PRESS RELEASE

BoD APPROVES RESULTS AT 31 DECEMBER 2015[1]

- **CONSOLIDATED NET REVENUE 1,122.8 MILLION EURO: -4% VERSUS 1,169.5 MILLION EURO IN 2014**

- **STRONG IMPROVEMENT IN CONSOLIDATED EBITDA TO 81.6 MILLION EURO: +14% VERSUS 71.5 MILLION EURO IN 2014 (+7.5% BEFORE NON-RECURRING ITEMS)**

- **POSITIVE CONSOLIDATED NET PROFIT FROM CONTINUING OPERATIONS OF EURO 15.1 MILLION: THREEFOLD GROWTH VERSUS 5.3 MILLION EURO IN 2014**

- **SHARP IMPROVEMENT IN NET FINANCIAL POSITION FROM CASH GENERATION OF OVER 90 MILLION EURO IN 12 MONTHS: -199.4 MILLION EURO VERSUS -291.8 MILLION EURO IN 2014**

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- **2016 FORECAST LIKE-FOR-LIKE: STEADY REVENUE, OPERATING EBITDA "HIGH SINGLE-DIGIT" GROWTH, FURTHER IMPROVEMENT IN NET FINANCIAL POSITION VERSUS 31 DECEMBER 2015**

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Shareholders' Meeting called for 21 April 2016

Segrate, 17 March 2016 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the draft Parent Company and Group consolidated financial statements at 31 December 2015 presented by CEO Ernesto Mauri.

2015 was a truly important year in the history of the Mondadori Group, a year in which we laid the structural foundations to address the challenges of our new phase of growth.
We confirmed the positive outcome of the path taken for some years now which, thanks to the steadfast commitment to the reduction in operating and overhead costs, brought a sharp **improvement in our results**, with a positive profitability touching all business areas, and in Mondadori's ability **to generate financial resources**.
We continued to successfully **focus on our core businesses**, through the **strategic rationalization of the portfolio of activities**: the extraordinary transactions for the disposal of a number of non-strategic assets completed in 2015 (transfer of the majority interest in R101, a property in Rome, and 50% of the Harlequin Mondadori joint venture) have further increased available financial resources.
These positive results were used to reduce consolidated debt - which was almost halved in less than 24 months - and to provide adequate resources to the **strategic lines of the Group's development**.
2015, in fact, was a year of transition to a new phase for Mondadori, in which the Company has returned to investing in order to **strengthen its competitive edge in the Group's strategic businesses** and sustain the **growth process**.
In July, Mondadori increased its investment in Gruner+Jahr/Mondadori to 100%, adding even further value to its portfolio with a successful brand such as *Focus*, in line with its strategy to strengthen Group

1 On 30 September 2015 the transfer of 80% of the share capital of Monradio S.r.l. to R.T.I. S.p.A. was completed for a consideration of 36.8 million euro. Pursuant to IFRS 5 ("Non-current assets held for sale"), the Group's radio business was listed as "discontinued operations" and as such entered in these consolidated financial statements. As a result, in the income statement of 2015 and of 2014 included for comparison purposes, the results achieved in the radio business area in the period, along with the depreciation of operations made in order to bring their value in line with the fair value resulting from the offer, were classified under "Result from discontinued operations".

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leadership in the magazine market by focusing on the key titles with the highest growth potential in the digital segment.
In October, the Group took a crucial step in its strategic development, signing the agreement to **acquire RCS Libri**, which will allow Mondadori, from 2016, to extend its foothold in the Italian trade books and school textbooks market, and in the international illustrated books business (United States in particular).

GROUP PERFORMANCE AT 31 DECEMBER 2015

In 2015 **consolidated net revenue** came to **1,122.8 million euro**, down by 4% versus 1,169.5 million euro in 2014. The Magazines Italy area includes revenue generated by Gruner+Jahr/Mondadori, consolidated since 1 July 2015 (9 million euro) - now Mondadori Scienza; net of this change, at the Group level, the drop in revenue would amount to 4.7%.

In 2015 **consolidated EBITDA improved strongly** (**+14%**), reaching **81.6 million euro** versus 71.5 million euro in 2014, due also to the benefits from non-recurring items such as the gain from the disposal of a property in Rome and of 50% of the Harlequin Mondadori joint venture.
Even **net of non-recurring items**, EBITDA **grew by 7.5%**, from 67.9 million euro in 2014 to **73 million euro** in 2015, increasing its percentage on revenue from 5.8% to 6.5%. The consolidation of Gruner+Jahr/Mondadori contributed a positive 0.4 million euro, while the disposal of the Harlequin Mondadori joint venture contributed a negative 0.2 million euro.

