GRUPPO MONDADORI

PRESS RELEASE

BoD approves Interim Report on Operations at 30 September 2016[1]

NET PROFIT IMPROVES BY OVER 20 MILLION EURO:
17.9 MILLION EURO AT 30 SEPTEMBER 2016 VERSUS -2.8 MILLION EURO AT 30 SEPTEMBER 2015; 11 MILLION EURO ON A LIKE-FOR-LIKE BASIS

- **Consolidated net revenue 935.3 million euro** versus 818.3 million euro in the prior year: **+14%** including the consolidation of Rizzoli Libri and Banzai Media; basically steady on a like-for-like basis.
- **Adjusted EBITDA 76.1 million euro** versus 48 million euro in the prior year: **+59%** with the positive contribution of the acquired companies; +24% on a like-for-like basis.
- **EBITDA improves for 11th consecutive quarter** to **70.3 million euro** versus 48.8 million euro in the prior year: **+44%** including Rizzoli Libri and Banzai Media; +10% on a like-for-like basis as a result of the ongoing efficiency gains.
- **Net financial position -329 million euro** versus -243.6 million euro, as a result of the constant increase in cash generation, which allowed investments in acquisitions of approximately 170 million euro.

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GUIDANCE FOR CURRENT YEAR IMPROVES

- **Revenue confirmed to increase by approximately 14%** including Rizzoli Libri and Banzai Media; basically steady on a like-for-like basis.
- **Adjusted EBITDA expected to improve by 35%** (versus previous estimate of 30%) including the acquired companies; double-digit growth on a like-for-like basis (versus previous high single-digit estimate).
- **NFP/EBITDA ratio improves** to about 3.3x versus previous estimate of 3.5x (lower than bank covenant of 4.5x).

Segrate, 8 November 2016 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the Interim Report on Operations at 30 September 2016 presented by CEO Ernesto Mauri.

GROUP PERFORMANCE AT 30 SEPTEMBER 2016

In 9M16, Mondadori Group reported a **rather encouraging performance**. After almost four years, revenue kept steady - on a like-for-like basis - versus the prior year; these results, together with the **improvement of EBITDA for the eleventh consecutive quarter**, laid the groundwork to improve the outlook for the full year.

1 *The results at 30 September 2016 include the effects of the consolidation of the acquired companies Rizzoli Libri (Books) and Banzai Media (Magazines Italy), consolidated as from 1 April and 1 June 2016 respectively; additionally, for the sake of comparison, the reporting period's results are shown on a like-for-like basis, excluding the above extraordinary transactions, offering greater relevance to percentage changes.*
As a result of the transfer of Monradio S.r.l., completed on 30 September 2015, the results achieved in the first nine months of 2015 by the radio business were classified under "Result from discontinued operations", in accordance with IFRS 5 ("Non-current assets held for sale").

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Additionally, 2016 marked the transition to the **new phase** of the **Group's development**, as a result of the consolidation of the recently acquired **Rizzoli Libri** and **Banzai Media**, a major step made to strengthen the leadership position in the Group's strategic businesses.

In 9M16, **consolidated net revenue** grew by **14.3%** to **935.3 million euro**; net of the effects of the consolidation of the companies acquired in the year, the Group's performance remained basically steady versus 818.3 million euro posted in the prior year.

Consolidated adjusted EBITDA[2] **grew by 58.7**% (76.1 million euro versus 48 million euro in 9M15), thanks also to the positive contribution from the companies acquired in 2016, from Rizzoli Libri (16.5 million euro) in particular. The Books Area increased by 65%, while Magazines Italy tripled its performance. The Retail Area, despite the negative impact (from the seasonality of the Rizzoli bookstore in Milan), improved by over 13%.

On a like-for-like basis, **the Group's adjusted EBITDA grew by 23.7%**, with a percentage on revenue **increasing from 5.9% to 7.3%**. This performance is the result of a constant and focused management policy, launched and successfully implemented in all of the business areas; Books (+18.2%) and Magazines Italy (from 1.7 million euro to 6.5 million euro) performed strongly.

