (-4.9% at year end 2012; source: Kantar Media).

Advertising sales: the market trend was in line with the first quarter, with a shortfall in terms of volume of 6.8% (source: Kantar Media, May). In this context, Mondadori France, which remains the second operator, saw a fall of 3.1% in terms of volume, outperforming the market, which resulted in a rise of its market share to 10.8%.

Revenues were down by 11.9% (-10.4% like-for-like) due to difficulties in the food, auto and clothing segments.

During the period circulation revenues, which account for 72% of the total (including add-on sales), were down by 8.2%; on a like-for-like basis the figure is 6.8%.
In particular:

- newsstand sales were down by 5.8%, in a market that lost 6.4% (January/May; internal source);
- subscription revenues were down by 5.7% compared with the same period of last year and by 2.3% excluding non-recurring items, such as the loss of the subscriber base of *Pleine Vie*, following contractual changes adopted by an important insurance operator.

The strategy of brand extensions continues with good results for the launch of two new products: *Closer Teen* (a magazine for teens) and *Vital by Top Santè* (a fitness and wellbeing title).
Mondadori has also developed its first “web to print” experience, publishing a print version of the cooking site 750g.com (which had 4 million unique visitors in 2012; source: Nielsen).
The focus on editorial quality remains a priority: in the first half the redesign of *Modes & Travaux, Sport-Auto, Science&Vie Junior, Grand Gibier and Auto-Journal* was completed while in the second half of the year it will be the turn of *AutoPlus, Grazia*, and *Biba*. Also planned in the second half of the year is the launch of two new games titles in collaboration with France Television (*Slam Magazine* and *Fort Boyard*) and a new cooking title (*MasterChef*, in collaboration with the famous television format, which will be broadcast in France from September).

In the first half Mondadori France continued to invest in the development of digital activities, the audience of the sites, reached 5 million unique users (source: Nielsen), an increase of 21.5% compared with 2012. Also revenues were up 19% over the previous year.
The main actions in the first six months involved the development of new sites Autoplus.fr, Closermag.fr, Science-et-vie.com, putting online 25 years of archive material, TopSante.com Diapason.com; as well as iPad and iPhone applications for *Tele-Star*, *Auto-Journal* for iPad, and a new iPad version of *Grazia* and *Sports-Auto*.
The digital newsstand platform has been completely revamped for online subscriptions (kiosquemag.com), offering bundled print and digital subscriptions, but also only digital subscriptions, with the significant target of doubling the platform’s volume business in the next two years.
NaturaBuy.fr, the classifieds site for hunting and leisure, continued to grow, increasing the number of transactions by 18% compared with the same period of 2012.

- ***DIRECT***

In the first half of 2013 Direct revenues amounted to **€110.4 million**, a fall of 2.4% on the €113.1 million in the first six months of last year.
The decline significantly affected the book club activity and mail order sales in general, as well as the online sales of the dedicated web site; meanwhile sales from the network of shops were stable.

During the period, the rationalisation of sales outlets continued with the closure of 28 outlets, alongside the development of private label products and services focused on the new *inMondadori* brand.
In order to counteract the negative trend in the first half greater emphasis was also given to the customer loyalty campaign through the use of the *Mondadori Card* In terms of product, development continued of the *Box for You* gift boxes line and the *Emporio Mondadori* brand.
The distribution of the e-reader Kobo in its different versions, a cutting-edge device for the use of cultural content in digital format, has been a source of great satisfaction.

In a competitive environment characterised by a progressive reduction in advertising spending and consolidation of forms of digital-based communication, Cemit Interactive Media generated first half 2013 revenues in line with 2012.
This is even more significant when compared with a market that, in the period January-May, fell by 23.5% (source: Nielsen).

- ***RADIO***

Advertising revenues for radio, like the advertising market as a whole, saw a marked downturn of 14.6%, after the first 5 months of the year.

In this difficult context, the revenues generated from advertising on ***R101***, which was affected in particular by a decline in major market sectors, especially the auto segment, for the first half of 2013 came to **€6.8 million**, a fall of 10.5% on the €7.6 million of the first half of 2012.

From an editorial perspective, *R101* continued actions aimed at enhancing the formats, with the introduction of new programmes, and promotional activities with the organisation and sponsorship of events around the country.
In the first half a number of digital activities were developed that enabled the R101.it site to double the number of visitors (source: Google Analytics), raising the number of page views to 3.5 million and average monthly unique users to over 200,000, with positive trends also on social networks.