The **quarter-by-quarter** results confirm the Group's **increasing efficiency**, achieved despite the difficult market scenario in which it operates, deriving from the industrial revision actions and re-organization launched and implemented over the last two years, while maintaining continuous improvement in the quality of the publishing programme as a key objective.
Profitability (net of non-recurring items) recovered thanks to the lower percentage of the cost of items sold by over 2 percentage points (from 41.1% to 38.8% of revenue, improving across all business areas), and to the reduction in fixed costs (from 11% to 10.4% of revenue), higher than the reduction in revenue, partly alleviated by the rising percentage of variable costs on revenue (from 23.3% to 24.9%).

At 31 December 2015, the headcount dropped by 1.5% (3,076 units versus 3,123 in 2014), as a result of the ongoing review of the organizational process both in Italy and in France (like-for-like: -3%, or 94 units); net of non-recurring restructuring costs, the cost of personnel in 2015 fell by 3.4% versus 2014 (-5.3% like-for-like).

In 2015 **consolidated EBIT** amounted to **54.5 million euro**, **up by** approximately **13%** versus 48.2 million euro in 2014, as a result of the abovementioned growth in EBITDA, despite increased amortization, depreciation and impairment mainly from the impairment of the interest held in the Greek Attica Publications subsidiary (4 million euro), and from the impairment of goodwill of Kiver and Mondadori UK (3 million euro).
Depreciation of tangible assets (6.9 million euro versus 9.8 million euro in 2014) and amortization of intangible assets (13.1 million euro versus 13.5 million euro in 2014) continued to fall as a result of lower capital expenditure.

Consolidated profit before taxes came to a positive **38.3 million euro**, **up by 52%** versus 25.2 million euro in 2014; **financial costs** in 2015 amounted to 16 million euro, **falling sharply** versus 23 million euro in 2014, as a result of reduced average net debt and average total cost of debt, and of the contribution of 1.6 million euro from the derecognition of a number of put options.

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Tax costs in the reporting period came to 20.4 million euro (16.7 million euro in 2014), and include the impairment of deferred tax assets on prior-years' losses, following the tax rate reduction introduced by the 2016 Stability Law (IRES rate from 27.5% to 24% from 1 January 2017).

The **consolidated net profit from continuing operations**, net of minority interests, almost **tripled** versus 31 December 2014, and came to **15.1 million euro** versus 5.3 million euro in 2014.
The result from discontinued operations, which came to a negative 8.7 million euro in 2015, includes the period net result of the Radio Business area (improving from -4.7 million euro at 31 December 2014 to -3.1 million euro), as well as the loss of 5.6 million euro from the impairment of Monradio operations, disposed of in September 2015.

The Group's net profit at 31 December 2015, net of the result from discontinued operations, came to **a positive 6.4 million euro**, **up by 5.8 million euro** versus 0.6 million euro in 2014, despite the inclusion of the depreciation of Monradio operations.

The Group's **net financial position** at 31 December 2015 came to **-199.4 million euro**, **improving sharply** (92.4 million euro) versus -291.8 million euro at 31 December 2014, as a result of the Group's twelve-month cash generation, deriving both from improved ordinary operations and extraordinary operations.

At 31 December 2015, **cash flow from operations** came to a **positive 70 million euro**; **ordinary cash flow** (after the cash-out for financial charges and taxes for the year) amounted to **45.4 million euro**, continuing the **improvement** witnessed in the previous five quarters.
Cash flow from extraordinary operations came to a **positive 47 million euro**, mainly as a result of the gain generated by the disposals completed in the period, totalling 54.8 million euro, from the transfer of 80% of Monradio and 50% of the Harlequin Mondadori joint venture, previously recognized at 30 September 2015, as well as a property in Rome completed in December.

BUSINESS AREAS

- ***BOOKS***

In 2015, after years of constant decline, the Books market rose by 0.9% versus 2014 (*GFK, December*): against this backdrop, the Mondadori Group retained its leadership in the trade segment with a 24% market share (versus 25.3% in 2014).
In the school textbooks market, Mondadori Education held to its third place in the segment, with a 12.5% share, adoptions-wise (*AIE*).

In 2015, the **Books Area** revenue amounted to **320.8 million euro**, down by 5.7% versus 340.1 million euro in 2014, with a good performance achieved by the Educational area, and a drop reported by the Trade segment.

- Trade Books: the reduction in revenue witnessed in trade in 2015 versus the previous year (from 182.4 million euro to 160.4 million euro) is attributable to the selective publishing policy focused on improving efficiency, therefore, profitability; specifically, in 2015, the amount of new titles and average print run was cut to reduce future unsold stock. These targeted actions have and will be taken maintaining the priority objective of research and ongoing improvement of the quality of the publishing schedule, as shown by the ranking of the top ten bestselling titles in 2015, with 5 of the Group's titles in the charts (*Grey, La ragazza del treno, È tutta vita, After* and *Cinquanta sfumature di grigio*);
- Educational Books: in this segment, the Group grew by 2.8% versus 2014, driven by the good performance of Mondadori Electa (+17.5%), as part of the management of museum concessions and the organization of exhibitions, and by EXPO Milano 2015, which more than offset the decline in revenue in the school textbooks segment (-4.3%).