Consolidated EBITDA was **up by 44%** to **70.3 million euro**, including the result of Rizzoli Libri and Banzai Media. On a like-for-like basis, the **increase amounts to 9.9%** (from 48.8 million euro to 53.7 million euro), confirming the Group's strong and constant **efficiency gains** from its ability to stabilize revenue and thanks to the industrial and organizational review actions launched and implemented over the past three years, despite the benefits felt in 3Q15 from the capital gain of 7.6 million euro arising from the disposal of the Harlequin Mondadori joint venture (Books Area).

In 9M16, **consolidated EBIT was up by 60.1%** to **48 million euro**, including amortization and depreciation of 5.2 million euro relating to Rizzoli Libri; on a like-for-like basis, EBIT amounted to **37 million euro, improving by 23.4%** versus 30 million euro in 9M15, also as a result of the decrease in amortization, depreciation and impairment losses by 16.7 million euro versus 18.8 million euro at 30 September 2015, which included the impairment of 4 million euro of the interest held in the Greek Attica Publications subsidiary (Magazines Italy Area).

The **consolidated result before taxes** amounted to **35.3 million euro**, **up** versus 16.1 million euro, or to 24.5 million euro on a like-for-like basis, **rising sharply** (**+52.1%**) versus 9M15, thanks also to the contribution of **financial costs** (12.5 million euro), which **decreased sharply (-9.2%)** as a result of the reduction in the average debt rate from the renegotiation of the loan agreement made at end 2015 (from 3.72% to 3.05%), and of a **lower average debt** in the period, despite the acquisitions made in 2016.

The Group consolidated net result amounted to **17.9 million euro**, **improving by over 20 million euro** versus -2.8 million euro at 30 September 2015, which included the capital loss from the disposal of the Group's radio business; on a like-for-like basis, the **net result came to a positive 11 million euro.**

At 30 September 2016, Group employees amounted to **3,330 units**. The 7.8% increase in headcount versus September 2015 is due solely to the acquisitions made over the last 12 months; on a like-for-like basis, Group employees would be **down by 5.8%**.

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2 *This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures in order to better evaluate the operating and financial performance of the Group, the definition of which is explained in Annex 5 "Glossary of terms and alternative performance measures used" .*

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Tax Code and Registration Number 07012130584 - REA number Mi-1192794 -VAT Number 08386600152
Registry of producers of Electrical and Electronic Equipment N: IT09120000006483 - Registry of producers of Batteries and Accumulators N.: IT10010P00002054 - Share capital € 67,979,168.40 paid-up.

The Group net financial position at 30 September 2016 came to **-329 million euro** versus **-243.6 million euro** at 30 September 2015, as a result of the Group's significant cash generation over the past 12 months, which allowed net investments in acquisitions of **135.7 million euro.**
At 30 September 2016, **cash flow from operations - on a like-for-like basis -** in the last twelve months came to a **positive 83.9 million euro; ordinary cash flow** (after outlays for financial costs and taxes for the period) continued the **upward trend** of the seven previous quarters and came to **56.3 million euro**. Including the contribution from recent acquisitions, **cash flow from ordinary operations** in the last twelve months amounted to **53.3 million euro**.
This performance is the result of constant and effective monitoring, and the ability to act on and manage all of the economic and financial variables typical of all of the Group's business areas.

OUTLOOK FOR THE YEAR

In light of the Group's performance and of the results of the acquired companies, the forecasts previously announced on **revenue** for the current year can be reasonably **confirmed**: including **Rizzoli Libri** (for 9 months) and **Banzai Media** (for 7 months), **revenue** is expected to **increase by approximately 14%**, while, **on a like-for-like basis**, it is **basically steady** versus 2015.

Adjusted EBITDA estimate improves: including **Rizzoli Libri** and **Banzai Media**, adjusted EBITDA **is forecast to grow by approximately 35%** (from the previous estimate of +30%), while, **on a like-for-like basis**, **forecasts point to a double-digit growth** (from the previous high single-digit estimate) versus 2015, with a resulting increase in profitability.

