GRUPPO MONDADORI

FY16 Results

Investors Presentation

Milan, 21 March 2017

GRUPPO MONDADORI

AGENDA

FY16 Highlights

€ mn

Like-for-like

			FY16	4Q16	FY16 (Like-for-like)
Net Revenues	**2016**	**1,262.9**	**+12.4%**	+7.5%	-2.9%
	2015	1,123.2			
Adj. EBITDA	**2016**	**108.5**	**+48.5%**	+28.9%	+20.7%
	2015	73.0			
EBITDA	**2016**	**94.0**	**+15.3%**	-27.4%	-8.9%
	2015	81.6		***Capital gain from divestures ~€14 mn***	***Capital gain from divestures ~€21 mn***
Net Result	**2016**	**22.5**	**Tripled vs 2015**	**4.7 millions** (9.2 mn in 4Q 2015)	**More than doubled vs 2015**
	2015	6.4			

FY16 Highlights

GRUPPO

Higher than expected Results

	TARGET		RESULTS	
	Like for like	*With M&A*	*Like for like*	*With M&A*
Revenues	Stable	~+14%	-2.9%	+12.4%
Adjusted EBITDA	Double digit growth	**Growth ~+35%**	+20.7%	+48.5%
PFN / Reported EBITDA	<2.5x	~ 3.3x (covenant 4.5x)	2.0x	2.8x (covenant 4.5x)

Three years of transformation

2014

- First efficiencies & profitability recovery
- Focus on digital growth

2015

- Asset portfolio **strategic rationalization**
- Improve the operating processes
- Focus on increasing the **operating cash generation**

2016

✓ Economic and financial rebalance phase: completed

✓ Strategic re-positioning phase: completed

Transformational deals

Rationalization (2014–2015)

Acquisitions (2016)

Business improvement

FY16 Highlights – Transformational deals

Acquisitions

Disposals

MONDADORI LIBRI

MONDADORI MAGAZINE

Rizzoli LIBRI

banzai MEDIA

Marsilio

BOMPIANI

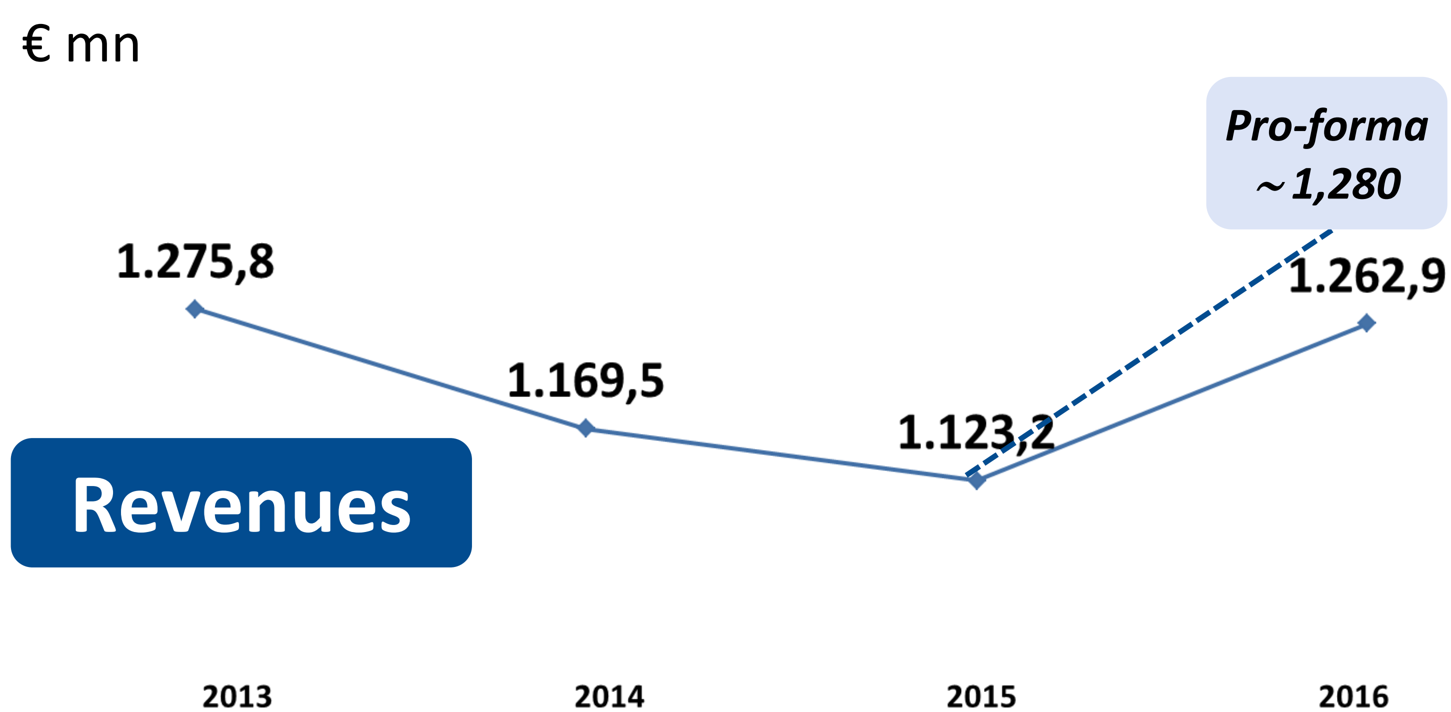
2016

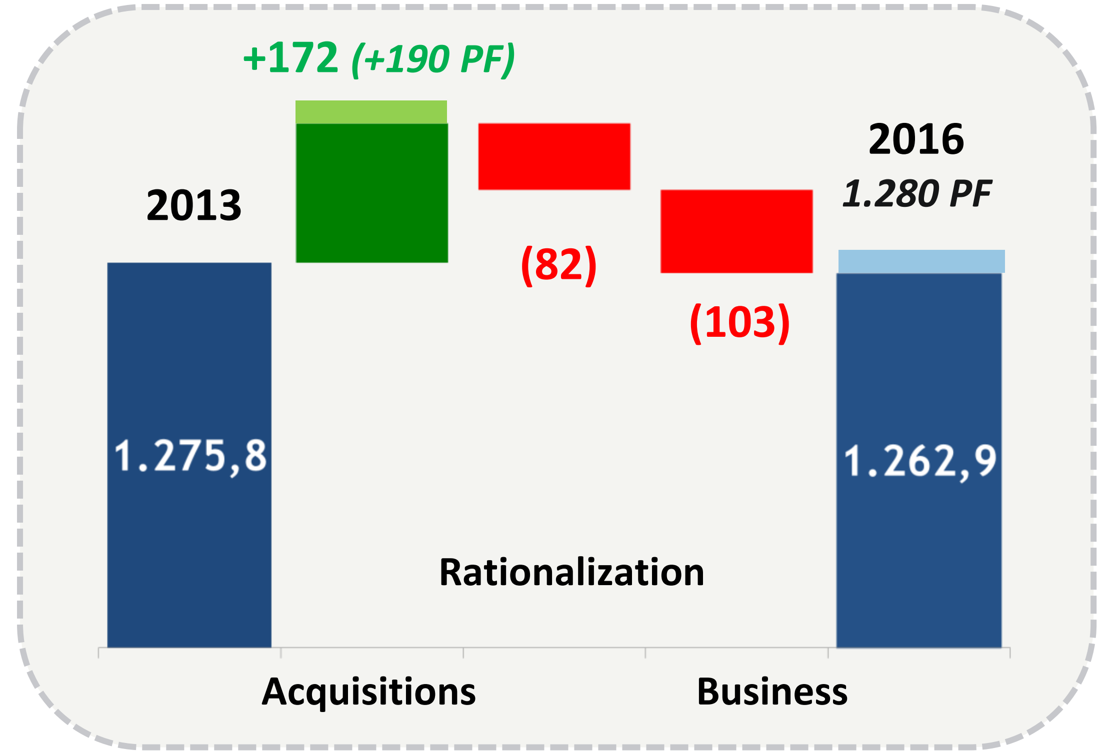
April	June	July	December
Consolidated from 1 April (9M)	Consolidated from 1 June (7M)	Company disposal	Branch disposal

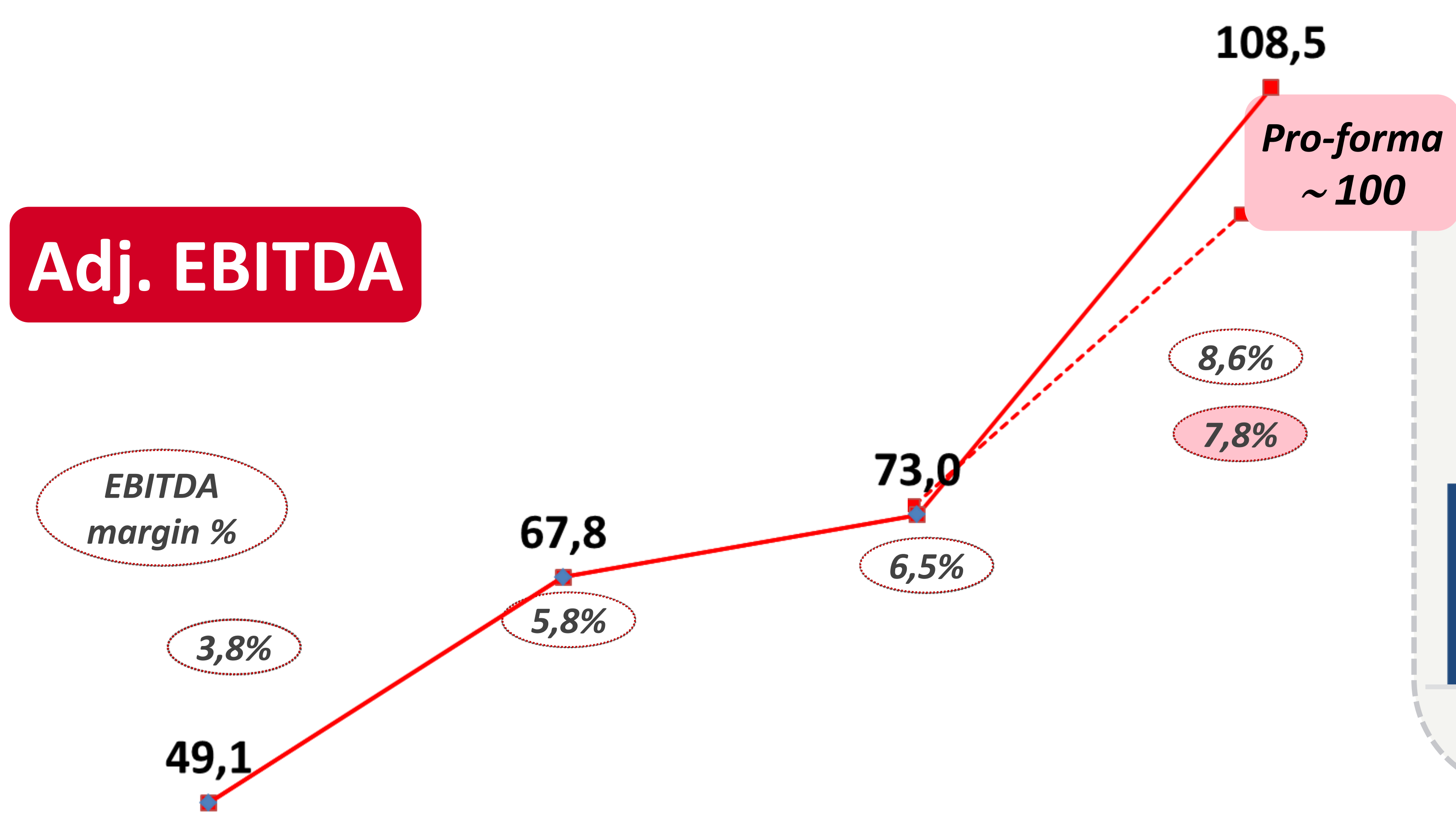
Disposals due to **Antitrust provision**