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Revenue from the download of e-books, amounting to 10 million euro, rose by 15% versus 2014, with digital sales accounting for 6.2% of total trade (4.8% at 31 December 2014).

Reported EBITDA for the Area came to **45.9 million euro**, **up** from 45.1 million euro in 2014, and includes the 7.6 million euro gain from the transfer of the interest held in the Harlequin Mondadori joint venture (completed on 30 September 2015), and a higher percentage of restructuring costs versus 2014 (4.3 million euro in 2015 versus 0.9 million euro in 2014).
EBITDA, **net of non-recurring items**, fell from **46 million euro to 42.7 million euro**, parallel to the drop in revenue.
The figure was **basically steady as a percentage on revenue** (13.3% versus 13.5% in 2014), as a result of the good performance in the Educational area, and of greater efficiency in managing operating processes, achieved thanks to the deep organizational and product review implemented in the Trade segment.

- ***MAGAZINES ITALY***

In 2015, the Mondadori Group retained its leadership with a market share of 31.2% at 31 December 2015 (*internal source Press-di; December 2015*).

In 2015, **Magazines Italy** posted revenue totalling **296.3 million euro**, down by 2.1% versus 302.7 million euro in 2014 (-4.9% like-for-like, net of the 50% acquisition of Gruner+Jahr/Mondadori), outperforming the relevant segment in terms of advertising, while being in line circulation-wise:

- **circulation revenue** dropped by 1.7%; on a like-for-like basis, the drop was 7.5%, in line with the market, due also to the decline in the subscription channel caused by the rationalization of low-profit subscriptions;
- **revenue from add-on products** dropped by 8.8% versus 2014, as a result of the rationalization process implemented, which targeted increased project profitability (-10.6% like-for-like);
- total **advertising revenue** fell by 1.8%; on a like-for-like basis, gross advertising sales on Mondadori brands in Italy (print + web) were down by 3.7%.

International activities, through Mondadori International Business, increased revenue by 2.4% versus 2014, thanks mainly to the performance of the Grazia International Network and the launch of the international editions of *Il mio Papa*.

EBITDA for the Magazines Italy area, **net of non-recurring items**, posted a **remarkable improvement**, rising from -0.7 million euro to a **positive 5.8 million euro**, despite the decline in revenue caused by the market conditions and by the implementation of targeted project selection policies, as a result of the effective **review** of the publishing and operating organization, and the containment of promotional activities, while retaining the traditional focus on the publishing quality of the titles.
Reported EBITDA confirmed the **growth trend**, rising from -1 million euro to a **positive** 2.6 million euro, as a result of the abovementioned actions and of the lower reduction in advertising sales, despite higher restructuring costs and non-recurring items of approximately 1 million euro in 2014, deriving from the contribution of advertising operations to Mediamond.

Traffic data of Mondadori websites showed an overall audience rate of **9.5 million unique users** (*Audiweb, December 2015*), up by **16%** versus 2014, due also to the inclusion in the scope of the *Nostrofiglio.it* brand (Gruner+Jahr/Mondadori), which boasted over 1.3 million unique users in December 2015 (+19% versus 2014).

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- ***MAGAZINES FRANCE***

In 2015, the Magazines France area's circulation figures rose versus 2014, thanks in particular to the good performance of subscriptions, and to advertising sales that outperformed the relevant segment.

In the reporting period, **Mondadori France revenue** came to **334.6 million euro**, down by 1.9% versus 2014 (340.9 million euro), halving last year's decline (-3.7% in 2014).
Revenue from print activities was down by 2.9%, while digital activities stepped up their growth (+27%), thanks to the development of the digital activities on the properties (+26%: advertising revenue and revenue from the sale of digital copies) and of *NaturaBuy* (+31%).

Against a sliding market backdrop and despite a rather poor start to the year following the January terrorist attacks, Mondadori France's advertising revenue (print + digital) dropped by 3.3% versus 2014. Specifically:

- **print** advertising sales were down by 5% in value versus 2014, outperforming the market (-6.3%; *Kantar Media, December*); Mondadori France retained its position as the second player in the magazine advertising market, with its share in terms of volumes at 10.9%.
- **digital** advertising revenue rose by almost 30% (versus the market's 5.5% increase; *SRI-Udecam-PwC*), making for almost 15% of total advertising revenue, as a result of the sharp increase in audience (+20%).

Circulation revenue (newsstands and subscriptions), which accounts for more than 70% of the total, showed an overall 1.8% decline, slightly improving versus 2014, thanks to the performance of subscriptions, which make for over half the total.
Specifically:

- newsstand channel revenue dropped by 5.8%; the comparison with 2014 results is affected, on the one hand, by the poor start of the market in 2015, as a result of the challenging national environment and, on the other, by the outstanding performance in January 2014, driven by the publication of the "Hollande scoop" on *Closer*;
- on the other hand, subscription channel revenue posted a 0.8% growth versus 2014, thanks to the good trend in volumes, propelled by the ongoing promotional initiatives and steady prices, confirming the strategic opportunity to further invest in this channel.

