GRUPPO MONDADORI

PRESS RELEASE

BoD APPROVES INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2017[1]

- **Consolidated net revenue 924.7 million euro: down slightly versus 935.3 million euro in 9M16 (-1.1%);**

- **Consolidated EBITDA 79.3 million euro, up by 12.9% versus 70.3 million euro at 30 September 2016 driven also by gains;**

- **Net result shows a positive 31.2 million euro, up by 13.3 million euro versus 17.9 million euro at 30 September 2016;**

- **Group net financial position at -256 million euro improves by 73 million euro versus -329 million euro at 30 September 2016;**

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OUTLOOK FY 2017

- **Versus 2016 pro-forma[2] figures, revenue slightly down, "high single-digit" growth of adjusted EBITDA, with resulting improvement in profit margins and sharp increase in net profit (+30%);**

- **Net financial position expected with a debt/adjusted EBITDA ratio below 2.0x**

Segrate, 9 November 2017 - 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 2017 presented by CEO Ernesto Mauri.

9M17 HIGHLIGHTS

In 9M17, on a like-for-like consolidation basis with Rizzoli Libri versus 2016, the Group confirmed its operational improvement for the fourth consecutive year, posting an **approximately 9% increase in adjusted EBITDA**; **concurrently**, the Group continued on its path to **achieve the targets** set for the whole year, despite the lower-than-expected magazine market trend, mitigated however by greater operational efficiency and by the implementation of cost cutting measures.

The **LTM cash flow from ordinary operations** amounted to approximately **52 million euro**, continuing the positive performance of cash generated by the Group's businesses which, along with the extraordinary transactions involving the strategic rationalization of the portfolio of activities, **improved the net financial position by over 70 million euro, reaching -256 million euro** versus -329 million euro in 9M16.

Net profit in 9M17 (**+31.2 million euro**) **improved by over 13 million euro** versus 30 September 2016, due also to the contribution of a number of positive extraordinary items.

1 9M17 at Group level includes, as from 1 January, the contribution of Rizzoli Libri, which was outside the scope of consolidation in 1Q16, and Banzai Media activities, consolidated as from 1 June 2016 and merged by incorporation into the Parent Company Arnoldo Mondadori Editore S.p.A., with accounting effects as from 1 January 2017.

2 Pro-forma figures: consolidation of Rizzoli Libri and Banzai Media assumed as from 1 January 2016; revenue of approximately 1,280 million euro and adjusted EBITDA of approximately 100 million euro.

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GROUP PERFORMANCE AT 30 SEPTEMBER 2017

Consolidated revenue in 9M17 amounted to **924.7 million euro**, down slightly (-1.1%) versus the prior year, due mainly to the performance of the Magazines areas, affected by the acceleration of the negative trends of the markets, and to the targeted reduction in revenue from consumer electronics products in the Retail Area.
In the Books Area, revenue in 9M17 **increased by 8.4%**, driven by the positive performance of both the Trade and Educational areas, amplified by the different consolidation period of Rizzoli Libri (present only from the second quarter of 2016).

On a like-for-like consolidation basis with Rizzoli Libri (excluding 1Q17), **adjusted EBITDA grew by 8.6%** (**82.7 million euro** versus 76.1 million euro in 9M16) with a percentage on revenue increasing from 8.1% to **9.1%** - especially in the Books (from 58.7 million euro to 68.1 million euro net of Rizzoli Libri's first quarter) and Magazines Italy areas (+24%).
Including the result of Rizzoli Libri as from 1 January, **adjusted EBITDA** amounted to 75.2 million euro, as a result of the negative contribution of -7.5 million euro in 1Q17, attributable to the seasonal nature of the Education business, which includes in the first quarter expenses to promote the campaign on school textbooks adoption.

Consolidated EBITDA improved by 12.9% (from 70.3 million euro to 79.3 million euro), driven by the gains from the disposal of certain assets in the second quarter of the year.