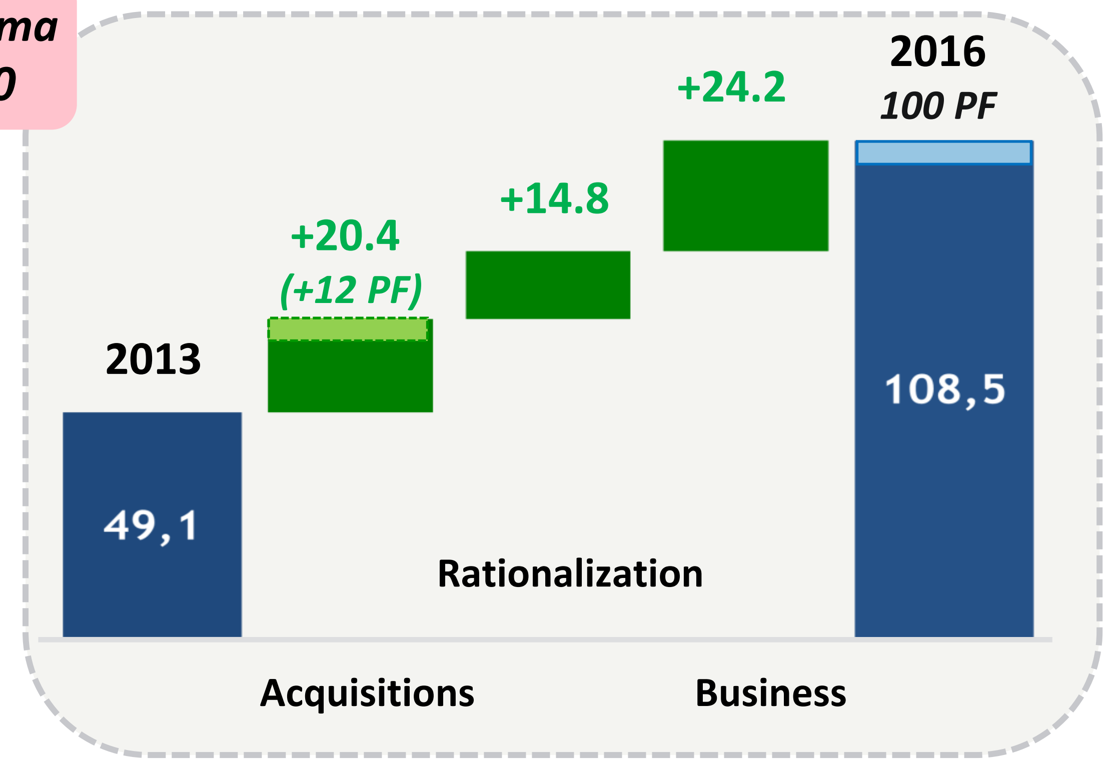
Strengthening of the competitive position in the ***core businesses***

FY16 Highlights – 3 ys. Evolution



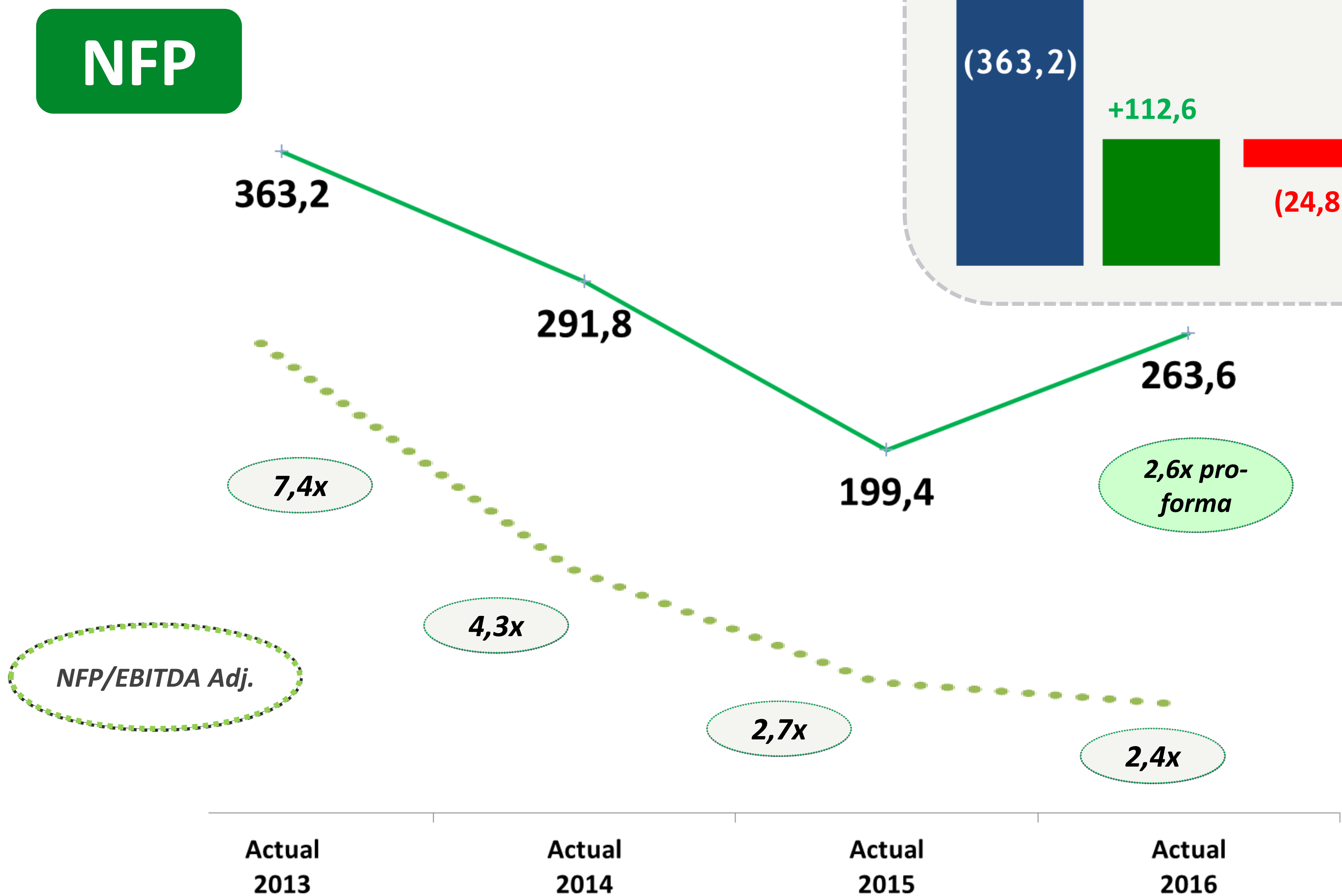


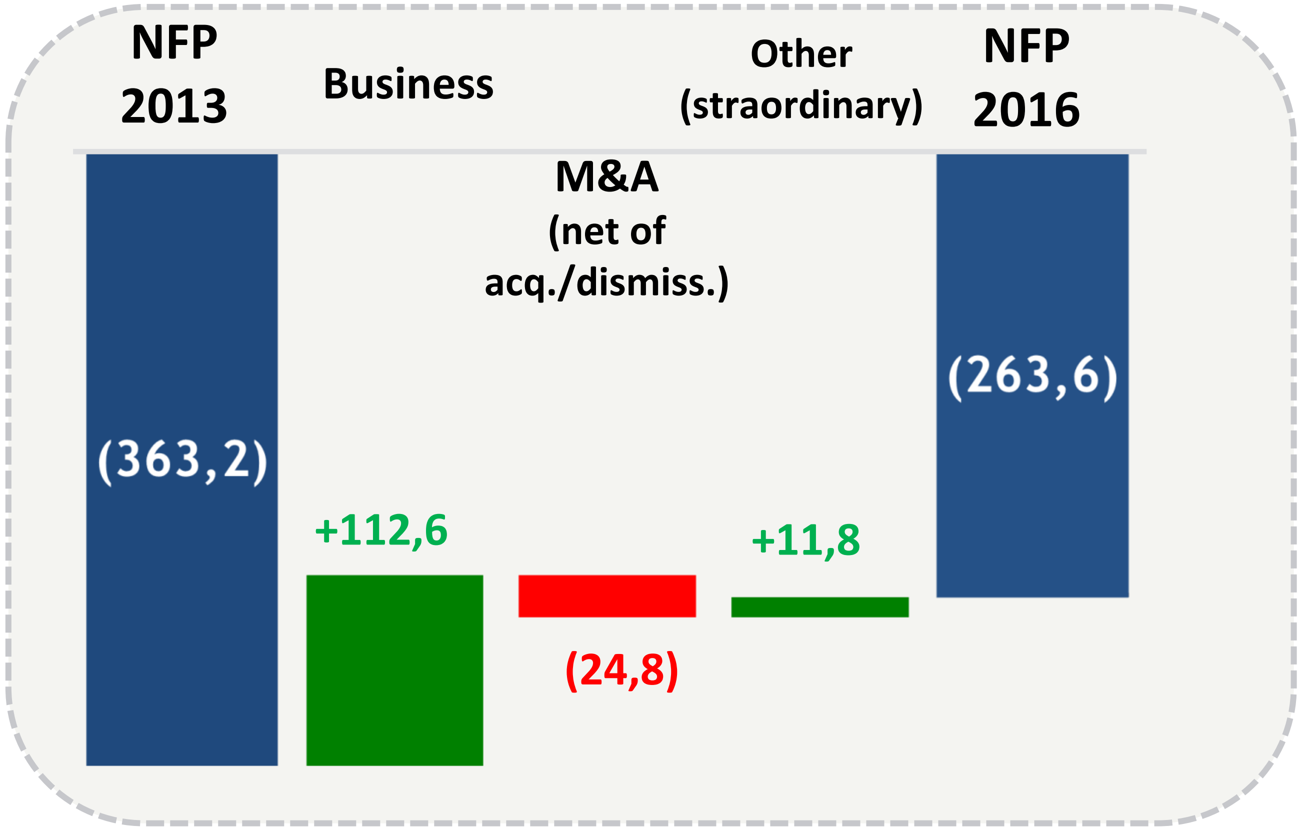




FY16 Highlights – 3 ys. Evolution

€ mn



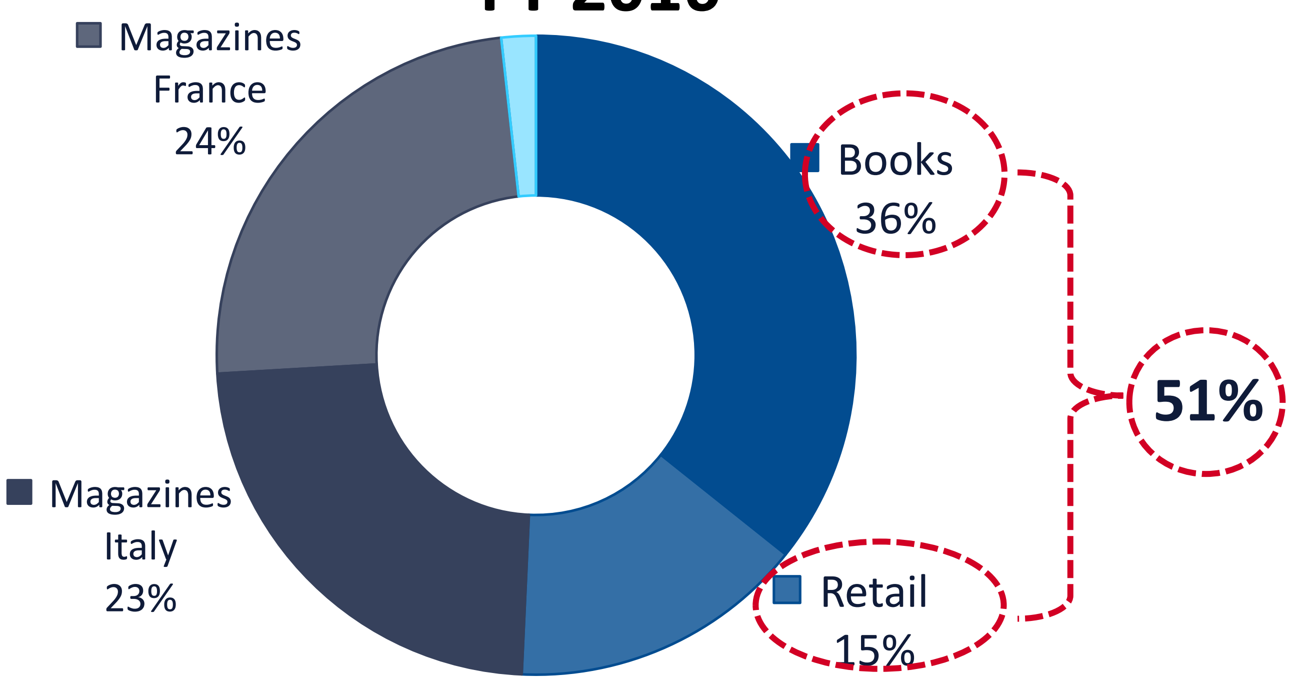


AGENDA

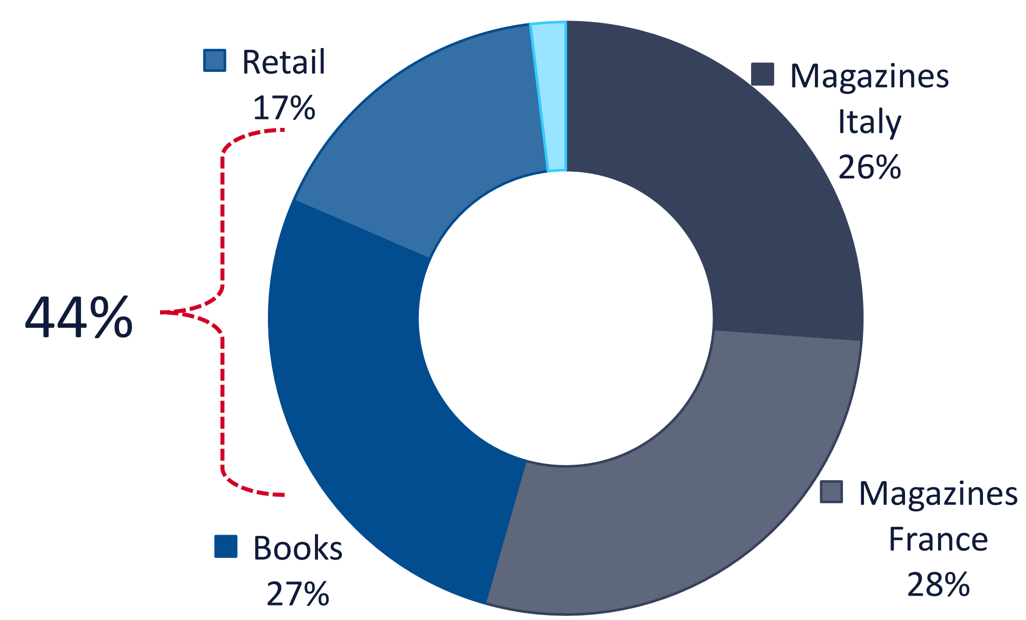
FY16 Revenues by Business Area

€ mn	FY 2016	FY 2016 *Like-for-like*	FY 2015	*Var.%*	*Var.% lfl*
Books	**475.1**	306.6	320.8	*48.1%*	*(4.4%)*
Magazines Italy	**310.8**	298.0	309.6	*0.4%*	*(3.8%)*
Magazines France	**321.6**	321.6	334.6	*(3.9%)*	*(3.9%)*
Retail	**199.6**	196.6	196.4	*1.6%*	*0.1%*
Corporate and Shared Services	**23.2**	23.2	22.7	*2.4%*	*2.4%*
Intercompany	**(67.4)**	(55.5)	(60.9)	*10.7%*	*(8.8%)*
Total Revenues	**1,262.9**	**1,090.5**	**1,123.2**	***12.4%***	***(2.9%)***