These positive performances were made possible thanks to the constant attention paid to publishing quality and innovation.

EBITDA, **net of non-recurring items**, was basically steady versus 2014, totalling **36 million euro**, with margins on revenue again **above 10%** (10.8% in 2015 versus 10.5% in 2014). A positive result achieved by Mondadori France, which continued to rationalize structures and curb editorial costs, while retaining its ability to invest in publishing quality and in diversification, with a view to further adjusting the organization to market changes and to sustaining profitability.
Specifically, two projects were launched in 2015, critical to countering the market downturn and to transforming the company into a truly digital organization: a restructuring plan based on voluntary staff leaving, launched in May; and the reorganization of the editorial teams, to be fully completed from end 2016.
As forecast, **digital activities** achieved a **positive EBITDA** in 2015.

Reported EBITDA, amounting to 32.4 million euro, was down by 7.5% versus 2014 (35 million euro), due to higher restructuring costs of approximately 2.8 million euro resulting from the above plan in effect.

Digital and diversification activities (over 8% of total revenue) grew by **14%** thanks mainly to the growth of digital activities (+26.9%), regarding both the titles (+26.2%) and the *NaturaBuy* website (+30.9%).

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The total number of readers of Mondadori France magazines reached **8.8 million unique users** (*Mediamètre Net Ratings MNR, average figure January-December 2015*), up by approximately **23.8%** versus 2014, also as a result of the steady digitization of the editorial teams.

- **RETAIL**

In the Retail area, the Group continued to implement strategic actions to align the organization and the sales channels to the developments of the market, which showed the first signs of recovery in 2015, focusing on operating costs reduction, on gradual network revision and format.

In 2015, the **Retail area's** revenue fell by 7.2% to **196 million euro** versus 211.2 million euro in 2014, mainly as a result of the disposal of the flagship store in corso Vittorio Emanuele in Milan (which had contributed 14.2 million euro in 2014). In the Books segment, which made for 77% of store revenue, Mondadori Retail has a 14.2% market share.

The analysis by channel showed the following:

- the growth of directly-managed book stores: +2.0% on a like-for-like basis;
- franchised bookstores: slight downturn of revenue in the books segment, but a slight increase overall with stores like-for-like (+0.8%);
- net of the disposal of the flagship store in corso Vittorio Emanuele in Milan, books in Megastores posted a good performance (+6.8%), while consumer electronics returned to growth (+2.3%);
- in the online segment, revenue was down by 5.7% overall (-1.8% in the books segment);
- book clubs performed in line with the structural reduction expected in the medium term development plan (-14.3%).

In 2015, Mondadori Retail posted a **positive EBITDA, net of non-recurring items**, of **2.2 million euro**, **improving sharply** versus 0.2 million euro in 2014. The recovery of one percentage point of profitability is due largely to the improved product margins, specifically in the Books segment and in consumer electronics, and to the extended implementation of cost reduction measures, which led to a lower percentage of fixed and personnel costs.
Reported EBITDA in 2015 amounted to 1.8 million euro versus 8.9 million euro in 2014, which included the contribution of 9.3 million euro from the gain generated by the disposal of the flagship store in corso Vittorio Emanuele in Milan.

PERFORMANCE OF ARNOLDO MONDADORI EDITORE S.P.A.

The financial statements of the Parent company, Arnoldo Mondadori Editore S.p.A., for the year ended 31 December 2015, show a loss of 32 million euro (12.9 million euro in 2014).
As a result of the transfer of the business unit relating to publishing and distribution activities in the Books area, effective 1 January 2015, the two years are not comparable. The net profit in 2014 included operating profit of 11.7 million euro from the transferred BU, in addition to over 20.1 million euro in dividends received from a number of subsidiaries in the Books area.
The net profit was also affected by:

- EBITDA before non-recurring items amounting to -7.5 million euro, as a result of the structural costs of the Digital and Corporate area (-12.2 million euro), offset by the positive result in the Magazines Italy area (4.8 million euro);
- the adjustment to equity of the measurement of subsidiary and associated companies, amounting to 24.7 million euro versus 28.2 million euro in 2014, in addition to the charges from the disposal of Monradio and resulting exit from the radio business, amounting to 1.9 million euro;

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- positive non-recurring items of 7.2 million euro, as a result of the gain from the disposal of the property in Rome, net of restructuring costs for incentives granted to employees and contractors.

SIGNIFICANT EVENTS AFTER YEAR END

On 22 January 2016, the Antitrust Authority announced the opening of an investigation into the acquisition of RCS Libri. The investigation will be completed within 45 days from 21 January 2016. An additional 30 days will be needed to receive an opinion from the Communications Authority.