Consolidated EBIT at 30 September amounted to **55.1 million euro**, **up by approximately 14.9%** versus 30 September 2016, and includes amortization, depreciation and impairment of 24 million euro, up by approximately 2 million euro versus 9M16 from the impact of the amortization of Banzai Media intangible assets (1.8 million euro) and the amortization of capitalized expenses of the Rizzoli Libri school business (3 million euro).

Consolidated profit before tax came to **44.9 million euro** and includes financial costs of 10.2 million euro, down versus the prior year (12.7 million euro), as a result of a lower average net debt and an average interest rate reduced by approximately 50 bps.

The overall tax burden in the period amounted to 11.8 million euro (16.2 million euro in 2016), benefiting from the adjustment of deferred tax of Mondadori France of 3.8 million euro, following the reduction in the rate introduced by the 2017 Budget Law (no. 2016-1917) from 34.4% to 28.9% starting from 2019.

At 30 September 2017, **Group employees** amounted to **3,053 units**, **down by 8.3%** versus 3,330 units at September 2016, as a result of the disposal of the logistics activities in May, and of the ongoing restructuring and efficiency improvement measures involving each of the Group's business areas.

CONSOLIDATED FINANCIAL HIGHLIGHTS IN 3Q17[3]

In 3Q17, **consolidated revenue** amounted to **371.8 million euro**, basically **in line** with 3Q16. A performance achieved thanks mainly to the publication from September in the Books Area of the bestsellers by Ken Follett (*La colonna di fuoco*) and Dan Brown (*Origin*).
The Retail Area also increased revenue versus the prior year, driven by the promotional activities launched in the quarter.
Revenue from magazines both in Italy and France continued the downward trend witnessed in prior quarters.

[3] *3Q17 and 3Q16 are comparable considering the consolidation scope of Rizzoli Libri and Banzai Media activities.*

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Adjusted EBITDA grew by 8.3% in the quarter, driven by the revenue trend of the Books Area (+6.5%) and by the implementation of ongoing cost-cutting measures in other business areas, confirming the Group's continued efficiency recovery.
Consolidated EBITDA, including extraordinary items, confirmed the growth trend.
Consolidated net profit, after the minority shareholders' result, **came to approximately 27 million euro**, **up by 24.1%** versus 30 September 2016.

OUTLOOK 2017

In light of the trend of the markets and the Group's performance in the first nine months, it is reasonable to estimate for 2017 **-** versus the 2016 pro-forma figures **-** a slight drop in revenue and a "high single-digit" growth of adjusted EBITDA, with a resulting improvement in profit margins and a sharp increase of approximately 30% in net profit.
Net debt at end 2017 is confirmed at a debt/adjusted EBITDA ratio below 2.0x.

PERFORMANCE OF GROUP BUSINESS AREAS AT 30 SEPTEMBER 2017

- ***BOOKS***

In 9M17, the Mondadori Group retained its **leadership** position in the **trade** books market (**28.4%**), placing 6 titles in the top 10 best-selling books in terms of value, besides winning the 2017 Strega Prize with *Le otto montagne* by Paolo Cognetti (Einaudi), and the 2017 Campiello Prize with *L'arminuta* by D. Pietrantonio (Einaudi). Einaudi is also the publisher in Italy of Kazuo Ishiguro, winner of the 2017 Nobel Prize in Literature.
The Group also confirmed its leadership in the **school textbooks** segment, with a market share steady at **24%**.

The Area's revenue amounted to **385.3 million euro**, **up by 8.4%** versus 355.5 million euro in 9M16, driven by the positive performance of both the Trade and Educational areas, amplified by the different consolidation period of Rizzoli Libri (present only from 2Q16).

- trade revenue **increased** by **+4.2%** versus 9M16 as a result, as mentioned earlier, of both the publication and distribution from September of the bestsellers *La colonna di Fuoco* by Ken Follett (Mondadori) and *Origin* by Dan Brown (Mondadori), and of the different consolidation period of Rizzoli Libri versus 2016;
- Educational revenue **increased by 8.1%** versus 9M16, thanks to the positive performance of the school textbooks segment (+1.6%) and the sharp rise by Electa in museum and publishing activities (+16.6%);
- revenue from distribution and services on behalf of third publishers was **up by +37.6%** versus 9M16 as a result of the above mentioned different consolidation period of Rizzoli Libri;
- revenue from Rizzoli International Publications, including the sales of the Rizzoli Bookstore in New York, amounted to 19.9 million euro versus 13 million euro in 9M16, as a result of the different consolidation period, of the positive trend of the publishing schedule, and of the consolidation of the former joint venture Skira Rizzoli Publications.