The **net financial position** is expected to improve versus the previous forecast (3.5x), with a **NFP/EBITDA** ratio of about **3.3x**, lower than the bank covenant for the year of 4.5x.

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PERFORMANCE OF GROUP BUSINESS AREAS AT 30 SEPTEMBER 2016

- ***BOOKS***

In 9M16, the **Trade Books market in Italy grew by +2.3%** versus 9M15 (*GFK*, September 2016, figures in terms of market value), confirming the positive signs reported in the first half of the current year.

Against this backdrop, Mondadori Libri retained its market leadership position with a 22.8% trade share.
At 30 September 2016, following the acquisition of the Rizzoli Libri brands (Rizzoli, BUR and Fabbri Editori), the **Group increased its overall market share to 27.8%**.

In the school textbooks segment, following the integration of Rizzoli Education, the **Group increased its market share to 24.1%**, becoming the **leading player in the segment in Italy**.

In the period under review, **revenue from the Books Area of Mondadori Group** amounted to **355.5 million euro**, up by **52.5%** as a result of the consolidation of Rizzoli Libri from April 2016 (**+1.8%** on a like-for-like basis versus 233.2 million euro in 9M15). Rizzoli Libri contributed an overall 118.4 million euro to the period.

On a like-for-like basis, the Trade Books Area revenue **increased by 15.7%** versus 9M15, as a result of the positive performance of sales from the titles launched between the end of 2015 and the first half of the current year. Regarding the Educational Area, revenue in 9M16 **grew by 2.5%** on a like-for-like basis versus 9M15.

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Adjusted EBITDA in the Area came to **58.6 million euro**, **rising sharply** (**+65.1%**) versus 9M15 (35.5 million euro); in the reporting period, Rizzoli Libri contributed 16.6 million euro, mainly as a result of the positive performance of the schools segment.
The Books Area performed strongly also on a like-for-like basis, surging by **+18.2%** (**42 million euro** at 30 September 2016), propelled by the increase in revenue from the targeted publishing policy and by the ongoing optimization of the operating processes implemented in the Trade segment, which helped slash the percentage of costs of goods sold on revenue. Concurrently, the cost containment policy aimed at cutting fixed costs and discretionary expenses continued and resulted in improved profitability.
Reported EBITDA in the Area amounted to **57.9 million euro** versus 39.6 million euro at 30 September 2015, which included the capital gain of 7.6 million euro from the disposal of the interest held in the Harlequin Mondadori joint venture, partly offset in the reporting period by lower restructuring costs versus the prior year.

- ***MAGAZINES ITALY***

Revenue from the **Magazines Italy Area** amounted to **234.9 million euro**, **up by 0.8%** versus 233 million euro in 9M15 (-2.3% on a like-for-like basis, net of Banzai Media, consolidated as from 1 June 2016)[3].

Against this backdrop, Mondadori Group retained its **market leadership position** with a **31.8%** share (Internal source: Press-di, August).

In 9M16, Banzai Media contributed approximately 7.2 million euro to the Area's revenue. Following the acquisition, Mondadori has reached a total digital audience of **16.6 million unique monthly users** (*Audiweb*, average figures at August 2016), becoming the leading Italian digital publisher.

Circulation revenue of the Magazines Italy Area **dropped by 2.4%**; on a like-for-like basis of titles, the drop was basically in line with the relevant market performance (-8.3%, internal source Press-Di, cumulative figures at August 2016: newsstands+subscriptions at cover price) in both the newsstand and subscription channels.
Revenue from advertising sales **fell by 2.6%**; print advertising sales in Italy dropped by 4% (in line with the market's -3.6%, *Nielsen*, cumulative figures at August 2016); sales on **websites increased by 0.6%** and outperformed the relevant market trend (-1.6%, *Nielsen*, cumulative figures at August 2016), with the contribution of the consolidation of Mondadori Scienza properties (Nostrofiglio.it and Focus.it).
Revenue from add-on products **was steady** versus 9M15, thanks to the positive contribution of the home-video business (50% of total), which offset the drop in gadgets and music CDs.
Looking at distribution and revenue towards third publishers, the Area was in line with the prior year, thanks to the ongoing commitment to developing third-publisher portfolios.
International operations achieved revenue of 4.3 million euro, down versus 5.3 million euro reported in 9M15, as a result of the drop in licensing activities caused by the deteriorated market environment.
Revenue from Digital Marketing Service activities (8.7 million euro) **grew by approximately 2%** versus 9M15, as a result of the gradual expansion of the portfolio of solutions that had started in 2015.