FY 2016



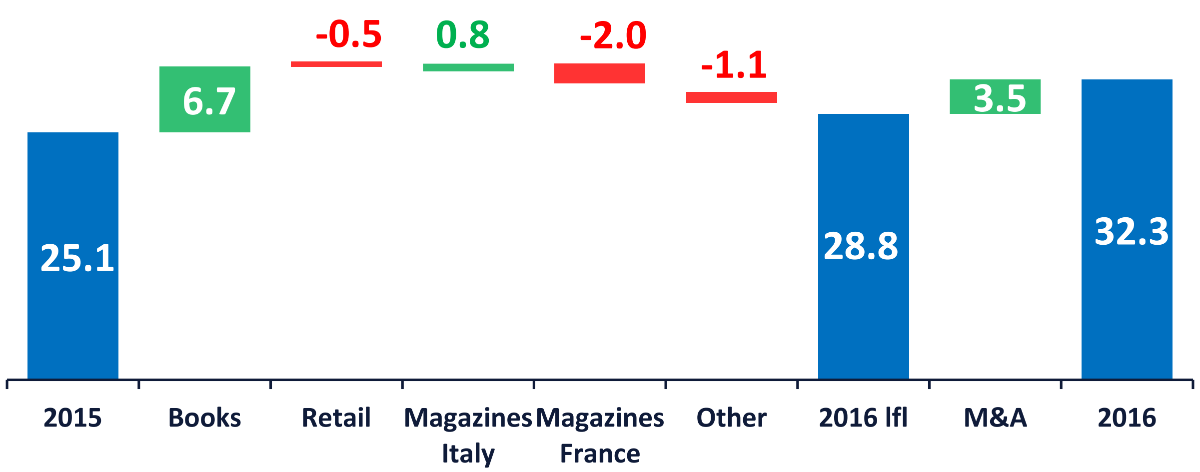
FY 2015



4Q16 & FY16 Adjusted EBITDA by Business Area

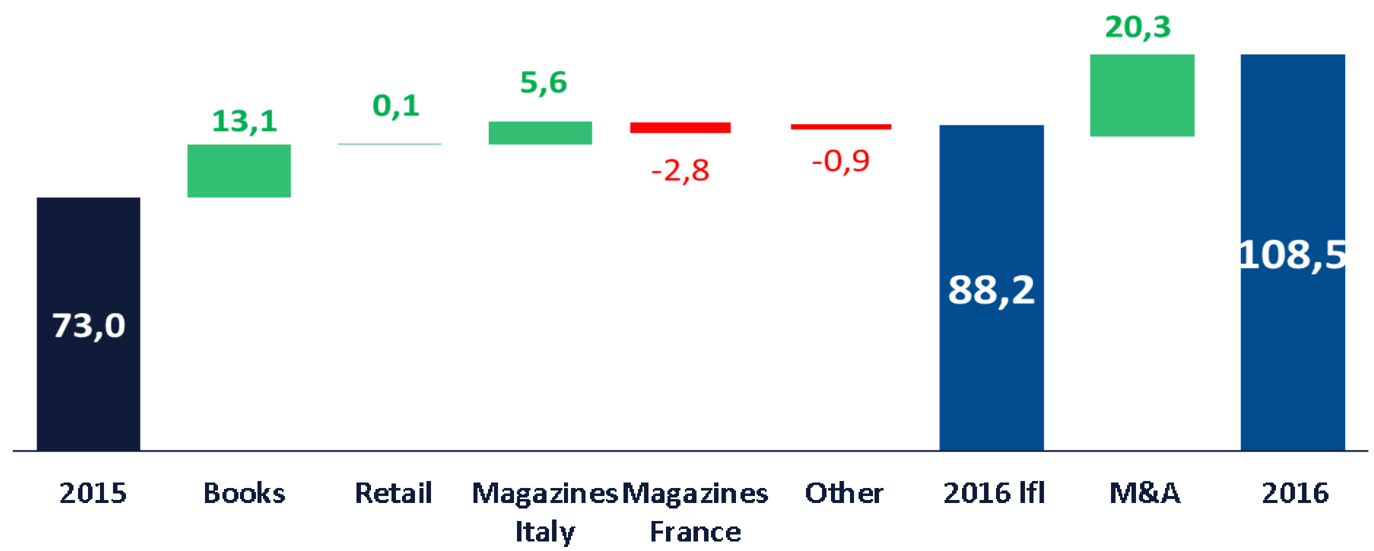
€ mn

4Q16



FY16

Acquisitions:
+19,0 mn Rizzoli Libri
+1,3 mn Banzai Media



€ mn	FY 2016	FY 2016 Like-for-like	FY 2015	*Var.%*	*Var.% lfl*
Books	75.3	55.8	42.7	*76.4%*	*30.8%*
Magazines Italy	10.5	9.1	3.5	*196.6%*	*158.6%*
Magazines France	33.2	33.2	36.0	*(8.0%)*	*(8.0%)*
Retail	1.8	2.3	2.2	*(17.5%)*	*3.6%*
Corporate and Shared Services	(12.3)	(12.3)	(11.4)	*n.m.*	*n.m.*
Adj. EBITDA	**108.5**	88.2	**73.0**	***48.5%***	*20.7%*

FY16 Reported EBITDA by Business Area

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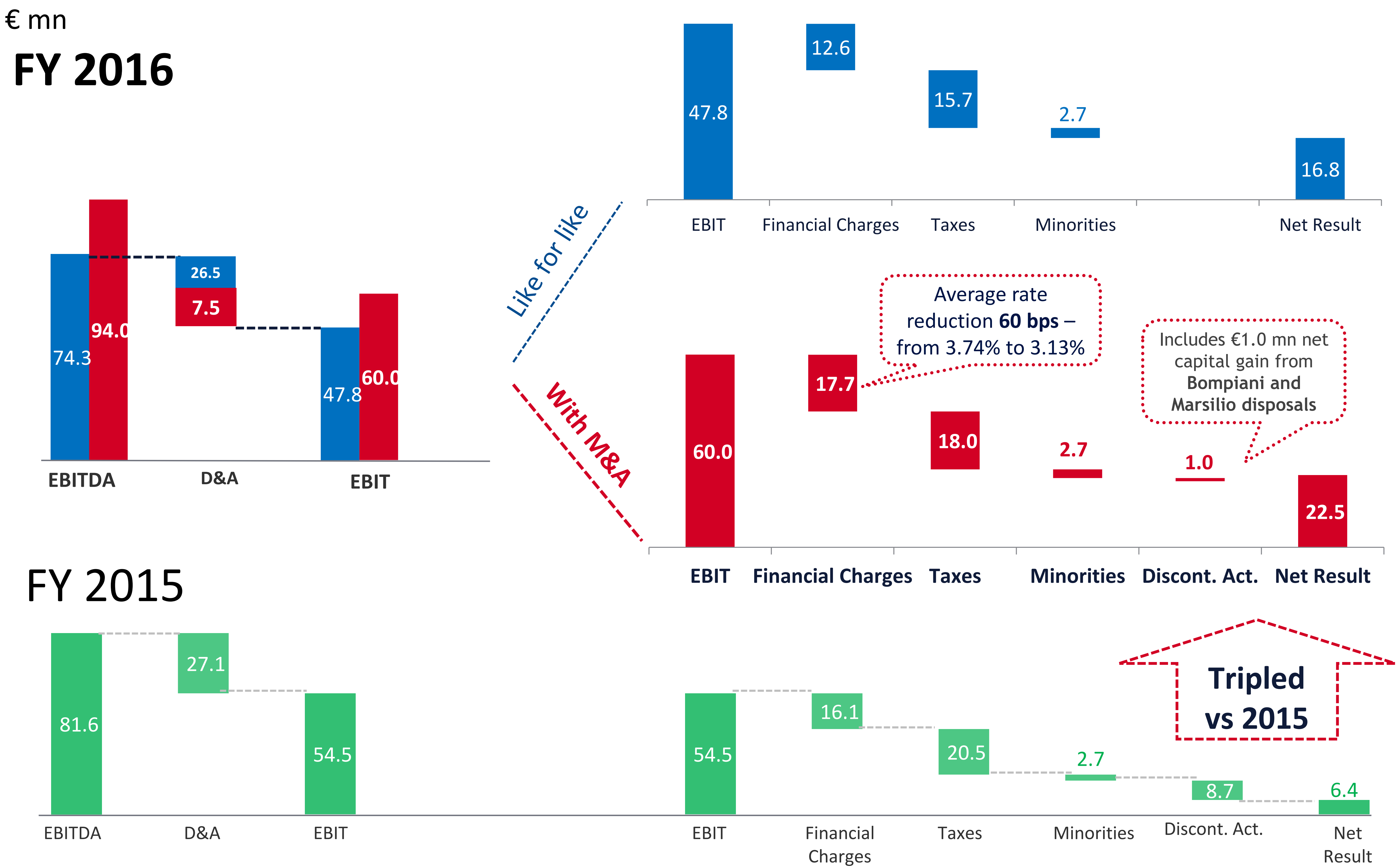
	FY 2016	FY 2015	*Var. %*
Books Mondadori	53.1	45.9	*15.6%*
Books Rizzoli (9M)	19.4		
Total Books	**72.5**	**45.9**	***57.7%***
Magazines Italy	2.9	0.4	*n.m.*
Banzai Media (7M)	0.9		
Total Magazines Italy	**3.8**	**0.4**	***n.m.***
Magazines France	**30.8**	**32.4**	***(5.0%)***
Retail	1.9	1.8	*2.6%*
Rizzoli Bookstore	(0.5)		
Total Retail	**1.4**	**1.8**	***(23.3%)***
Corporate & Shared Services	(14.4)	0.9	*n.m.*
Like-for-like EBITDA	**74.3**	**81.6**	***(8.9%)***
Total EBITDA	**94.0**	**81.6**	***+15.3%***
of which not ordinary components	*(3.7)*	*21.2*	

- **FY 2015:** capital gain for Harlequin transfer €7.6 mn;
- **FY 2016:** transaction costs RCS Libri €2.7 mn