Adjusted EBITDA of the Books Area came to **60.6 million euro**; net of the loss reported in the first quarter by Rizzoli Libri, attributable to the typical seasonal nature of the school textbooks business, adjusted EBITDA would amount to approximately 68 million euro, **up by approximately 16%** versus 9M16 (58.7 million euro), as a result of the positive trend of revenue achieved by the Trade segment and by Electa, and of the progress in the integration process of Rizzoli Libri and the resulting synergies.
EBITDA amounted to **60.4 million euro**, **up by 4.4%** versus the prior year (57.9 million euro at 30 September 2016).

- ***RETAIL***

At 30 September 2017, the **market share** of Mondadori Retail in the **Books** segment (**80% of revenue**) rose to **15.3%**[4].

4 *Source: GFK, September 2017 (figures in terms of market value)*

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In 9M17, the Area achieved revenue of **132.6 million euro**, down by 1.8% versus 135 million euro in 9M16, due also to the targeted reduction in revenue from consumer electronics products. In the third quarter, revenue grew by 2.5% versus the prior year, driven by the promotional activities launched in the quarter.

The analysis by channel shows the following:
- a 6.5% drop by Megastores, due to the shrinking sales in consumer electronics and to closure of a store in Palermo (July 2017). The **Books** category **grew by 3.2%**, confirming the effectiveness of the actions undertaken in terms of assortment and promotion campaigns;
- a 1% drop by directly-managed bookstores, also following closure of a store in the province of Milan in May 2016 (+8.9% on a like-for-like basis in terms of stores);
- a slightly negative performance of Franchised Bookstores (-1.5%, also on a like-for-like basis in terms of stores);
- an approximately 35.5% increase in the online segment, driven by the positive performance of sales related to the government's "Culture Bonus" for 18 year olds ("18app");
- for book clubs, a trend in line with the structural decline forecast for the segment in the medium-term development plan.

Adjusted EBITDA of Mondadori Retail came to **-3.9 million euro**, deteriorating versus -2.7 million euro reported in 9M16, as a result of the structural decline in sales volumes in the book clubs channel, and the temporary decline of the franchised channel, affected by a number of promotional campaigns whose benefits are expected to be felt in the coming months, and by the costs associated with the targeted reduction in the sales of consumer electronics products.
EBITDA came to **-4.6 million euro** (-2.3 million euro in 9M16), also as a result of higher restructuring costs (1.5 million euro).

- ***MAGAZINES ITALY***

In Italy, the Mondadori Group retained its **leadership** in magazines, **increasing its share to reach 31.8%,** in a market hit by shrinking circulation. In 9M17, in line with the selective strategy on the development of the product portfolio to sustain revenue and optimize editorial costs, Mondadori launched two new publications - *Giallo Zafferano and SPY* - which continue to receive a warm response from the public.

With an audience of 15.8 million unique users/month[5], Mondadori was once again **Italy's top traditional publisher also in the digital business**. In the same reporting period, ComScore counted **21.9 million unique users/month** of the Group brands.

The Area's revenue amounted to **216.2 million euro**, down by 7.9% versus 234.8 million euro in 9M16, due also to the sharp drop in add-on sales.
Specifically:
- circulation revenue (newsstands + subscriptions) fell (-5.1%) less than the relevant market trend (-11.9%[6]).
- advertising revenue (print + web) **increased by 1.4%**; gross advertising sales in Italy, driven by the contribution of the consolidation of Banzai Media activities, were up by 13%, bringing the percentage of **digital revenue** on the total to **28%**.
  Print advertising sales in Italy - on a like-for-like basis of titles and barter deals for goods - outperformed (-4.1%) the relevant market trend (-7% at August[7]); digital advertising sales grew by 2% (on a pro-forma basis).
- Revenue from add-on products, as mentioned, dropped sharply (-29.4%) versus 9M16, in line with the market trend.