Adjusted EBITDA in the **Magazines Italy** Area **improved significantly** to **6.9 million euro** (including the contribution of Banzai Media), or to 6.5 million euro on a like-for-like basis versus 1.7 million euro in 9M15, driven by the effective review of the publishing structure, implemented while retaining the traditional focus on the publishing quality of the titles. The reporting period also saw a sharp drop in industrial costs, achieved also as a result of the renegotiation of printing contracts.

[3] On 1 January 2016, following reorganization, Digital Marketing Service activities and the central unit focused on the digital business of the Mondadori brands were transferred to Magazines Italy (previously included in Other Business, Corporate and Digital Innovation); the Area's income statement was reclassified, for information sake, also in 9M15.

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The Area **EBITDA** more than confirmed the **growth trend**, increasing by **over 4 million euro** (from 0.8 million euro to 5.4 million euro), despite the higher amount of negative non-recurring items; on a like-for-like basis, reported EBITDA came to **5.1 million euro**.

- ***MAGAZINES FRANCE***

In 9M16, **revenue from Mondadori France** amounted to **239.3 million euro**, down by 3% versus 246.8 million euro in 9M15.
Specifically:

- Circulation revenue, accounting for approximately 75% of the total, fell by 2.4% versus the prior year.
  Specifically, sales revenue in the **subscription** channel was **basically stable**, partly offsetting the decline in the newsstand channel (-6.1%, basically in line with the market trend) and confirming the strategic opportunity for further investments in this channel, which accounted for **53% of circulation revenue** in 9M16, representing the major and most growing contribution to revenue of the area.
  These positive performances were achieved with the constant attention paid to publishing quality and innovation. In the period under review, Mondadori France, in fact, launched various brand extensions, including *Grazia Hommes.*
- Advertising revenue fell by an overall 4.6% versus 9M15, but performance differed between offline and online component: digital advertising (accounting for about 20% of total advertising revenue) was **up by approximately 22%**, partly offsetting the drop in traditional print advertising (-8.9%). Against this backdrop, Mondadori France retained its **10.6% market share** (*Kantar Media*: cumulative figures in terms of volume at June 2016) and was, once again, the **second top player in the magazine advertising market**.
  Digital activities (approximately 5% of total revenue) grew by an overall **14.8%**, propelled by the development of the properties, in addition to the positive performance of *NaturaBuy* (+29%). **The web audience** of Mondadori France magazines totaled **8.9 million** unique users (*Médiamétrie Netratings-Nielsen*, January-August 2016 average figure), **up by approximately 9%** versus 9M15.

Adjusted EBITDA came to **21.3 million euro**, down by 3.8% versus 9M15, due mainly to costs for M&A managed in the period (0.7 million euro). Focus continued on editorial and overhead cost containment to counter the lingering weakness of the relevant markets, with a view to further adjusting the organization to market changes, while retaining the ability to make investments in quality and in the gradual digitization of publishing activities. **Digital activities** continued to enjoy **positively growing margins** in 9M16 versus the loss in 9M15.
Reported EBITDA, amounting to **19.4 million euro**, was down by 3.1% versus 20.0 million euro in 9M15, as a result of the abovementioned M&A costs and of restructuring costs of approximately 1.9 million euro (2.1 million euro in 9M15).