- **FY 2016:** transaction costs Banzai Media €1.7 mn

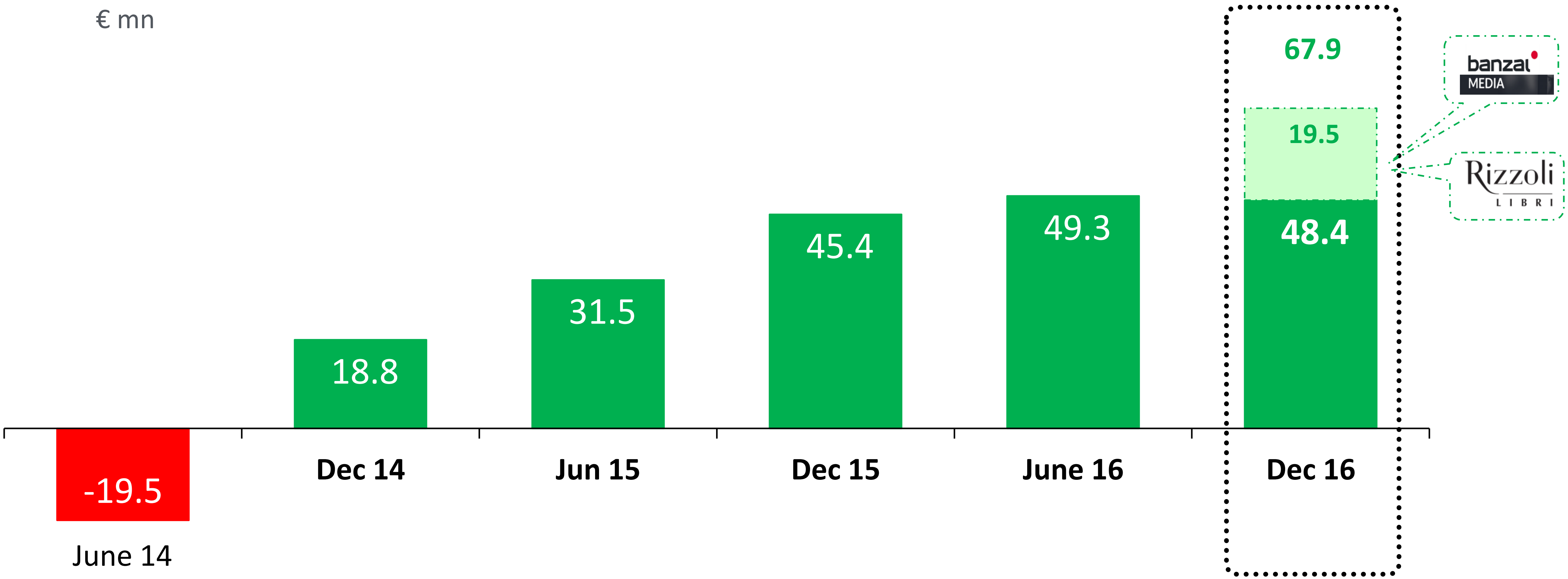
- **FY 2015:** capital gain building disposal in Rome €14 mn

FY16 from EBITDA to Net Result



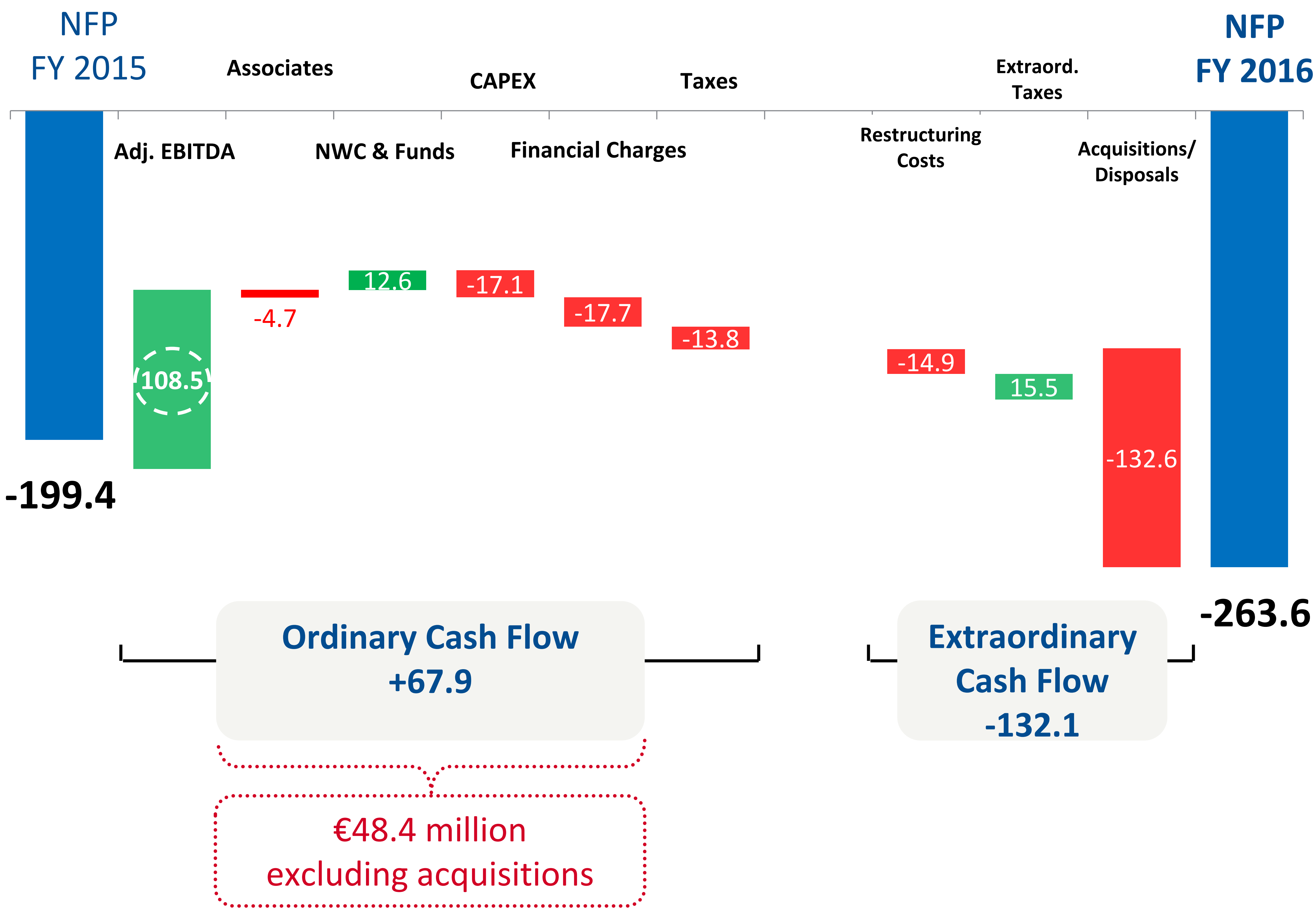
FY16 LTM Ordinary Cash Flow*

Continuos improvement of cash generation from business



* **Ordinary Cash Flow**: Operating Cash Flow net of investiments, taxes and financial charges.
Rizzoli Libri: not including the cash absorption in the 1Q16 (not consolidated), due to Education business seasonality

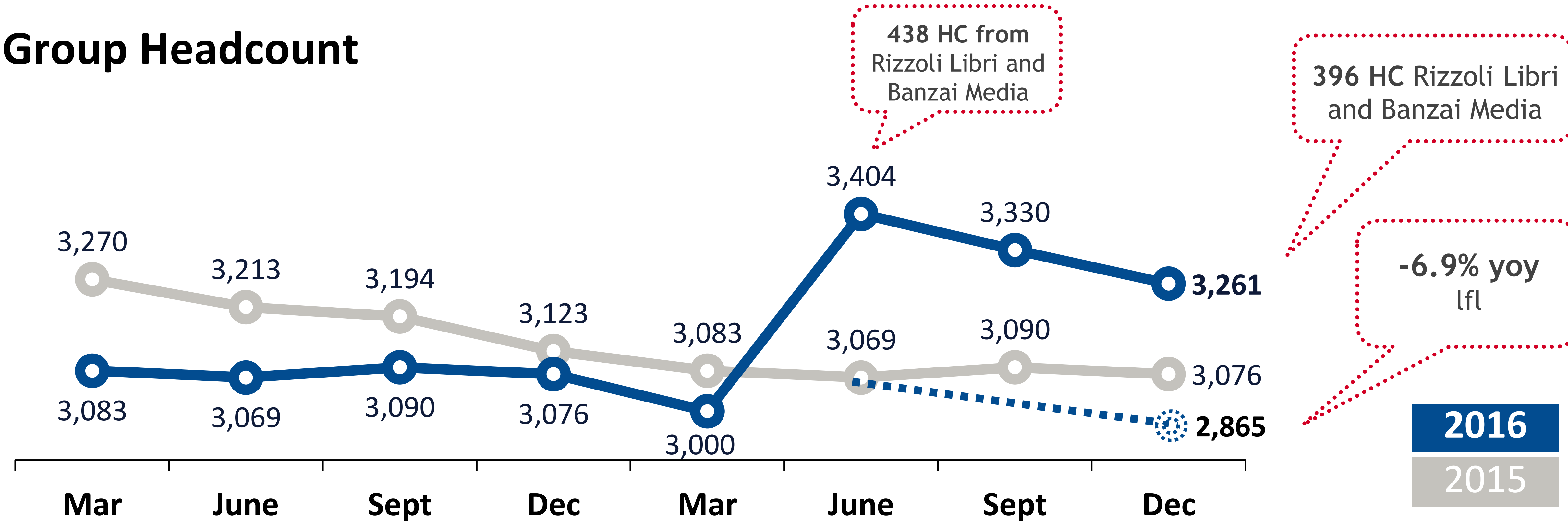
FY16 Cash Flow



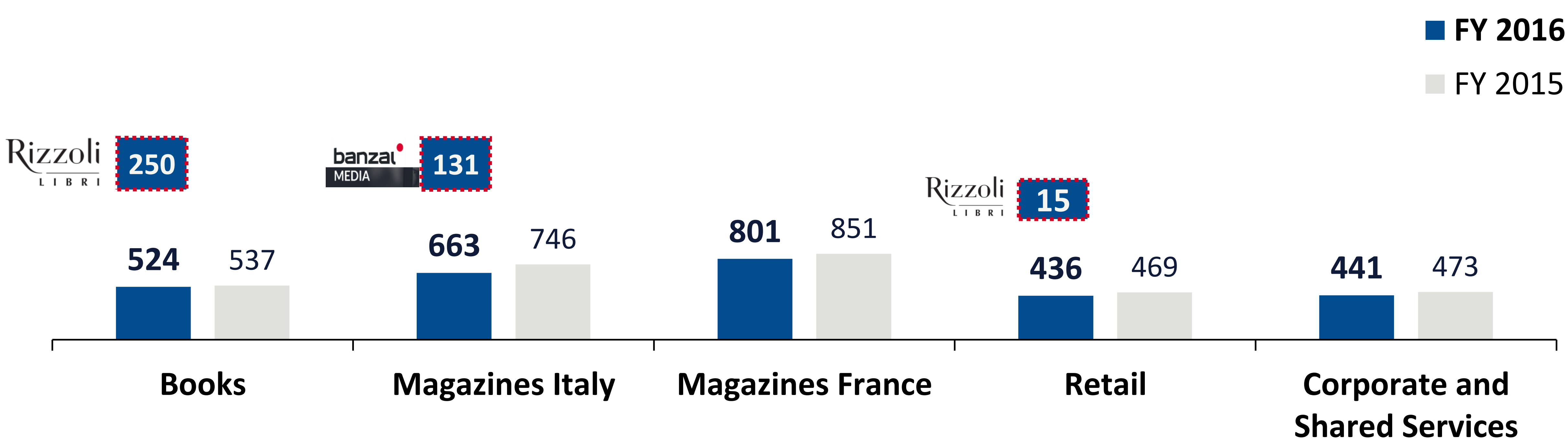
€ mn

FY16 Headcount

Group Headcount



Headcount by BU



GRUPPO MONDADORI

AGENDA

1 – FY16 Highlights

2 – FY16 Results

3 – FY 2017 Outlook

4 – Focus on Business Areas

FY17–19 Outlook

GRUPPO

2014 – 2016

✓Economic and financial balance achieved

✓First step of Group strategic assessment completed

✓**Ebitda adj** from €50 to €**100** million (pro-forma data)

✓**Positive Ebitda** in all businesses

✓NFP/Ebitda from **>7x to < 3x**

✓**Ordinary cash flow** close to €**50** million yearly

✓ Leader in the Trade Books area

✓Leader in the Education segment

✓Leader in the Retail Bookshops (network)

✓Leader in the Magazine business in Italy (print&digital)

2017 – 2019

✓ **Financial performance improvement** to be completed

✓ **Group strategic reassessment** to be continued

✓**Ebitda adj** from €100 to **115** million on actual consolidation scope

✓NFP/Ebitda adj. from **< 3x to < 1.5 x**

✓**Ordinary cash flow** in the range between € **50 - 60** million yearly

✓ **Strengthening of the *market share*** in all core businesses

✓ **Digital business** advancement

✓**Franchising network** development

FY17–19 Outlook

	TARGET 2017	TARGET 2019
REVENUES*	stable	>€1.3 bn
Adj. EBITDA*	high-single digit growth	€115 mn
Net Result	30% increase	€35 mn
NFP/Adj. EBITDA	between 2.2/2.0x	~1.3x
NFP		~€-155 mn
Ordinary Cash Flow		~€ 60 mn

** Trends calculated vs pro-forma 2016. (Pro-forma 2016: Rizzoli Libri and Banzai Media consolidated from 1° Jan 2016)*

GRUPPO MONDADORI

AGENDA

FY16 Books – Trends

Trade Market – 2016
€1,079 mn **-0.7 %**

€ mn

	FY 2016	FY 2015	Change
Chains	490	478	+2.4%
Bookstores	298	318	-6.5%
E-commerce	174	151	+15.6%
Large retailers	118	140	-15.7%

Source: GFK, Dec. 2016 (sell-out data)

3 titles winning Italian prizes

5 titles in the Top10 chart

Trade Market Share – FY2016

	FY 2016	FY 2015
GRUPPO MONDADORI	29.3%*	
MONDADORI LIBRI	23.1%	24.0%
Rizzoli LIBRI	6.2%	7.0%
GEMS	11.1%	10.6%
GIUNTI	8.7%	9.3%
la Feltrinelli	4.7%	4.6%
NEWTON COMPTON EDITORI	2.3%	2.4%
DeAGOSTINI LIBRI	2.1%	2.2%
Others	41.9%	40.0%