2016 OUTLOOK

In 2015, the Group continued to vigorously implement its **efficiency measures**, consistent with the dynamics of its relevant markets, and the **strategic rationalization** of its portfolio of activities. The success of these strategies, coupled with the **improvement of business performance**, allowed it to achieve EBITDA of **over 80 million euro** and a **positive net profit**, **on the rise** versus 2014, as well as a strong **reduction in the net financial position**.

In 2016, the Group will continue to **strengthen its core businesses** – this also includes the mentioned agreement on the acquisition of **RCS Libri** - through constant focus on **publishing quality** and on the **optimization** of operating processes and cost structure, in order to further strengthen its competitive position and implement the development plan in the digital segment.

In light of the current relevant context and the Group's positive performance in the opening months, it is reasonable to expect for the current year basically steady revenue (on a like-for-like basis) versus 2015 and a "high-single digit" **growth of operating EBITDA** (on a like-for-like basis), with a resulting increase in marginality.

In line with the above and notwithstanding a recovery in investments, the **net financial position** (**on a like-for-like basis**) is expected to **further improve** versus 31 December 2015.

To date, these projections do not include the consolidation of RCS Libri and the relating synergies from the integration, the impact on the outlook for the current year of which will be readily disclosed to the market once the transaction is completed.

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The Board of Directors of Arnoldo Mondadori Editore S.p.A. also aligned financial and non-financial disclosures by approving its 2015 Sustainability Report, drafted according to the GRI Guidelines, standard G4, based on the "in accordance" - core rating.
A summary of the Sustainability Report in line with the provisions contained in the 2014/95/EU directive adopted by the EU Parliament and Council on 22 October 2014 will be supplemented in the Annual Report; the complete document will be made available at the Shareholders' Meeting.

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The Board of Directors of Arnoldo Mondadori Editore S.p.A. called the Shareholders' Meeting on Thursday 21 April 2016 in first call.

PROPOSAL TO COVER THE LOSS OF THE PERIOD BY USING AVAILABLE RESERVES

The Board of Directors will propose to the Shareholders' Meeting to entirely cover the loss of the year of 31,981,679.37 euro at 31 December 2015 by using the available reserves as follows:

- 1,100,690.02 euro by fully resorting to the stock option reserves under item "Other reserves and profit (loss) carried forward";

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- 30,880,989.35 euro by partially resorting to the available portion of the extraordinary reserve under item "Other reserves and profit (loss) carried forward";

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RENEWAL OF THE AUTHORIZATION TO PURCHASE AND SELL TREASURY SHARES

Following the expiry of the preceding authorization resolved upon by the Shareholders' Meeting on 23 April 2015, with the approval of the financial statements at 31 December 2015, the Board of Directors will propose to the next Shareholders' Meeting the renewal of the authorization to purchase Treasury Shares with the aim of retaining the applicability of law provisions in the matter of any additional re-purchase plans and, consequently, of picking up any investment and operational opportunities involving Treasury Shares.

The Shareholders' Meeting of 23 April 2015 authorized the purchase of Treasury Shares up to a maximum of 10% of the share capital made up of No. 26,145,834 ordinary shares.

In relation to the authorization of 23 April 2015, Arnoldo Mondadori Editore S.p.A. did not proceed, either directly or indirectly through its subsidiaries, to purchase any Treasury Shares.

On the occasion of the next Shareholders' Meeting the proposal for the renewal of the authorization to sell the treasury shares acquired by the Company will also be made pursuant to article 2357 ter of the Italian Civil Code.

Here below are the main elements of the proposal made by the Board of Directors:

- **Motivations**

The motivations underlying the request for the authorization to purchase and sell treasury shares refer to the opportunity to attribute to the Board of Directors the power to:

- to use the treasury shares purchased as compensation for the acquisition of interests within the framework of the Company's investments;
- to use the treasury shares purchased against the exercise of option rights, including conversion rights, deriving from financial instruments issued by the Company, its subsidiaries or third parties and to use the treasury shares for exchange or transfer transactions or to support extraordinary transactions on the Company's capital or financing transactions that imply the transfer or sale of treasury shares;
- to possibly rely on investment or divestment opportunities, if considered strategic by the Company, also in relation to available liquidity;
- To sell treasury shares against the exercise of option rights for the relevant purchase granted to the beneficiaries of the Stock Option Plans established by the Shareholders' Meeting.

- **Duration**

Until the Shareholders' Meeting called to approve the financial statements at 31 December 2016 and, in any case, for a period not exceeding 18 months from the effective date of the resolution made by the Shareholders' Meeting.

- **Maximum number of purchasable Treasury Shares**

The renewed authorization will enable the Company to reach the cap of 10% of its share capital, in line with the previous authorization.

Considering that, as indicated above, the Company does not hold any treasury shares, either directly or indirectly, the authorization would refer to the purchase of maximum No. 26,145,834 treasury shares (10% of the share capital).