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[5] *Source: Audiweb, January-August 2017 average figure*
[6] *Internal source: Press-di, cumulative figures at August 2017 (newsstands + subscriptions in terms of value)*
[7] *Source: Nielsen, cumulative figures at August 2017*

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- distribution and revenue towards third publishers dropped at a more moderate pace (-2.1%) than the relevant markets, thanks to the ongoing commitment to developing third-publisher portfolios and to the increased amount of services provided.

Adjusted EBITDA in the Magazines Italy Area **improved by approximately 23.9%**, rising from 6.9 million euro to **8.5 million euro**, driven mainly by the benefits of the digital business achieved with the combination of *ex* Banzai Media's teams and products; print activities reported a slight decrease in margin, almost offsetting the drop triggered by the trend of the markets, with ongoing optimization actions and containment of editorial and overhead costs.
The Area's **EBITDA improved** further, closing at **8.2 million euro**, **up** versus 5.3 million euro in 2016.

- ***MAGAZINES FRANCE***

In 9M17, revenue from Mondadori France amounted to **220.1 million euro**, down by 8% versus 239.4 million euro in 9M16.
Specifically:

- Circulation revenue (approximately 75% of the total) posted a more moderate downturn (-5%) than the relevant market (-7%), as a result of the improved performance of the subscriptions channel.
  In September, Mondadori France launched *Dr. Good*!, the new bi-monthly women's health magazine, which scored positive results in terms of advertising and circulation (over 100 thousand copies).
  Revenue from the sale of digital copies grew sharply in 9M17 versus 2016, driven by the new partnerships with a number of French telco players to offer Mondadori France brands to their subscriber base.
- Advertising revenue fell by an overall -18.5% versus 9M16; print advertising, accounting for over 85% of total advertising revenue, was basically in line (-12.9%) with the relevant market (-11.4%[8]), while the performance on the digital channel was affected by the internalization of advertising sales of the mobile/video segment, which led to a temporary drop in revenue (-23%), in a market that lost 8% at August[9].

In the reporting period, Mondadori France retained its position as **second top player in the magazine advertising market**, with a **10.7%** share[10].

The **digital readers** (web, mobile & tablet) of Mondadori France magazines reached **11.2 million unique users**[11], down by approximately -4% versus the average figure in 9M16.

Adjusted EBITDA came to **16.8 million euro** versus 21.3 million euro in 9M16. The drop is mainly attributable to the downturn in circulation and in advertising revenue, and to the increase in circulation expenses, not fully offset by cost reductions. Adjusted EBITDA was also affected by the increase in rental costs for the offices (1.1 million euro) and by the deconsolidation from 1 May of NaturaBuy: net of the latter two effects, the decline in business would amount to approximately 3 million euro in 9M17.
Reported EBITDA amounted to **18.2 million euro**, down by approximately 6% versus 9M16, driven by the positive contribution of the gain of 4.3 million euro from the disposal of NaturaBuy in May.

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[8] Source: Kantar Media, cumulative figures in terms of volume at August 2017
[9] Source: SRI, August 2017
[10] Source: Kantar Media, cumulative figures in terms of volume at July 2017
[11] Source: Nielsen, January-July 2017 average figure

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SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Arnoldo Mondadori Editore S.p.A. continued to purchase treasury shares, as previously disclosed to the market on 26 June 2017, in execution of the resolution adopted by the Shareholders' Meeting held on 27 April 2017, authorizing the purchase and disposal of treasury shares for a maximum amount of up to 0.96% of the share capital, which is intended to provide the Company with the 2.49 million shares needed in the three-year period to meet the obligations under the 2017-2019 Performance Share Plan approved by the Meeting. Following the purchases made so far, Arnoldo Mondadori Editore S.p.A. holds to date 760,000 treasury shares, equal to 0.291% of the share capital (including the 80,000 shares purchased in the period from 30 November to 2 December 2016, as per disclosure to the market on 6 December 2016).