Education Market Share – FY2016

	FY 2016	FY 2015
GRUPPO MONDADORI	24.0%	
MONDADORI EDUCATION	12.5%	12.5%
Rizzoli	11.5%	12.1%
ZANICHELLI	21.2%	18.3%
PEARSON	15,1%	15.0%
DeAGOSTINI LIBRI	10,3%	10.0%
Other	29.4%	32.1%

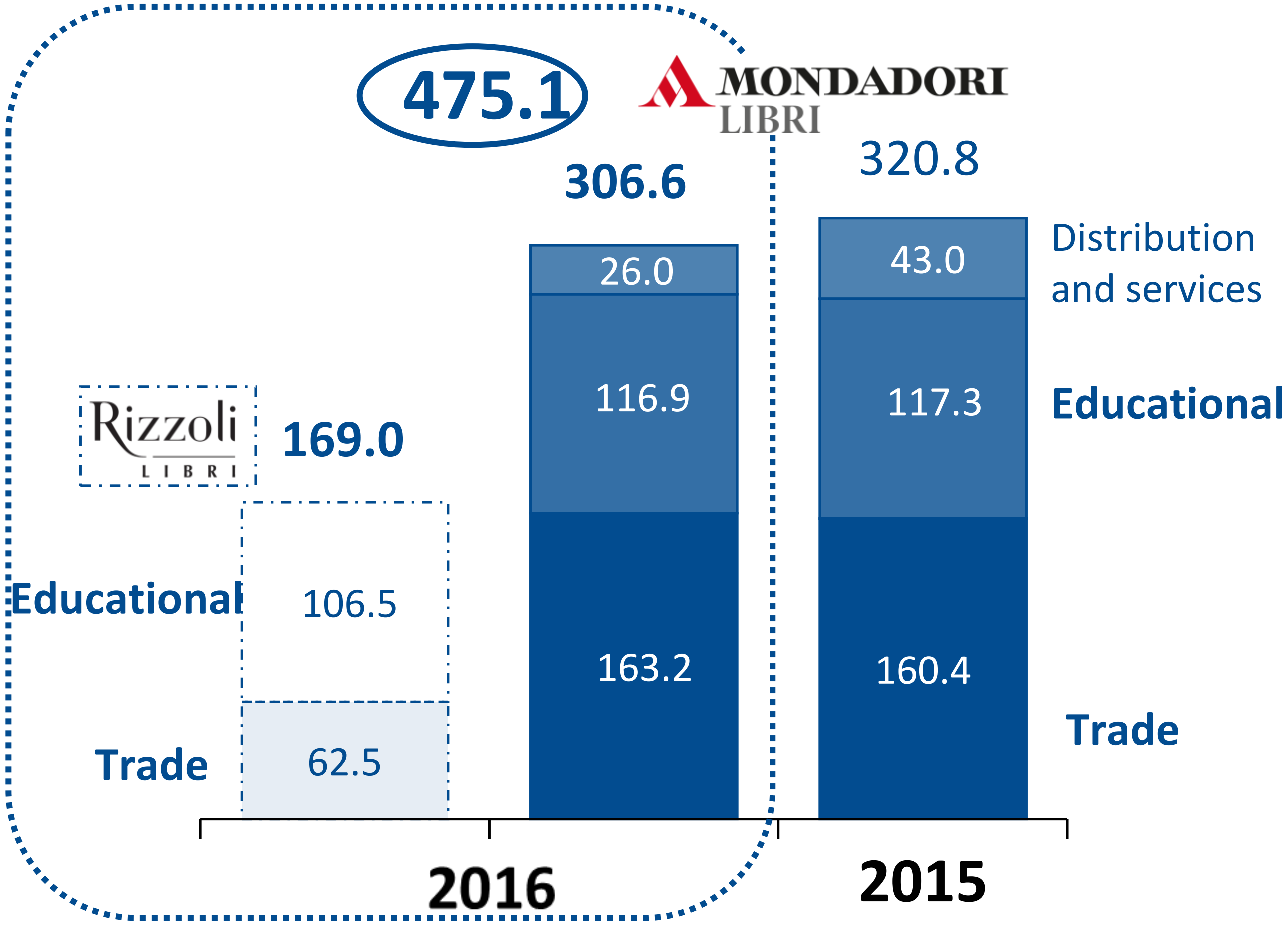
* Escludes Marsilio and Bompiani brands

Source: AIE, 2016 (adoption volumes)

FY16 Books – Financials

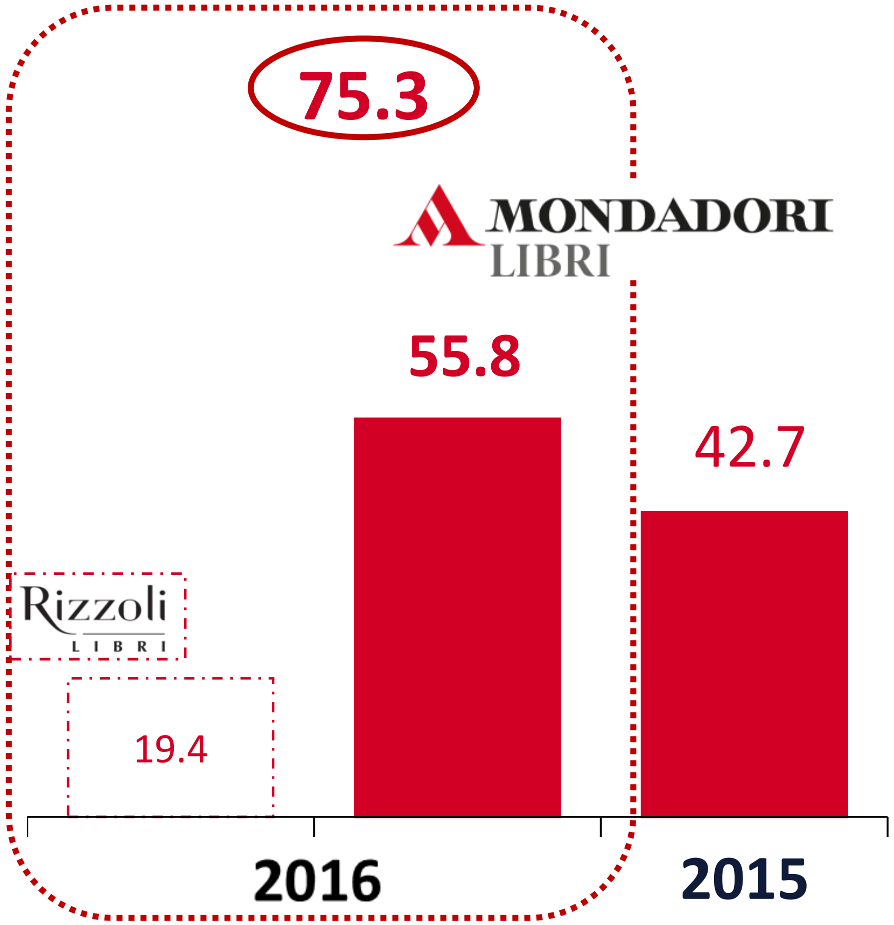
Revenues +48.1%

-4.4% lfl



Adj. EBITDA +76.4%

+30.8% lfl



REVENUES	▸ **Mondadori Trade** +1.7% (*E-book*: 6.1% of Trade) ▸ **Mondadori Educational** -0.4% (Educational +1.4%; Electa -3.2%)
Adj. EBITDA	▸ **Significant increase +30.8%** like-for-like, mainly thanks in the **Trade** segment to a more effective operating management; Ebitda margin from 13.3% to **18.2%** ▸ **Rizzoli Libri*** contribution for **€19.4 million** due to the positive **Education** performance

* Rizzoli Libri consolidata dal 1° aprile 2016

Mondadori Magazines Off & Online Brands

GRUPPO

	Italy – 40 brands	France – 32 brands
Auto		l'auto-journal, Auto Plus, AutoPlus Classiques, Auto Plus Occasions, Sport auto
Food	sale&pepe, Cucina Moderna, Cucina no problem, Guida Cucina, Giallo Zafferano, Cook Around	750g le mag
News	Panorama, altervista, Il Mio Papa, Soldionline, smartworld	
Tv	Sorrisi e canzoni TV, Guida TV, telepiù, Film tv	Télé Poche, Télé Star, Télé Star Jeux
Women	Grazia, Donna Moderna, Tustyle, Pianeta donna, Chi, Confidenze, Nostro Figlio.it, Pianeta Mamma	Grazia, mellow by Mondadori, Biba, Modes & Travaux, Closer, Veillées des Chaumières, Nous Deux, Pleine Vie
Men	ICON	
Home & Garden	Casa facile, Interni, Casabella, Design	l'Ami des jardins
Nature & Hunting		GrandGibier, Le Chasseur Français, la chasse
Science & Tech	Focus	Les Cahiers Science & Vie, Science & Vie, Science & Vie Découvertes
Images & Sound		Diapason, Réponses Photo
Kids	Focus Junior, Focus Pico, Focus Wild	Science & Vie Junior
Culture & History	Focus Storia	Science & Vie Guerres & Histoire
Health & Wellness	Starbene, Mypersonaltrainer, FarmacoeCura	Top Santé, Vital food, Vital
Others	Studenti, Zingarate, mobileworld, androidworld	

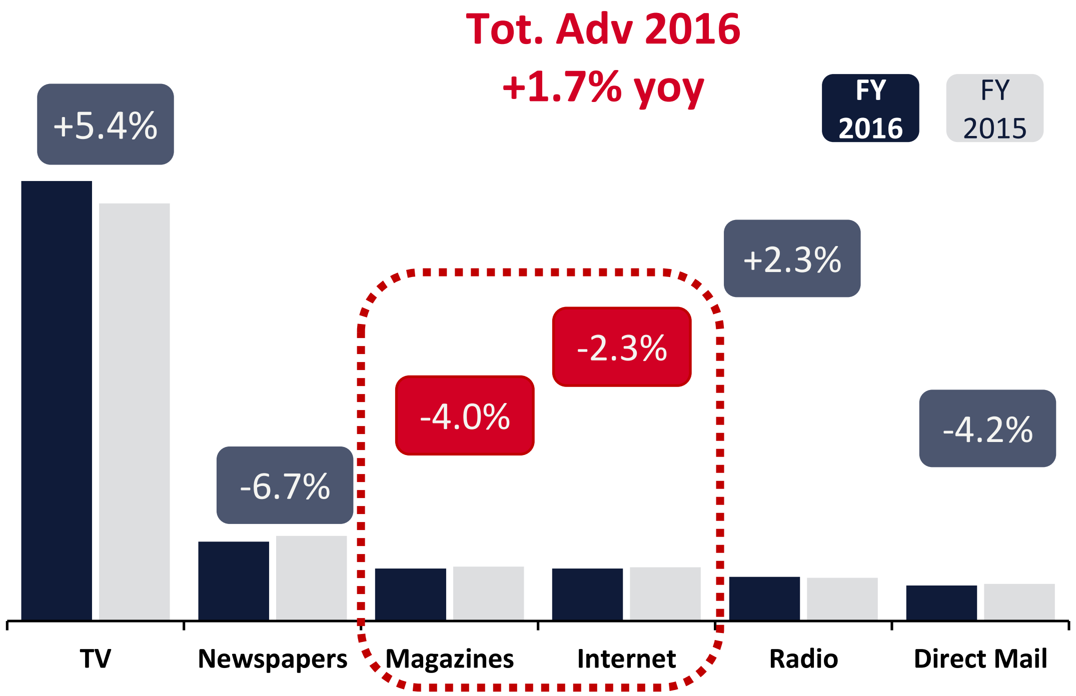
New print version out 18/03

NEW! OUT 23/03

FY16 Magazines Italy – Trends

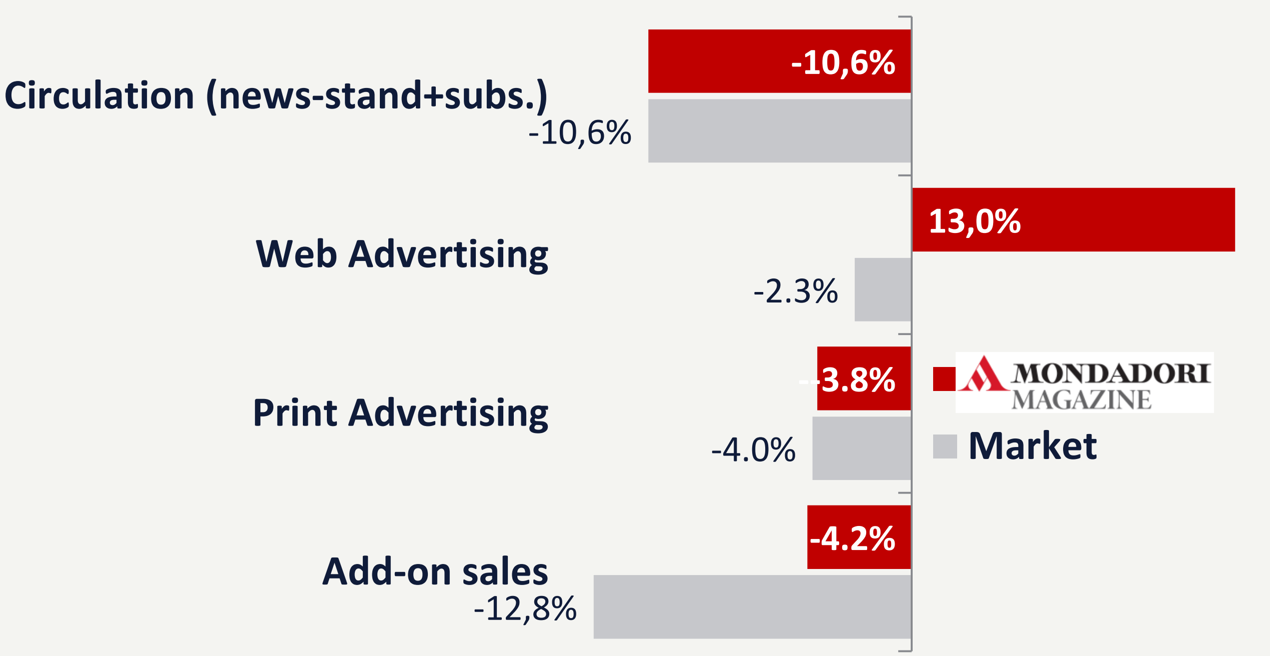
GRUPPO

Adv. Market – 2016 (€6,399 mn)