- **Criteria for purchasing Treasury Shares and indication of the minimum and maximum purchasing cap**

Purchases shall be made on the regulated markets pursuant to article 132 of Italian Legislative Decree n. 58 of 24 February 1998 and article 144 bis, paragraph 1, letter B of Consob Regulation n. 11971/99

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according to the operating criteria established in the organization and management regulations of the same markets, which do not allow the direct combination of the purchase negotiation proposals with pre-determined sale negotiation proposals, and also in compliance with any additional applicable regulations

The minimum and maximum purchase price would be determined under the same conditions established by the preceding Shareholders' Meeting authorizations, i.e. at a unit price not lower than the official Stock Exchange price of the day preceding the purchase transaction, reduced by 20%, and not higher than the official Stock Exchange price of the day preceding the purchase transaction, increased by 10%.

In terms of daily prices and volumes the purchase transactions would be completed in compliance with the conditions established in EC Regulation n. 2273/2003.

§

The 2015 results, approved today by the Board of Directors, will be presented by the Mondadori Group Management to the financial community today, 3.30 PM, at the Mondadori Megastore in piazza Duomo, Milan.

The corresponding documentation will be made available on 1Info a twww.1info.it, www.borsaitaliana.it and www.mondadori.it (Investor Relations).

§

The Executive Manager responsible for the drafting of the corporate accounting documentation - Oddone Pozzi – hereby declares, pursuant to Art. 154 bis, par. 2, of the Finance Consolidation Act, that the accounting documentation contained in this press release corresponds to the Company's accounting entries, books and results.

Annexes:

1. Consolidated balance sheet
2. Consolidated income statement
3. Consolidated income statement - fourth quarter
4. Group cash flow statement
5. Arnoldo Mondadori Editore S.p.A. balance sheet
6. Arnoldo Mondadori Editore S.p.A. income statement
7. Arnoldo Mondadori Editore S.p.A. cash flow statement

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Annex 1

Consolidated financial situation

Consolidated balance sheet (euro/millions)	31.12.2015	31.12.2014 Radio, restated	*Var.*	31.12.2014
Net trade receivables	242.1	259.3	*(17.1)*	264.6
Inventory	108.2	108.4	*(0.2)*	108.4
Trade payables	(349.6)	(343.4)	*(6.2)*	(347.4)
Other assets/ (liabilities)	(30.5)	(14.9)	*(15.6)*	(11.2)
NWC	**(29.7)**	**9.4**	***(39.1)***	**14.3**
Intangible assets	552.3	553.7	*(1.4)*	601.6
Tangible assets	31.2	32.4	*(1.2)*	37.1
Investments	44.9	39.5	*5.4*	39.6
NET FIXED ASSETS	**628.5**	**625.6**	***2.9***	**678.3**
Provisions	(59.7)	(64.5)	*4.8*	(65.0)
Post-employment benefits	(44.1)	(46.2)	*2.1*	(46.7)
Discontinued assets / (liabilities)	0.0	56.6	*(56.6)*	0.0
NET INVESTED CAPITAL	**495.0**	**580.9**	***(86.0)***	**580.9**
Share capital	68.0	68.0	-	68.0
Minority shareholders' reserves and net equity	221.2	220.5	*0.7*	220.5
Net profit	6.4	0.6	*5.8*	0.6
SHAREHOLDERS' EQUITY	**295.6**	**289.1**	***6.5***	**289.1**
NET FINANCIAL POSITION	**199.4**	**291.8**	***(92.4)***	**291.8**
TOTAL SHAREHOLDERS' EQUITY	**495.0**	**580.9**	***(86.0)***	**580.9**

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Annex 2
Consolidated income statement

Consolidated income statement (euro/millions)	FY 2015	% growth on revenue	FY 2014	% growth on revenue	Var. %
Revenue from sales and services	**1,122.8**	***100.0%***	**1,169.5**	***100.0%***	**(4.0%)**
Cost of sold items	436.0	*38.8%*	480.1	*41.1%*	(9.2%)
Variable costs	279.4	*24.9%*	272.5	*23.3%*	2.6%
Fixed costs	116.8	*10.4%*	129.1	*11.0%*	(9.5%)
Cost of personnel	214.6	*19.1%*	222.2	*19.0%*	(3.4%)
Other costs/(income)	2.6	*0.2%*	(2.4)	*(0.2%)*	n.s.
Result - subsidiaries	(0.3)	*0.0%*	(0.1)	*0.0%*	n.s.
EBITDA net of non-recurring items	**73.0**	***6.5%***	**67.9**	***5.8%***	**7.5%**
Restructuring costs	(12.7)		(6.5)		94.4%
(Positive)/negative extraordinary items	21.2		10.1		n.s.
EBITDA	**81.6**	***7.3%***	**71.5**	***6.1%***	**14.0%**
Amortization, depreciation and impairment	27.1	*2.4%*	23.3	*2.0%*	16.1%
EBIT	**54.5**	***4.9%***	**48.2**	***4.1%***	**13.0%**
Net financial income (costs)	(16.0)	*(1.4%)*	(23.0)	*(2.0%)*	(30.2%)
Income (costs) from other investments	(0.1)	*(0.0%)*	-		0.0%
Profit before taxes for the period	**38.3**	***3.4%***	**25.2**	***2.2%***	**52.0%**
Income tax	20.5	*1.8%*	16.7	*1.4%*	22.5%
Minority shareholders' profit	2.7	*0.2%*	3.1	*0.3%*	(13.0%)
Result from continuing operations	**15.1**	***1.3%***	**5.3**	***0.5%***	**n.s.**
Result from discontinued operations	(8.7)	*(0.8%)*	(4.7)	*(0.4%)*	n.s.
Net profit	**6.4**	***0.6%***	**0.6**	***0.1%***	**n.s.**