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APPROVAL FOR THE PLAN TO MERGE BY INCORPORATION THE WHOLLY-OWNED SUBSIDIARY MONDADORI INTERNATIONAL S.P.A.
The Board of Directors approved the merger by incorporation of the wholly-owned subsidiary Mondadori International S.p.A., in accordance with the merger plan presented, as announced on 27 June, to the Italian Stock Exchange and at www.mondadori.it (*Governance* section).
Completion of the merger is expected by the end of this year after the deadline for the opposition of creditors as foreseen by Article 2503 of the Civil Code.

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EXPECTATIONS FOR THE FULL YEAR
In the first half all the activities of the Group have suffered the effects of the ongoing recession, which is not expected to improve during the year.
The actions carried out by the Group in support of the quality of magazine brands, the publishing programme for books and a range of activities aimed at cost containment are expected to show more positive effects in the second half of the year, and therefore the company also expects to post a gross operating profit in line with, or even greater that, that of the second half of 2012.
For the full year 2013, gross operating profit will in any case be less than the previous year, also on account of positive non-recurring items, present in 2012, and higher restructuring charges in the current year.

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The documentation relating to the analysts' presentation of the results for the first half of the year to 30 June 2013, is available in the Investor Relations section of the company's website

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The executive responsible for the preparation of the company's accounts, Carlo Maria Vismara, declares that, as per art. 2, 154 bis of the Single Finance Text, the accounting information contained in this release corresponds to that contained in the company's formal accounts.

Enclosures:
1. *consolidated balance sheet*
2. *consolidated income statement*
3. *consolidated cash flow statement*
4. *balance sheet of Arnoldo Mondadori Editore S.p.A*
5. *separate income statement of Arnoldo Mondadori Editore S.p.A.*
6. *cash flow statement of Arnoldo Mondadori Editore S.p.A.*

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Encl. 1

Consolidated balance sheet (in €m)

Assets	**30 June 2013**	**31 December 2012**
Intangible assets	**739.8**	**746.0**
Fixed assets	**3.2**	**3.2**
Land and buildings	8.9	9.3
Plant and machinery	13.3	14.2
Other assets	23.7	26.3
Property, plant and machinery	**45.9**	**49.8**
Investments booked using net equity method	58.0	59.1
Other investments	1.5	1.4
Total investments	**59.5**	**60.5**
Non-current financial assets	**2.9**	**5.6**
Advanced taxes	**47.1**	**50.6**
Other non-current assets	**2.8**	**2.0**
Total non-current assets	**901.2**	**917.7**
Tax credits	**90.7**	**61.9**
Other current assets	**102.8**	**85.2**
Inventories	**129.3**	**129.6**
Trade receivables	**316.7**	**335.4**
Stocks and other current financial assets	**24.4**	**32.1**
Cash and equivalents	**81.8**	**166.8**
Total current assets	**745.7**	**811.0**
Assets destined to be sold or closed	**-**	**-**
Total assets	**1,646.9**	**1,728.7**

Liabilities	**30 June 2013**	**31 December 2012**
Share capital	**64.1**	**64.1**
Share premium reserve	**170.6**	**210.2**
Other reserves and results carried forward	**171.5**	**292.3**
Profit (loss) for the period	**(27.1)**	**(166.1)**
Total Group shareholders' equity	**379.1**	**400.5**
Minority capital and reserves	**31.0**	**33.3**
Total shareholders' equity	**410.1**	**433.8**
Reserves	**57.3**	**61.8**
Severance payments	**50.2**	**53.9**
Non-current financial liabilities	**417.6**	**387.3**
Deferred tax liabilities	**90.6**	**89.4**
Other non-current liabilities	**-**	**-**
Total non-current liabilities	**615.7**	**592.4**
Income taxes payable	**7.5**	**2.7**
Other current liabilities	**219.5**	**248.2**
Trade liabilities	**335.4**	**366.8**
Bank debts and other financial liabilities	**58.7**	**84.8**
Total current liabilities	**621.1**	**702.5**
Liabilities deriving from sales or closures	**-**	**-**
Total liabilities	**1,646.9**	**1,728.7**

Encl. 2

Consolidated income statement (in €m)