Circulation Market Shares – 2016 (€465 mn)

	FY 2016	FY 2015
MONDADORI MAGAZINE	31.7%	31.7%
CAIRO EDITORE	20.4%	18.6%
Casa Editrice Universo	10.4%	9.8%
HEARST magazines	5.7%	5.9%
RCS	5.1%	5.4%
CONDÉ NAST	3.8%	4.0%
D-PRINT	2.3%	2.9%
[logo]	2.6%	4.2%
Other	18.0%	17.5%



For the first **3 magazines** (53% of total adv), **digital advertising** represents **17%** of overall collection

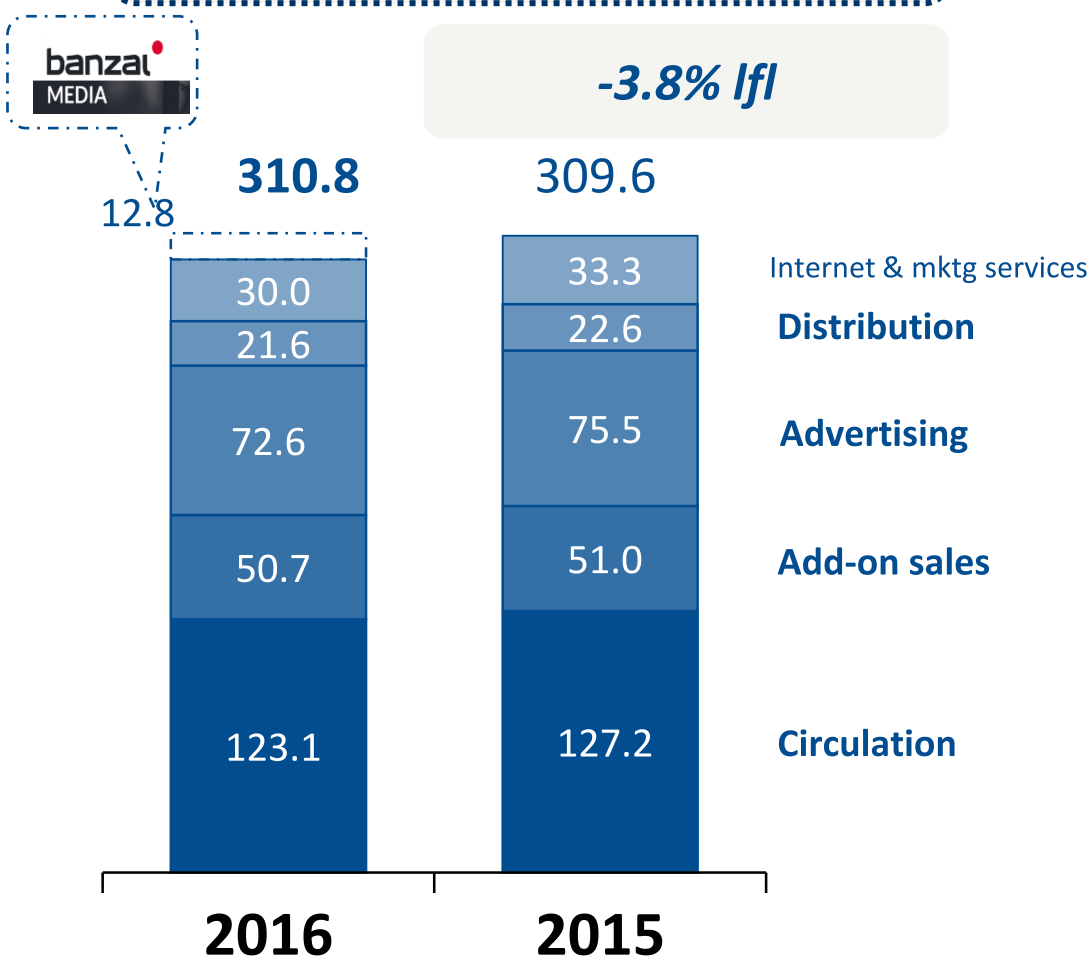
Source: advertising – Nielsen (Dec. 2016), value data;
circulations(news-stands+subscriptions) - internal source Press-di (Dec. 16), value data

FY16 Magazines Italy – Financials

GRUPPO

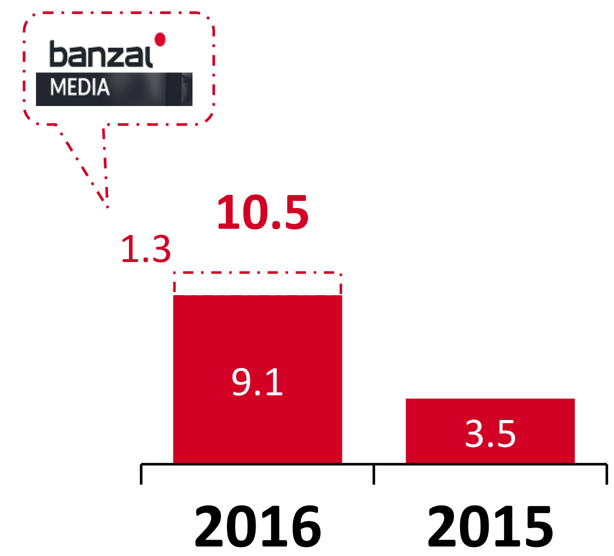
Revenues +0.4%

-3.8% lfl



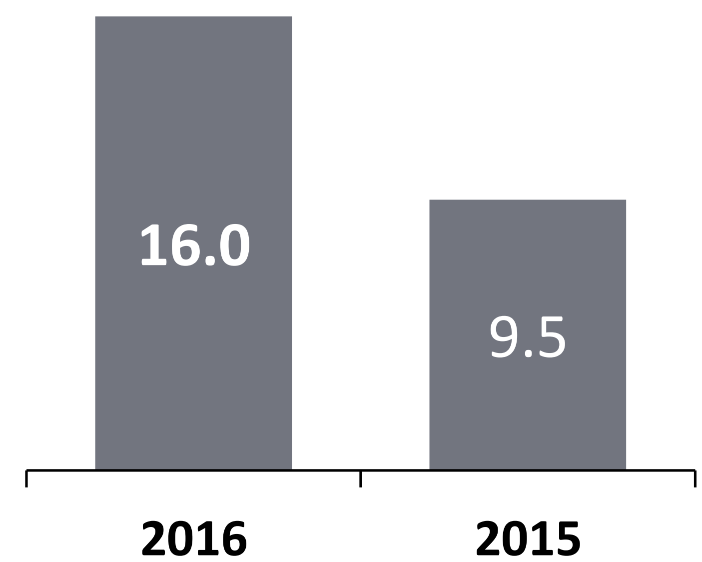
Adj. EBITDA +7.0 mn €

+5.6 mn € lfl



Web Unique Users / month (mn)

MONDADORI MAGAZINE + banzai MEDIA



Source: Audiweb (December 2016)

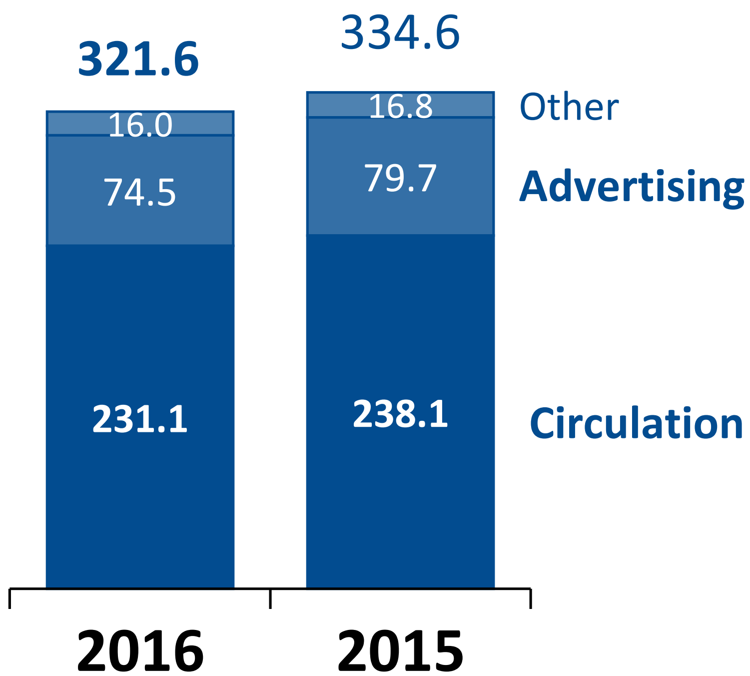
REVENUES	**+0.4%** (-3.8% exluding ***Banzai Media****): ▸ **Circulation -3.2%** ▸ **Advertising** +**13%;** in Italy, *print+web lfl* collection -3.8%; **Properties** at €18 mn (**21%** of total adv) ▸ **Add-on sales** -0.6% ▸ **Distribution and sales to third parties** -4.6%
Adj. EBITDA	**EBITDA tripled vs 2015;** relevant increase also like-for-like for the actions taken to: ▸ review editorial structure and promotional activities ▸ reduce industrial costs, also thanks to printing agreements renegotiation

*** Banzai Media consolidated since 1° June 2016**

FY16 Magazines France – Trends

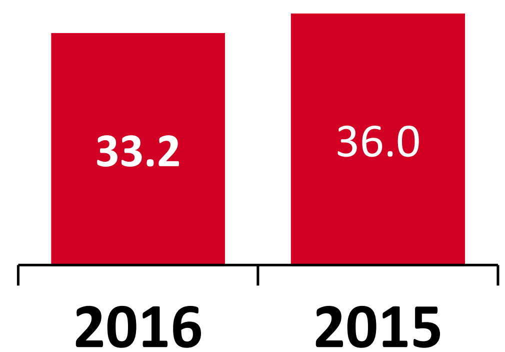
MONDADORI FRANCE
GRUPPO

Revenues -3.9%



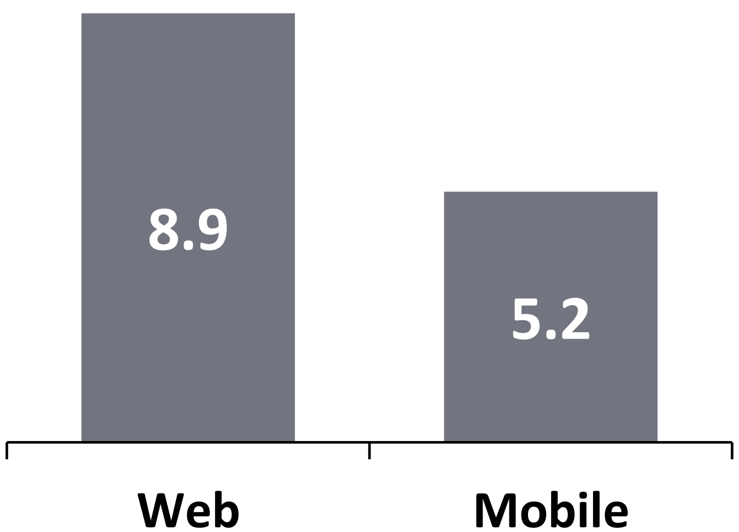
Adj. EBITDA -8.0%

Margin >10%



Unique Users / month (mn)