On 30 September 2015 the transfer of 80% of the share capital of Monradio S.r.l. to R.T.I. S.p.A. was completed. Pursuant to IFRS 5 ("Non-current assets held for sale"), the Group's radio business was listed as "discontinued operations" and as such entered in these consolidated financial statements. As a result, in the income statement for 2015 and in the comparative 2014 year, the results achieved in the radio business area, along with the depreciation of operations made in order to bring their value in line with the consideration from disposal, were listed under "Result from discontinued operations".

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Annex 3

Consolidated income statement - fourth quarter

Consolidated income statement (euro/millions)	4Q 2015	% growth on revenue	4Q 2014	% growth on revenue	Var. %
Revenue from sales and services	**304.8**	***100.0%***	**315.0**	***100.0%***	**(3.3%)**
Cost of sold items	121.5	*39.9%*	135.6	*43.1%*	(10.4%)
Variable costs	71.8	*23.6%*	69.6	*22.1%*	3.1%
Fixed costs	30.2	*9.9%*	30.6	*9.7%*	(1.2%)
Cost of personnel	54.8	*18.0%*	57.8	*18.4%*	(5.3%)
Other costs/(income)	2.7	*0.9%*	(0.9)	*(0.3%)*	n.s.
Result - subsidiaries	1.3	*0.4%*	2.1	*0.7%*	(36.4%)
EBITDA net of non-recurring items	**25.1**	***8.2%***	**24.3**	***7.7%***	**3.1%**
Restructuring costs	(6.2)		(2.2)		n.s.
(Positive)/negative extraordinary items	13.9		9.2		50.9%
EBITDA	**32.8**	***10.8%***	**31.3**	***9.9%***	**4.7%**
Amortization, depreciation and impairment	8.3	*2.7%*	7.1	*2.3%*	15.9%
EBIT	**24.5**	***8.0%***	**24.1**	***7.7%***	**1.4%**
Net financial income (costs)	(2.3)	*(0.8%)*	(5.2)	*(1.6%)*	(55.7%)
Income (costs) from other investments	-		-		-
Profit before taxes for the period	**22.2**	***7.3%***	**19.0**	***6.0%***	**17.0%**
Income tax	12.7	*4.2%*	8.8	*2.8%*	45.4%
Minority shareholders' profit	0.9	*0.3%*	1.1	*0.4%*	(17.0%)
Result from continuing operations	**8.5**	***2.8%***	**9.1**	***2.9%***	**(6.0%)**
Result from discontinued operations	0.7	*0.2%*	(0.9)	*(0.3%)*	n.s.
Net profit	**9.2**	***3.0%***	**8.2**	***2.6%***	**13.0%**

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Annex 4

Group cash flow statement

Group cash flow statement (euro/millions)	31.12.2015	31.12.2014
NFP beginning of period	**(291.8)**	**(363.2)**
EBITDA before non-recurring items	73.0	67.9
Effect of shareholdings/dividends	(3.7)	(3.8)
Variation in net working capital and provisions	14.2	0.2
CAPEX	(13.5)	(11.9)
Cash flow from operations	**70.0**	**52.4**
Financial costs	(17.6)	(21.3)
Taxes	(6.9)	(7.0)
Cash flow from the Radio business	-	(5.2)
Ordinary cash flow from operations	**45.4**	**18.8**
Capital increase / (Dividend payout)	-	31.1
Restructuring costs	(21.2)	(20.3)
Extraordinary tax amounts / previous years	8.0	15.2
Asset acquisition /disposal	60.2	26.6
Extraordinary cash flow from operations	**47.0**	**52.6**
Total cash flow	**92.4**	**71.4**
NFP beginning of period	**(199.4)**	**(291.8)**

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<u>Annex 5</u>

Arnoldo Mondadori Editore S.p.A.: financial position

Assets (euro/millions)	**31 December 2015**	**31 December 2014**
Intangible assets	87.0	90.0
Property investments	3.0	3.1
Land and buildings	5.6	6.3
Plant and equipment	1.8	2.3
Other tangible assets	0.8	1.2
Property, plant and equipment	**8.2**	**9.8**
Investments	210.9	238.8
Non-current financial assets	200.0	200.0
Deferred tax assets	24.7	31.8
Other non-current assets	0.3	0.7
Total non-current assets	**534.1**	**574.2**
Tax receivables	33.4	42.6
Other current assets	4.6	40.9
Inventory	10.0	30.5
Trade receivables	29.0	130.8
Other current financial assets	116.1	87.3
Cash and cash equivalents	27.7	10.1
Total current assets	**220.8**	**342.2**
Assets held for sale or transferred	-	-
Total assets	**754.9**	**916.4**