	1 H 2013	1 H 2012	% change
Income from sales of goods and services	612.3	676.2	(9.4%)
Personnel costs	148.0	142.0	4.2%
Cost of sales and management (*)	469.8	503.3	(6.7%)
Income (charges) from investments calculated on a net equity basis	0.2	5.1	(96.1%)
Adjustments for non-recurring items: (positive)/negative	19.5	(8.2)	
Gross operating profit net of non-recurring items	**14.2**	**27.8**	**(48.9%)**
Gross operating profit	**(5.3)**	**36.0**	**n.s.**
- as a proportion of revenues	*(0.9%)*	*5.3%*	
Depreciation of property, plant and machinery	5.7	5.6	1.8%
Depreciation of intangible assets	6.7	6.6	1.5%
Operating profit	**(17.7)**	**23.8**	**n.s.**
- as a proportion of revenues	*(2.9%)*	*3.5%*	
Net financial income (charges)	(10.5)	(8.2)	28.0%
Other financial income (charges)	-	-	-
Profit for the period before taxation	**(28.2)**	**15.6**	**n.s.**
Tax charges (income)	(2.1)	6.5	(132.3%)
Minority interest	(1.0)	(1.6)	(37.5%)
Net profit	**(27.1)**	**7.5**	**n.s.**

(*) Includes the following items: decrease (increase) in inventories; cost of raw, ancillary and consumable materials and goods; cost of services; various charges (income).

<u>Encl. 3</u>
Consolidated cash flow statement (in €m)

	30 June 2013	30 June 2012
Net profit for the period	(27.1)	7.5
Adjustments		
Depreciations. amortization and impairment	12.4	12.2
Tax charges	(2.1)	6.5
Stock options	-	0.1
Charges to provisions and leaving entitlements	(8.5)	(16.7)
Capital losses (gains) on disposals of tangible assets. property. plant and equipment	0.2	(0.1)
Capital losses (gains) on valuations of financial assets	(0.5)	(0.1)
(Income) charges from companies booked at net equity	(0.2)	(5.6)
Net financial charges on loans and derivative operations	7.2	7.0
Adjusted net profit from operating activities	**(18.6)**	**10.8**
(Increase) decrease in trade receivables	21.0	19.8
(Increase) decrease in inventories	1.7	5.5
Increase (decrease) in trade payables	(25.6)	(26.8)
Income tax payments	(6.9)	(15.0)
Payment of advances and leaving entitlements	(4.8)	(1.6)
Net changes in other current assets/liabilities	(57.6)	(33.8)
Cash flow from (used in) operating activities	**(90.8)**	**(41.1)**
Payment of business combination net of cash acquired	-	-
(Investments in) disposals of intangible assets	(1.3)	(2.3)
(Investments in) disposals of property. plant and equipment	(7.1)	(1.4)
(Investments in) disposals of equity investments	0.5	21.1
(Investments in) disposals of financial assets	16.6	(10.3)
Cash flow from (used in) investment activities	**8.7**	**7.1**
Net changes in financial liabilities	4.4	28.3
Net financial charges on loans and derivative operations	(7.3)	(7.3)
(Purchase) disposal of treasury stock	-	(3.0)
Dividends paid	-	-
Cash flow from (used in) financial activities	**(2.9)**	**18.0**
Increase (decrease) in cash and cash equivalents	**(85.0)**	**(16.0)**
Cash and cash equivalents at beginning of period	**166.8**	**82.9**
Cash and cash equivalents at end of period	**81.8**	**66.9**

Composition of cash and cash equivalents		
Cash. cheques and valuables in hand	1.6	2.2
Bank and post office deposits	80.2	64.7
	81.8	**66.9**

Encl. 4

Balance sheet of Arnoldo Mondadori Editore S.p.A. (in €m)