+3.0% yoy **+66.0% yoy**



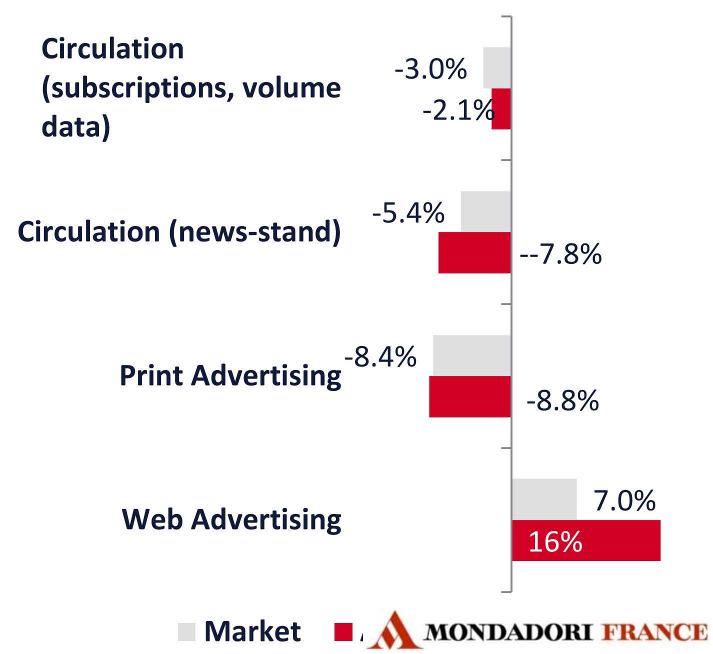
REVENUES

- **Circulation** (75% of total) down by 2.9% of which **newstands** -6.5% and **subscriptions stable** (53% of circulation revenues)
- **Advertising** (*print+web*) down by 6.5% of which **digital** (**18%** of total adv) has **grown by over 16%**

Adj. EBITDA

- **EBITDA adjusted** down due to M&A costs (€ 1.0 mn), **marginality** confirmed over **10%**
- **Positive and growing EBITDA from digital** activities

Mondadori vs Market



Adv. Market Share (volume)

	FY16	FY15
MONDADORI FRANCE	10.9%	10.8%
Lagardère	11.1%	11.5%
	10.6%	10.0%
	6.1%	6.3%
LE FIGARO	5.5%	5.4%
Other	55.8%	56.0%

Source: Circulation – internal source Presstalis Dec. 16, Adv. print – Kantar Media (value data) Dec. 16, Adv. Web – Source: PwC, SRI, UDECAM Jan. 17

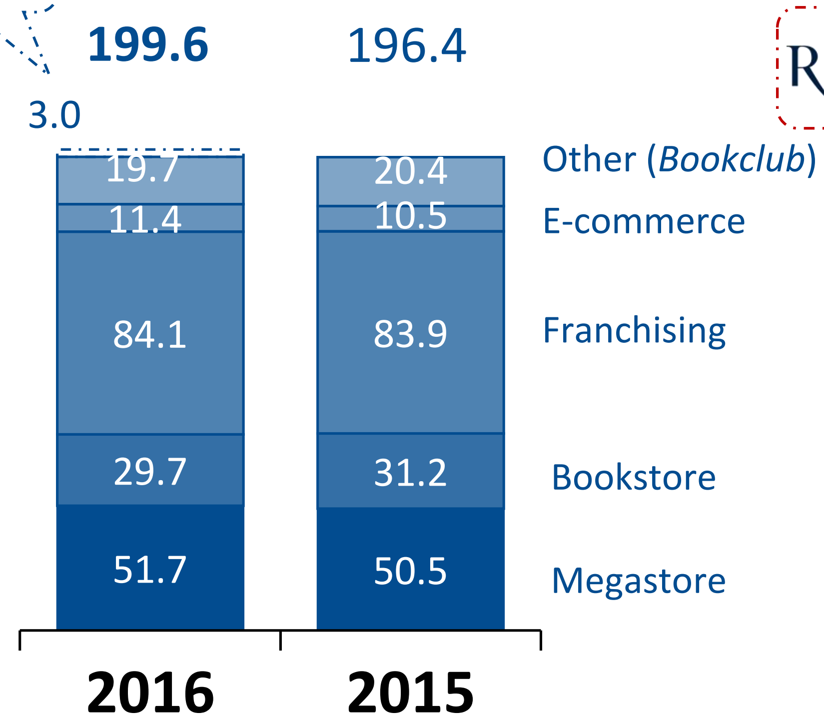
FY16 Retail – Trends & Financials

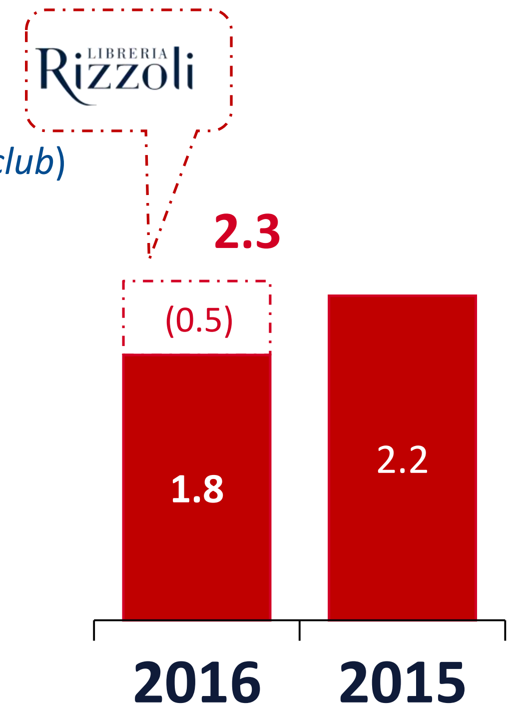
Revenues +1.6%

+0.1% lfl

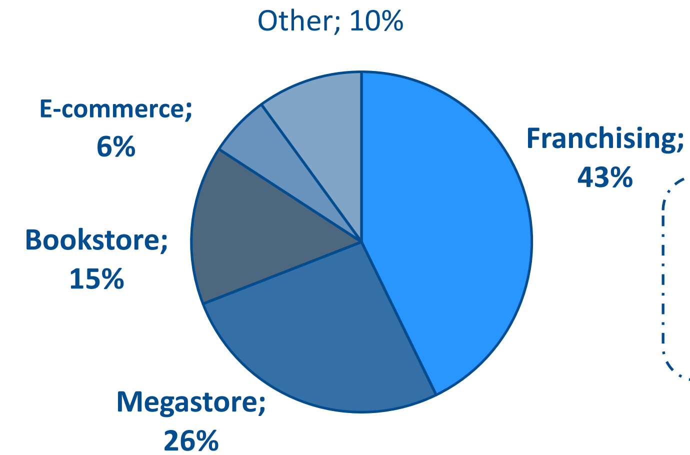
Adj. EBITDA -17.5%

+3.6% lfl





FY2016 Revenues by channel*



- **April – 10th Megastore** in the Arese shopping centre
- **Includes Librerie Rizzoli**

Franchising

	Dec 15	Var.	Dec 16
Franchising	310	+16	326
Point	231	-10	221
TOT PoS	**541**	**+6**	**547**

Directly operated Stores

	Dec 15	Var.	Dec 16
Bookstore	20		20
Megastore	9	+1	10
TOT PoS	**29**	**+1**	**30**

***"Total Store" Revenues; channels do not include Bookclub**

REVENUES

Growth by **+1.6%** (flat like-for-like):

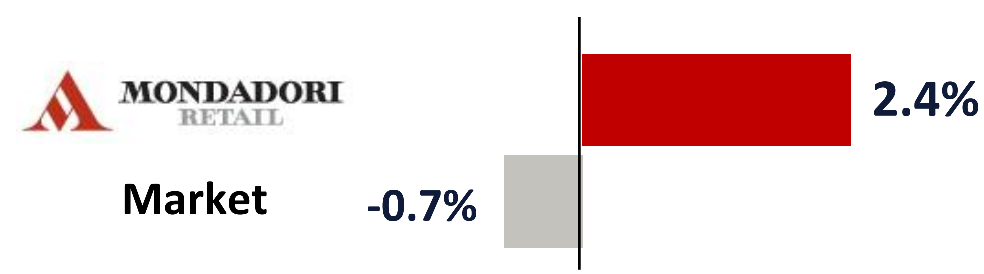
- ***Megastore* +2.4%** for new openings (-5.5**%** same PoS)
- ***Directly oper. Bookstore* -4.8%** (+2.7**%** same PoS)
- ***Bookstore* in *franchising* +0.2%** (-1.9**%** same PoS)
- ***On-line* +8.6%:** positive performance Book (+12%), in particular scholastic textbooks

Adj. EBITDA

Improvement lfl thanks to:

- fixed and labour costs reduction coming from reorganization and corporate functions integration
- constant network revision

FY2016 in the Book Market: 77% of Total Revenues*



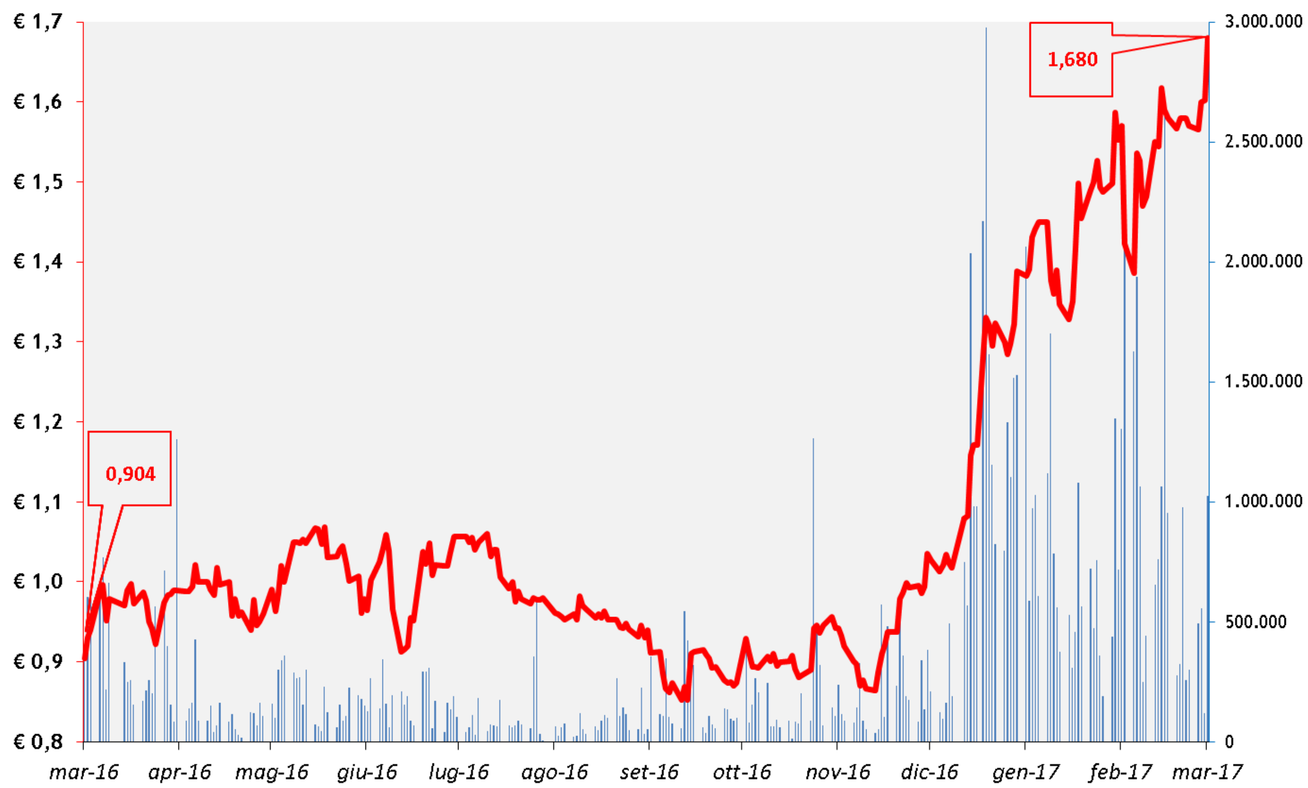
In Book segment, **market share= 14.0%** at Dec. 16 (from FY15=13.8%)

Source: GFK, Dec. 2016 (value sell-out data)