- **RETAIL**

In 9M16, the Retail Area revenue - on a like-for-like basis - rose to **135 million euro**, **increasing by 1.1%** versus 131.9 million euro in 9M15, due mainly to the growth of the Franchised channel (+3.3%) and of Megastores (+3.8%), which more than offset the structural decline of the Book Clubs; the online channel posted a positive performance (+2.2%), driven mainly by the good results of school textbooks. As of 1 April 2016, following the consolidation of the acquisition of Rizzoli Libri, activities relating to the Rizzoli bookstore have been absorbed by the Retail Area; as a result, in 9M16, the Area increased revenue by an overall **2.4%**.

In 9M16, Mondadori Retail **adjusted EBITDA**, on a like-for-like basis, came to **-2.5 million euro**, **improving** versus -3.1 million euro in 9M15 (-2.7 million euro, including the result of Librerie Rizzoli in the

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April-September six-month consolidation period). A result achieved through cost-curbing measures involving stores and central functions, which more than offset the effects arising from the structural decline of the book clubs channel. On a like-for-like basis, **reported EBITDA** came to **-2.1 million euro** versus -2.8 million euro in 9M15, as a result of a number of positive extraordinary items (0.4 million euro).

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Designation of the Lead Independent Director
The Board of Directors, in accordance with the Corporate Governance Code, designated Independent Director Cristina Rossello as Lead Independent Director.
The Lead Independent Director remains in office for the same period as the members of the Board of Directors, thus until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017.

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The Board of Directors also approved the merger by incorporation, with no share exchange, of the wholly-owned company Banzai Media S.r.l., in accordance with the merger plan made available, as announced on 29 September, at the Company's registered office, through the authorized storage mechanism 1info (www.1info.it) and on the Company website www.mondadori.it (Governance section). The conclusion of the merger deed and the required entry in the Company Registry are scheduled by 15 January 2017, following expiry of the objection period for creditors pursuant to art. 2503 of the Italian Civil Code.

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The documentation relating to the presentation to analysts of the results for the first nine months of 2016 is made available to the public on the authorized storage mechanism 1info (www.1info.it) and on www.mondadori.it (Investor section).

Publication of the Interim Report on Operations at 30 September 2016
This Interim Report at 30 September 2016 was approved by the Board of Directors and is made available starting from today's date at the Company's registered office, on the authorized storage mechanism 1info (www.1Info.it) and on www.mondadori.it (Investor section).

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The Executive Manager responsible for drafting 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 financial situation*
2. *Consolidated income statement*
3. *Consolidated income statement - third quarter*
4. *Group cash flow*
5. *Glossary of terms and alternative performance measures used*

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Annex 1

Consolidated financial situation

Balance sheet

(Euro/millions)	30/09/2016	30/09/2015	31/12/2015
Net receivables	346.1	255.8	242.1
Net inventory	165.9	110.2	108.2
Trade payables	-444.6	-356.8	-349.6
Other assets/ (liabilities)	7.5	-2.0	-30.5
NET WORKING CAPITAL	74.9	7.2	-29.7
Intangible assets	599.9	556.6	552.3
Tangible assets	34.0	30.4	31.2
Investments	44.7	43.6	44.9
NET FIXED ASSETS	678.6	630.6	628.5
Provisions	-75.5	-63.6	-59.7
Post-employment benefits	-50.1	-45.5	-44.1
Discontinued assets / (liabilities)	*10.9*		
NET INVESTED CAPITAL	**638.8**	**528.6**	**494.9**
Share capital	68.0	68.0	68.0
Reserves	194.3	189.4	189.6
Minority shareholders' equity	29.7	30.4	31.5
Net result	18.4	-2.8	6.4
EQUITY	309.8	285.0	295.5
NFP	329.0	243.6	199.4
TOTAL EQUITY	**638.8**	**528.6**	**494.9**