Assets	**30 June 2013**	**31 December 2012**
Intangible assets	88.3	88.6
Fixed assets	3.2	3.2
Land and buildings	7.2	7.4
Plant and machinery	3.4	4.0
Other assets	2.9	3.5
Property. plant and machinery	**13.5**	**14.9**
Investments	**562.9**	**563.7**
Non-current financial assets	50.0	50.0
Advanced taxes	17.4	19.7
Other non-current assets	0.7	0.5
Total non-current assets	**736.0**	**740.6**
Tax credits	60.0	43.9
Other current assets	50.8	42.6
Inventories	27.4	30.7
Trade receivables	151.9	174.9
Stocks and other current financial assets	152.1	108.7
Cash and equivalents	72.1	161.5
Total current assets	**514.3**	**562.3**
Assets destined to be sold or closed	**-**	**-**
Total assets	**1,250.3**	**1,302.9**
Liabilities	**30 June 2013**	**31 December 2012**
Share capital	64.1	64.1
Share premium reserve	170.6	210.2
Treasury stock	(38.7)	(38.7)
Other reserves and results carried forward	285.2	283.8
Profit (loss) for the period	(21.4)	(39.3)
Total shareholders' equity	**459.8**	**480.1**
Reserves	38.0	39.7
Severance payments	21.6	24.0
Non-current financial liabilities	257.9	225.5
Deferred tax liabilities	24.2	23.2
Other non-current liabilities	-	**-**
Total non-current liabilities	**341.7**	**312.4**
Income taxes payable	-	1.2
Other current liabilities	57.4	69.9
Trade liabilities	161.9	178.0
Bank debts and other financial liabilities	229.5	261.3
Total current liabilities	**448.8**	**510.4**
Liabilities deriving from sales or closures	**-**	**-**
Total liabilities	**1,250.3**	**1,302.9**

Encl. 5

Separate income statement for Arnoldo Mondadori Editore S.p.A. (in €m)

	1H 2013	1H 2012
Income from sales of goods and services	271.6	316.3
Personnel costs	67.8	59.0
Cost of sales and management (*)	212.7	239.9
Gross operating profit	**(8.9)**	**17.4**
Depreciation of property, plant and machinery	1.7	1.7
Depreciation of intangible assets	0.3	0.3
Operating profit	**(10.9)**	**15.4**
Financial income (charges)	(4.8)	(3.3)
Investment income (charges)	(8.5)	17.1
Profit before taxation	**(24.2)**	**29.2**
Income taxes	(2.8)	4.5
Net profit	**(21.4)**	**24.7**

(*) Includes the following items: decrease (increase) in inventories; cost of raw, ancillary and consumable materials and goods; cost of services; various charges (income).

Encl. 6

Cash flow statement for Arnoldo Mondadori Editore S.p.A (in €m)

	30 June 2013	30 June 2012
Net profit for the period	(21.4)	24.7
Adjustments		
Depreciations. amortization and writedowns	11.0	16.5
Tax charges for the period	(2.8)	4.4
Stock options	-	0.1
Charges to provisions and leaving entitlements	(8.2)	(12.9)
Capital losses (gains) on disposals of tangible assets. property. plant and equipment	-	(3.3)
Income from investments – dividends	(0.5)	(27.9)
Financial charges on loans and derivative operations	4.1	3.4
Net profit from operating activities	**(17.8)**	**5.0**
(Increase) decrease in trade receivables	24.0	17.0
(Increase) decrease in inventories	4.0	4.8
Increase (decrease) trade payables	(14.9)	(11.2)
Income tax payments	(0.6)	-
Increase (decrease) in provisions and leaving entitlements	(2.8)	(3.0)
Net changes in other assets/liabilities	(26.5)	(12.4)
Cash flow from (used in) operating activities	**(34.6)**	**0.2**
(Investments in) disposals of intangible assets	(1.5)	(0.4)
(Investments in) disposals of property. plant and equipment	-	(0.3)
(Investments in) disposals of equity investments	(8.1)	6.6
Income from investments – dividends	0.5	27.9
(Investments in) disposals of securities and other non-current financial assets	(43.4)	(36.8)
Cash flow from (used in) investment activities	**(52.5)**	**(3.0)**
(Increase) decrease in payables to banks	(25.2)	(9.5)
(Purchase) sale of treasury stock	-	(3.0)
Net changes in other non-current financial assets/liabilities	26.2	0.4
Financial income (charges) on loans and derivatives operations	(3.3)	(3.6)
Dividends paid	-	(0.8)
Cash flow from (used in) financial activities	**(2.3)**	**(16.5)**
Increase (decrease) in cash and cash equivalents	**(89.4)**	**(19.3)**
Cash and cash equivalents at beginning of period	**161.5**	**62.0**
Cash and cash equivalents at end of period	**72.1**	**42.7**

Composition of cash and cash equivalents		
Cash. cheques and valuables in hand	-	-
Bank and post office deposits	72.1	42.7
	72.1	**42.7**