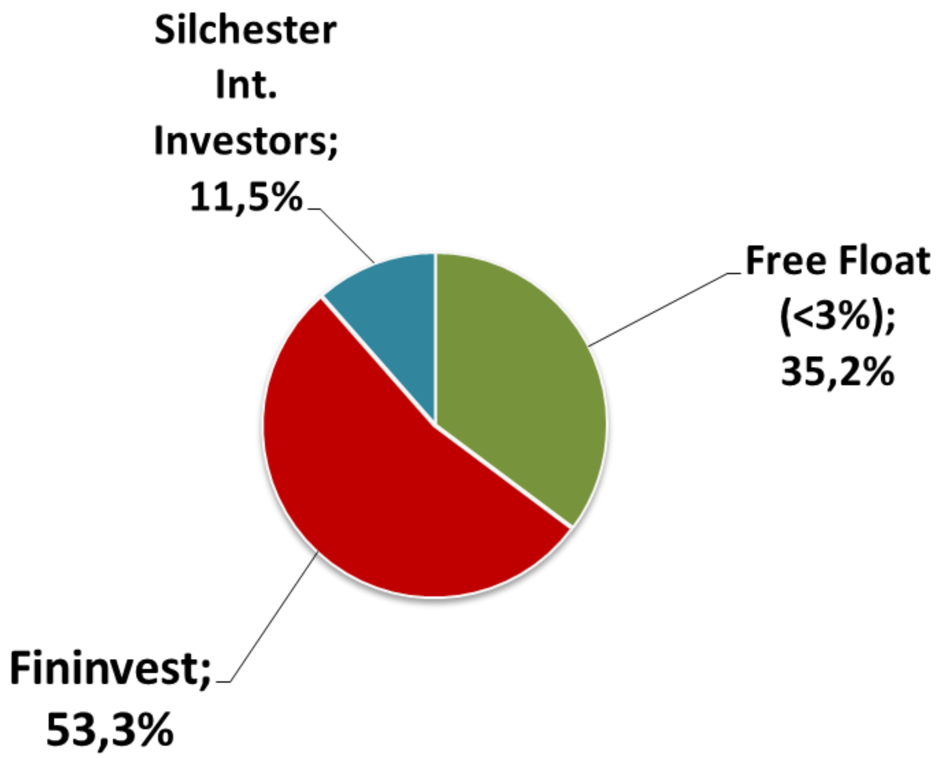
Attachments

Company Profile

1-year stock performance



Shareholding Structure



Mondadori Shares

Ticker	**MN IM (Bloomberg), MN.MI (Reuters)**
Market Cap.	**€ 439 mn**
N. Shares Outstanding	**261,458,340**
Daily average shares trading (last 30 days)	**905,000**

FY16 Profit&Loss

€ mn	FY 2016	Inc.%	FY 2016 lfl	Inc.%	FY 2015	Inc.%	Var.%	Var.% lfl
Revenues	**1,262.9**	**100.0%**	**1,090.5**	**100.0%**	**1,123.2**	**100.0%**	**12.4%**	**-2.9%**
COGS	501.0	39.7%	410.0	37.6%	434.7	38.7%	15.3%	-5.7%
Variable Costs	310.1	24.6%	276.1	25.3%	287.7	25.6%	7.8%	-4.0%
Fixed Costs	122.5	9.7%	113.2	10.4%	116.8	10.4%	4.8%	-3.1%
Personnel Costs	225.3	17.8%	205.6	18.9%	207.7	18.5%	8.5%	-1.0%
Other expenses / (income)	(3.8)	-0.3%	(1.9)	-0.2%	3.0	0.3%	n.m.	n.m.
Associates	0.5	0.0%	0.6	0.1%	(0.3)	0.0%	n.m.	n.m.
Adjusted EBITDA	**108.5**	**8.6%**	**88.2**	**8.1%**	**73.0**	**6.5%**	**48.5%**	**20.7%**
Restructuring Costs	(10.8)	0.9%	(10.2)	0.9%	(12.7)	1.1%	-15.3%	-19.5%
Not ordinary items	(3.7)	0.3%	(3.7)	0.3%	21.2	1.9%	n.m.	n.m.
EBITDA	**94.0**	**7.4%**	**74.3**	**6.8%**	**81.6**	**7.3%**	**15.3%**	**-8.9%**
Depreciation & Amortization	34.0	2.7%	26.4	2.4%	27.1	2.4%	25.6%	-2.4%
EBIT	**60.0**	**4.8%**	**47.8**	**4.4%**	**54.5**	**4.8%**	**10.2%**	**-12.2%**
Net financials	(17.7)	-1.4%	(12.6)	-1.2%	(16.0)	-1.4%	10.4%	-21.5%
Other income/(charges) from associates	0.0	0.0%	0.0	0.0%	(0.1)	0.0%		n.m.
Pre-Tax Result	**42.3**	**3.3%**	**35.2**	**3.2%**	**38.3**	**3.4%**	**10.4%**	**-8.0%**
Income Taxes	18.0	1.4%	15.7	1.4%	20.5	1.8%	-12.1%	-23.2%
Minorities	2.7	0.2%	2.7	0.3%	2.7	0.2%	0.4%	0.4%
Result from continuing operations	**21.6**	**1.7%**	**16.8**	**1.5%**	**15.1**	**1.3%**	**42.8%**	**11.2%**
Result from discontinued operations	1.0	0.1%	0.0	0.0%	(8.7)	-0.8%	n.m.	n.m.
Net Result	**22.5**	**1.8%**	**16.8**	**1.5%**	**6.4**	**0.6%**	**n.m.**	**n.m.**

4Q16 Profit&Loss

€ mn	4Q 2016	Inc.%	4Q 2016 lfl	Inc. %	4Q 2015	Inc. %	Var. %	Var. % lfl
Revenues	**327.7**	*100.0%*	**275.5**	*100.0%*	**304.9**	*100.0%*	***7.5%***	***-9.6%***
COGS	125.5	*38.3%*	99.7	*36.2%*	121.3	*39.8%*	*3.5%*	*-17.8%*
Variable Costs	82.6	*25.2%*	73.5	*26.7%*	79.6	*26.1%*	*3.7%*	*-7.7%*
Fixed Costs	35.4	*10.8%*	30.2	*10.9%*	29.5	*9.7%*	*20.0%*	*2.3%*
Personnel Costs	55.1	*16.8%*	47.2	*17.1%*	47.9	*15.7%*	*15.1%*	*-1.5%*
Other expenses / (income)	(2.8)	*-0.8%*	(3.2)	*-1.1%*	2.8	*0.9%*	*n.m.*	*n.m.*
Associates	0.5	*0.1%*	0.7	*0.2%*	(1.3)	*0.4%*	*n.m.*	*n.m.*
Adjusted EBITDA	***32.3***	***9.9%***	***28.8***	***10.5%***	***25.1***	***8.2%***	***28.9%***	***15.0%***
Restructuring Costs	(6.9)		(6.5)		(6.2)		*11.6%*	*6.2%*
Not ordinary items	(1.7)		(1.7)		13.9		*n.m.*	*n.m.*
EBITDA	**23.8**	***7.3%***	**20.6**	***7.5%***	**32.8**	***10.7%***	***-27.4%***	***-37.1%***
Depreciation & Amortization	11.8	*3.6%*	9.8	*3.5%*	8.3	*2.7%*	*42.2%*	*18.2%*
EBIT	**12.0**	***3.7%***	**10.8**	***3.9%***	**24.5**	***8.0%***	***-50.9%***	***-55.7%***
Net financials	(5.0)	*-1.5%*	(3.3)	*-1.2%*	(2.3)	*-0.8%*	*119.1%*	*43.7%*
Other income/(charges) from associates	0.0	*0.0%*	0.0	*0.0%*	0.0			
Pre-Tax Result	**7.0**	*2.1%*	**7.5**	*2.7%*	**22.2**	*7.3%*	***-68.5%***	***-66.0%***
Income Taxes	1.8	*0.5%*	3.2	*1.2%*	12.8	*4.2%*	*-86.3%*	*-74.9%*
Minorities	0.8	*0.3%*	0.8	*0.3%*	0.9	*0.3%*	*-8.5%*	*-8.5%*
Result from continuing operations	**4.4**	*1.3%*	**3.5**	*1.3%*	**8.5**	*2.8%*	***-48.4%***	***-58.8%***
Result from discontinued operations	0.3	*0.1%*	0.0	*0.0%*	0.7	*0.2%*	*n.m.*	*n.m.*
Net Result	***4.7***	*1.4%*	***3.5***	*1.3%*	***9.2***	*3.0%*	***-49.1%***	***-61.9%***

FY16 Balance Sheet

€ mn	31.12.2016	31.12.2015
Receivables	300.1	242.1
Inventory	143.4	108.2
Payables	(416.4)	(349.6)
Other assets/(Liabilities)	(14.6)	(31.7)
NET WORKING CAPITAL	**12.5**	**(30.9)**
Intangibles Assets	612.2	552.3
Tangible Assets	33.3	31.2
Stakeholdings	43.0	44.9
NET FIXED ASSETS	**688.5**	**628.5**
Provisions	(68.6)	(58.6)
Indemnity Severances	(51.0)	(44.1)
NET INVESTED CAPITAL	**581.4**	**494.9**
NET EQUITY	317.8	295.5
NET FINANCIAL POSITION	263.6	199.4
NET INVESTED CAPITAL	**581.4**	**494.9**

FY16 Net Working Capital

Like for like

€ mn	Dec 16	Dec 15	*Var.*
Net Credits	234.2	242.1	*(7.9)*
Inventory	106.7	108.2	*(1.5)*
Payables	(344.9)	(349.6)	*4.7*
Other Assets/(Liabilities)	(40.6)	(31.7)	*(8.9)*
NWC	**(44.5)**	**(30.9)**	***(13.6)***
Provisions	(56.8)	(58.6)	*1.8*
Indemnity Severances	(43.8)	(44.1)	*0.3*
Total Provisions	**(100.7)**	**(102.6)**	***2.1***
TOTAL	**(145.2)**	**(133.5)**	***(11.7)***

FY16 Net Financial Position

€ mn	FY 2016		FY 2015
	Total	**Like-for-like**	**Total**
Net Financial Position (start of the period)	***(199.4)***		***(291.8)***
EBITDA adjusted	108.6	88.2	73.0
Associates	(4.7)	(5.1)	(3.7)
NWC and Funds	12.6	4.3	14.2
CAPEX	(17.1)	(13.0)	(13.5)
Operating Cash Flow	**99.4**	**74.4**	**70.0**
Net financial charges	(17.7)	(12.6)	(17.6)
Taxes	(13.8)	(13.4)	(6.9)
Ordinary Cash Flow	**67.9**	**48.4**	**45.4**
Cash-out for restructuring	(14.9)		(21.2)
VAT receivables cash-in	15.5		8.0
Acquisitions/Disposals	(132.6)		60.2
Extraordinary Cash Flow	**(132.1)**		**47.0**
Total Cash Flow	**(64.2)**		**92.4**
Net Financial Position (end of the period)	**(263.6)**		**(199.4)**

4Q16 Revenues/EBITDA by Business Area

GRUPPO

REVENUES

€ mn	4Q16	4Q16 lfl	4Q15	Var.	Var. lfl
Books	119.7	69.2	87.7	*36.5%*	*(21.0%)*
Magazines Italy	75.9	70.3	76.6	*(0.9%)*	*(8.2%)*
Magazines France	82.3	82.3	87.8	*(6.2%)*	*(6.2%)*
Retail	64.5	63.3	64.5	*(0.0%)*	*(2.0%)*
Corporate & Shared Service	6.1	6.1	5.6	*10.2%*	*10.2%*
Intercompany	(20.9)	(15.8)	(17.3)	*20.8%*	*(9.0%)*
Group Total	**327.7**	**275.5**	**304.9**	***7.5%***	***(9.6%)***

Adjusted EBITDA

€ mn	4Q16	4Q16 lfl	4Q15	Var.	Var. lfl
Books	16.6	13.9	7.2	*132.1%*	*93.7%*
Magazines Italy	3.6	2.6	1.8	*96.9%*	*42.7%*
Magazines France	11.9	11.9	13.9	*(14.7%)*	*(14.7%)*
Retail	4.5	4.8	5.3	*(15.0%)*	*(10.3%)*
Corporate & Shared Service	(4.3)	(4.3)	(3.2)	*n.m.*	*n.m.*
Group Total	**32.3**	**28.8**	**25.1**	***28.9%***	***15.0%***

FY16 & 4Q16 Reported EBITDA by Business Area

FY16

€ mn	FY 2016	FY 2016 lfl	FY 2015	Var.%	Var.% lfl
Books	72.5	53.1	45.9	*57.7%*	*15.6%*
Magazines Italy	3.8	2.9	0.4	*n.m.*	*n.m.*
Magazines France	30.8	30.8	32.4	*(5.0%)*	-
Retail	1.4	1.9	1.8	*(23.3%)*	*2.6%*
Corporate & Shared Service	(14.4)	(14.4)	0.9	*n.m.*	*n.m.*
Total EBITDA	**94.0**	**74.3**	**81.6**	***15.3%***	***(8.9%)***

4Q16

€ mn	4Q 2016	4Q 2016 lfl	4Q 2015	Var.%	Var.% lfl
Books	14.6	11.9	6.4	*129.5%*	*86.4%*
Magazines Italy	(1.6)	(2.3)	(0.4)	*n.m.*	*n.m.*
Magazines France	11.4	11.4	12.4	*(8.0%)*	-
Retail	3.7	3.9	4.6	*(19.3%)*	*(13.8%)*
Corporate & Shared Service	(4.3)	(4.3)	9.8	*n.m.*	*n.m.*
Total EBITDA	**23.8**	**20.6**	**32.8**	***(27.4%)***	***(37.1%)***

Glossary

- **EBITDA** 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 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 nonrecurring events and transactions as set out in Consob communication DEM6064293 of 28/07/2006.

- **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).

- **Operating Cash Flow** 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.

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

- **Extraordinary Cash Flow** 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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Forward-looking Statements

Statements contained in this document, particularly the ones regarding any Mondadori Group possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties.

Mondadori Group actual results and developments may differ materially from the ones expressed or implied by the above statements depending on a variety of factors.

Any reference to past performance of Mondadori Group shall not be taken as an indication of future performance.

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