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Annex 2

Consolidated income statement

(euro/millions)	9M16	% growth on revenue	9M16 like-for-like basis	% growth on revenue	9M16	% growth on revenue	Var. % like-for-like basis
Revenue from sales and services	**935.3**	*100.0%*	**815.0**	*100.0%*	**818.3**	*100.0%*	***-0.4%***
Cost of sold items	376.3	*40.2%*	311.1	*38.2%*	314.3	*38.4%*	*-1.0%*
Variable costs	227.5	*24.3%*	202.6	*24.9%*	208.1	*25.4%*	*-2.6%*
Fixed costs	86.2	*9.2%*	82.2	*10.1%*	86.3	*10.6%*	*-4.8%*
Cost of personnel	170.1	*18.2%*	158.4	*19.4%*	159.8	*19.5%*	*-0.9%*
Other costs/(income)	-1.0	*-0.1%*	1.2	*0.2%*	0.2	*0.0%*	*521.8%*
Result - associates	0.0	*0.0%*	-0.1	*0.0%*	-1.6	*-0.2%*	*-96.3%*
EBITDA net of non-recurring items	***76.1***	***8.1%***	***59.3***	***7.3%***	***48.0***	***5.9%***	***23.7%***
Restructuring costs	-3.9		-3.7		-6.6		*-43.7%*
Positive/(negative) extraordinary items	-2.0		-2.0		7.4		*n.s.*
EBITDA	**70.3**	***7.5%***	**53.7**	***6.6%***	**48.8**	***6.0%***	***9.9%***
Amortization, depreciation and impairment	22.3	*2.4%*	16.7	*2.0%*	18.8	*2.3%*	*-11.5%*
EBIT	**48.0**	***5.1%***	**37.0**	***4.5%***	**30.0**	***3.7%***	***23.4%***
Net financial income (costs)	-12.7	*-1.4%*	-12.5	*-1.5%*	-13.7	*-1.7%*	*-9.2%*
Income (costs) from other investments	0.0	*0.0%*	0.0	*0.0%*	-0.1		
Profit before taxes for the period	**35.3**	***3.8%***	**24.5**	***3.0%***	**16.1**	***2.0%***	***52.1%***
Income tax	16.2	*1.7%*	11.6	*1.4%*	7.7	*0.9%*	*50.3%*
Minority shareholders' result	1.9	*0.2%*	1.9	*0.2%*	1.8	*0.2%*	*4.9%*
Result from continuing operations	**17.2**	***1.8%***	**11.0**	***1.4%***	**6.6**	***0.8%***	***67.2%***
Result from discontinued operations	0.7	*0.1%*	0.0	*0.0%*	-9.4	*-1.2%*	
Net result	**17.9**	***1.9%***	**11.0**	***1.4%***	**-2.8**	***-0.3%***	***n.s.***

N.B. *Percentage changes have been calculated on a like-for-like basis and on the figures expressed in euro thousands.*

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Annex 3

Consolidated income statement - third quarter

(euro/millions)	3Q16	*% growth on revenue*	3Q16 like-for-like basis	*% growth on revenue*	3Q15	*% growth on revenue*	Var. % like-for-like basis
Revenue from sales and services	**372.7**	*100.0%*	**291.4**	*100.0%*	**300.4**	*100.0%*	***-3.0%***
Cost of sold items	151.1	*40.5%*	111.2	*38.2%*	114.9	*38.3%*	*-3.2%*
Variable costs	90.0	*24.1%*	72.1	*24.7%*	78.0	*26.0%*	*-7.6%*
Fixed costs	28.0	*7.5%*	26.6	*9.1%*	28.9	*9.6%*	*-8.0%*
Cost of personnel	55.5	*14.9%*	49.5	*17.0%*	51.5	*17.1%*	*-3.9%*
Other costs/(income)	-1.0	*-0.3%*	0.4	*0.1%*	2.1	*0.7%*	*-80.2%*
Result - associates	0.3	*0.1%*	0.1	*0.0%*	-0.7	*-0.2%*	*n.s.*
EBITDA net of non-recurring items	***49.5***	***13.3%***	***31.7***	***10.9%***	***24.2***	***8.0%***	***31.4%***
Restructuring costs	-1.5		-1.4		-1.6		*-11.6%*
Positive/(negative) extraordinary items	-0.2		-0.2		7.3		*n.s.*
EBITDA	**47.8**	***12.8%***	**30.2**	***10.4%***	**29.9**	***9.9%***	***1.0%***
Amortization, depreciation and impairment	8.2	*2.2%*	5.6	*1.9%*	9.1	*3.0%*	*-38.5%*
EBIT	**39.5**	***10.6%***	**24.6**	***8.4%***	**20.8**	***6.9%***	***18.4%***
Net financial income (costs)	-4.8	*-1.3%*	-4.6	*-1.6%*	-5.2	*-1.7%*	*-10.5%*
Income (costs) from other investments	0.0	*0.0%*	0.0	*0.0%*	0.0		
Profit before taxes for the period	**34.8**	***9.3%***	**19.9**	***6.8%***	**15.6**	***5.2%***	***28.0%***
Income tax	13.1	*3.5%*	8.4	*2.9%*	4.9	*1.6%*	*70.3%*
Minority shareholders' result	0.7	*0.2%*	0.7	*0.2%*	0.7	*0.2%*	*3.3%*
Result from continuing operations	**20.9**	***5.6%***	**10.8**	***3.7%***	**10.0**	***3.3%***	***8.8%***
Result from discontinued operations	0.7	*0.2%*	0.0	*0.0%*	-0.6	*-0.2%*	*n.s.*
Net result	**21.6**	***5.8%***	**10.8**	***3.7%***	**9.4**	***3.1%***	***15.5%***