Liabilities (euro/millions)	**31 December 2015**	**31 December 2014**
Share capital	68.0	68.0
Share premium reserve	-	12.0
Treasury shares	-	-
Other reserves and results carried forward	124.6	125.3
Profit (loss) for the year	(32.0)	(12.9)
Total Shareholders' equity	**160.6**	**192.4**
Provisions	35.7	39.1
Post-employment benefits	11.6	18.0
Non-current financial liabilities	220.4	262.5
Deferred tax liabilities	24.0	27.3
Other non-current liabilities	-	-
Total non-current liabilities	**291.7**	**346.9**
Income tax payables	-	-
Other current liabilities	42.2	57.9
Trade payables	80.5	140.6
Payables due to banks and other financial liabilities	179.9	178.6
Total current liabilities	**302.6**	**377.1**
Liabilities held for sale or transferred	-	-
Total liabilities	**754.9**	**916.4**

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Annex 6
Arnoldo Mondadori Editore S.p.A.: income statement

(euro/millions)	FY 2015	FY 2014
Revenue from sales and services	**251.9**	**494.9**
Decrease (increase) in inventory	0.9	(2.2)
Cost of raw, ancillary, consumption materials and goods	31.6	142.3
Cost of services	165.9	275.6
Cost of personnel	73.0	86.3
Other (income) costs	(19.2)	(4.1)
EBITDA	**(0.3)**	**(3.0)**
Depreciation of property, plant and equipment	1.6	2.9
Amortization and impairment loss of intangible assets	1.5	1.1
EBIT	**(3.4)**	**(7.0)**
Financial income (costs)	(1.0)	(7.9)
Income (costs) from investments	(24.7)	1.3
Profit before taxes for the period	**(29.1)**	**(13.6)**
Income tax	1.0	(0.7)
Profit from continuing operations	**(30.1)**	**(12.9)**
Income (costs) from discontinued operations	(1.9)	-
Net profit	**(32.0)**	**12.9**

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Annex 7

Arnoldo Mondadori Editore S.p.A.: cash flow statement

(euro/millions)	31 December 2015	31 December 2014
Net result for the period	(32.0)	(12.9)
Adjustments		
Amortization, depreciation and impairment	26.8	32.2
Income tax for the year	1.0	(0.7)
Stock options	-	-
Fund provisions and post-employment benefits	3.2	(17.9)
Capital loss (gain) from the transfer of intangible assets, property, plant and equipment	(11.9)	(0.4)
Income from investments - dividends	(0.1)	(20.6)
Net financial costs (income) on loans and transactions with derivatives	13.6	18.8
Cash flow generation from operations	**0.6**	**(1.5)**
Trade receivables (increase) decrease	(1.8)	20.3
Inventory (increase) decrease	0.8	(2.2)
Trade payables increase (decrease)	(17.1)	1.0
Income tax payments	4.8	4.4
Increase (decrease) in fund provisions and post-employment benefits	(5.1)	(4.4)
Net difference for other assets/liabilities	(1.1)	16.9
Cash flow generated from (absorbed by) operations	**(18.9)**	**34.5**
(Purchase) disposal of intangible assets	(0.9)	(2.6)
(Purchase) disposal of property, plant and equipment	12.7	(2.5)
(Purchase) disposal of investments	(9.8)	(18.3)
Income from investments - dividends	0.1	20.6
(Purchase) disposal of securities	-	-
Variation in other current financial assets	88.8	52.6
Net liquidity acquired/(transferred) from extraordinary transactions	-	-
Cash flow generated from (absorbed by) investment activities	**90.9**	**49.8**
Increase (decrease) of payables due to banks	(36.8)	3.0
Variation in other current financial assets	38.0	(9.3)
(Purchase) disposal of treasury shares	-	15.3
Net difference for other non-current financial assets/liabilities	(39.9)	(115.4)
Cash-in of net financial income (payment of net financial costs) on loans and transactions with derivatives	(15.7)	(20.8)
Dividend payout	-	-
Cash flow generated from (absorbed by) financing activities	**(54.4)**	**(127.2)**
Increase (decrease) in cash and cash equivalents	**17.6**	**(42.9)**
Cash and cash equivalents at the beginning of the period	**10.1**	**53.0**
Cash and cash equivalents at the end of the period	**27.7**	**10.1**
Cash and cash equivalents composition		
Cash, cheques and securities	-	-
Bank and postal deposits	27.7	10.1
	27.7	**10.1**

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