On 19 October, the Mondadori share moved from the FTSE Italia Small Cap index to the FTSE Italia Mid Cap index.

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*The documentation relating to the presentation of the results at 30 September 2017, will be made available through the authorized storage mechanism 1Info (*www.1info.it*) and in the Investors section of the Company's website* www.mondadori.it*.*

This Interim Report at 30 September 2017 approved by the Board of Directors will be available on 10 November 2017 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 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 - third quarter*
4. *Group cash flow*
5. *Glossary of terms and alternative performance measures used*

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Annex 1
Consolidated balance sheet

(€mn)	9M17	2016	9M16
Net receivables	332.4	300.1	342.7
Net inventory	145.2	143.4	165.9
Trade payables	-435	-416.4	-441.2
Other assets/(liabilities)	10.2	-14.6	7.5
NWC and Provisions	**52.8**	**12.5**	**74.9**
Intangible assets	598	612.1	599.9
Tangible assets	27.5	33.3	34
Investments	41.4	43	44.7
Net Fixed Assets	**666.8**	**688.5**	**678.6**
Provisions	-70.5	-68.6	-75.5
Post-employment benefits	-47.5	-51	-50.1
Discontinued assets / (liabilities)			10.9
NET INVESTED CAPITAL	**601.5**	**581.4**	**638.8**
Share Capital	68	68	68
Minority shareholders' reserves and equity	246.3	227.3	223.9
Net result	31.2	22.5	17.9
Equity	**345.5**	**317.8**	**309.8**
NFP	**256**	**263.6**	**329**
TOTAL EQUITY	**601.5**	**581.4**	**638.8**

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Annex 2
Consolidated income statement

Euro/millions	9M17	% growth on revenue	9M16	% growth on revenue	Var. %
Revenue from sales and services	**924.7**	*100.0%*	**935.3**	*100.0%*	***-1.1%***
Cost of sold items	282.3	*30.5%*	293.3	*31.4%*	*-3.8%*
Variable costs	314.7	*34.0%*	316.2	*33.8%*	*-0.5%*
Fixed costs	74.1	*8.0%*	71.9	*7.7%*	*3.0%*
Cost of personnel	173.9	*18.8%*	175.7	*18.8%*	*-1.0%*
Other costs/(income)	2.1	*0.2%*	2.0	*0.2%*	*2.2%*
Result - associates	-2.5	*-0.3%*	0.0	*0.0%*	*n.s.*
Adjusted EBITDA	***75.2***	***8.1%***	***76.1***	***8.1%***	***-1.3%***
Restructuring costs	-5.0		-3.9		*28.1%*
Positive/(negative) extraordinary items	9.1		-2.0		*n.s.*
EBITDA	**79.3**	***8.6%***	**70.3**	***7.5%***	***12.9%***
Amortization, depreciation and impairment	24.2	*2.6%*	22.3	*2.4%*	*8.6%*
EBIT	**55.1**	***6.0%***	**48.0**	***5.1%***	***14.9%***
Net financial income (costs)	-10.2	*-1.1%*	-12.7	*-1.4%*	*-19.6%*
Income (costs) from other investments	0.0	*0.0%*	0.0		
Result before tax for the period	**44.9**	***4.9%***	**35.3**	***3.8%***	***27.2%***
Income tax	11.8	*1.3%*	16.2	*1.7%*	*-27.3%*
Minority shareholders' result	1.9	*0.2%*	1.9	*0.2%*	*-0.9%*
Result from continuing operations	**31.2**	***3.4%***	**17.2**	***1.8%***	***81.9%***
Result from discontinued operations	0.0	*0.0%*	0.7	*0.1%*	*n.s.*
Net result	**31.2**	***3.4%***	**17.9**	***1.9%***	***74.8%***