N.B. *Percentage changes have been calculated on a like-for-like basis and on the figures expressed in euro thousands.*

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Annex 4

Group cash flow

(Euro/millions)	Sept. 16		Sept. 15	LTM	
	Like-for-like basis	Total		Like-for-like basis	Total
NFP beginning of period		***(199.4)***	***(291.8)***		***(243.6)***
EBITDA before non-recurring items	59.3	76.1	48.0	84.4	101.1
Incidence of shareholdings/dividends	(4.2)	(4.3)	(3.7)	(4.2)	(4.3)
NWC + provision variation	(11.1)	(24.3)	(11.8)	15.0	1.7
CAPEX	(6.0)	(8.8)	(8.3)	(11.2)	(14.0)
Cash flow from operations	**38.1**	**38.6**	**24.2**	**83.9**	**84.4**
Financial costs	(9.3)	(12.7)	(13.7)	(13.2)	(16.6)
Taxes	(10.7)	(10.8)	(3.2)	(14.4)	(14.5)
Cash flow from ordinary operations	**18.2**	**15.1**	**7.3**	**56.3**	**53.3**
Restructuring costs		(10.8)	(14.4)		(17.7)
Extraordinary costs / prior years		15.1	8.4		14.7
Asset acquisition /disposal		(148.9)	46.9		(135.7)
Cash flow from extraordinary operations		**(144.7)**	**40.9**		**(138.7)**
Total Cash Flow		**(129.6)**	**48.2**		**(85.4)**
NFP end of period		**(329.0)**	**(243.6)**		**(329.0)**

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Annex 5
Glossary of terms and alternative performance measures used

This document, in addition to the conventional statements and financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in Consob Communication no. 6064293 of 28 July 2006, and in Consob communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures ("Non GAAP Measures"), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.
Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): EBITDA, or gross operating profit, is equal to earnings before interest, tax, depreciation and amortization. The Group also provides information on the percentage of EBITDA on net sales. EBITDA computed by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance

Adjusted gross operating profit (adjusted EBITDA) is gross operating profit as explained above, net of income and expenses of a non-ordinary nature such as

- (i) income and expenses from restructuring, reorganization and business combinations;
- (ii) clearly identified income and expenses not directly related to the ordinary course of business;
- (iii) as well as any income and expenses from non-recurring events and transactions as set out in Consob communication DEM6064293 of 28/07/2006.

Operating profit (**EBIT**): net result for the period before income tax, and other income and expenses.

Net invested capital is equal to the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cash and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).

Cash flow from operations: adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment) and income and expenses from equity investments.

Cash flow from ordinary operations is cash flow from operations as explained above, net of financial expenses and taxes paid in the period.

LTM cash flow from ordinary operations: cash flow from ordinary operations in the last twelve months.

Cash flow from extraordinary operations: cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.

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