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Annex 3

Consolidated income statement - third quarter

Euro/millions	3Q17	% growth on revenue	3Q16	% growth on revenue	Var. %
Revenue from sales and services	**371.8**	*100.0%*	**372.7**	*100.0%*	***-0.3%***
Cost of sold items	115.0	*30.9%*	117.0	*31.4%*	*-1.7%*
Variable costs	119.6	*32.2%*	121.5	*32.6%*	*-1.6%*
Fixed costs	22.7	*6.1%*	23.5	*6.3%*	*-3.2%*
Cost of personnel	54.1	*14.5%*	57.7	*15.5%*	*-6.3%*
Other costs/(income)	4.9	*1.3%*	3.8	*1.0%*	*26.1%*
Result - associates	-1.9	*-0.5%*	0.3	*0.1%*	*n.s.*
Adjusted EBITDA	***53.6***	***14.4%***	***49.5***	***13.3%***	***8.3%***
Restructuring costs	-2.1		-1.5		*39.8%*
Positive/(negative) extraordinary items	0.6		-0.2		*n.s.*
EBITDA	**52.0**	***14.0%***	**47.8**	***12.8%***	***8.9%***
Amortization, depreciation and impairment	8.1	*2.2%*	8.2	*2.2%*	*-1.2%*
EBIT	**43.9**	***11.8%***	**39.5**	***10.6%***	***11.0%***
Net financial income (costs)	-3.1	*-0.8%*	-4.8	*-1.3%*	*-35.8%*
Income (costs) from other investments	0.0	*0.0%*	0.0		
Result before tax for the period	**40.8**	***11.0%***	**34.8**	***9.3%***	***17.5%***
Income tax	13.4	*3.6%*	13.1	*3.5%*	*2.2%*
Minority shareholders' result	0.6	*0.2%*	0.7	*0.2%*	*-18.6%*
Result from continuing operations	**26.9**	***7.2%***	**20.9**	***5.6%***	***28.2%***
Result from discontinued operations	0.0	*0.0%*	0.7	*0.2%*	*n.s.*
Net result	**26.9**	***7.2%***	**21.6**	***5.8%***	***24.1%***

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Annex 4
Group cash flow

€mn	Sept. 17	Sept. 16	LTM
NFP beginning of period	**(263.6)**	**(199.4)**	**(329.0)**
EBITDA before non-recurring items	75.2	76.0	107.7
Effect of investments/dividends	(1.3)	(4.3)	(1.7)
Change in NWC + provision	(46.5)	(24.3)	(9.5)
CAPEX	(11.5)	(8.8)	(19.9)
Cash flow from operations	**16.0**	**38.6**	**76.6**
Financial costs	(10.2)	(12.7)	(15.2)
Tax	(6.9)	(10.8)	(9.9)
Cash flow from ordinary operations	**(1.1)**	**15.1**	**51.6**
Share capital increases/(Dividends paid)			
Restructuring costs	(11.0)	(10.8)	(15.1)
Extraordinary tax amounts / prior years	5.4	15.1	5.8
Asset acquisition/disposal	14.3	(148.9)	30.6
Cash flow from extraordinary operations	**8.7**	**(144.7)**	**21.3**
Total Cash Flow	**7.5**	**(129.6)**	**72.9**
NFP end of period	**(256.0)**	**(329.0)**	**(256.0)**

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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 measured 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): gross operating profit as explained above, net of income and expenses of a non-ordinary nature such as:

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

With reference to adjusted EBITDA in 9M16, the following items were excluded from EBITDA:

a) restructuring costs for a total of 3.9 million euro, included in “cost of personnel” in the income statement;

b) expenses related to acquisitions made during the year and charged to the income statement under IFRS 3 for a total of 3.1 million euro, included in “cost of services” in the income statement;

c) income and expenses of a non-ordinary nature for a total of 1.1 million euro, included in “other income/(costs)” in the income statement.

With reference to adjusted EBITDA in 9M17, the following items were excluded from EBITDA:

a) restructuring costs for a total of 5.0 million euro, included in “cost of personnel” in the income statement;

b) income of a non-ordinary nature attributable to gains from the disposal of assets: 4.2 million euro from the disposal of the former logistics property, 4.3 million euro from the disposal of NaturaBuy and 0.7 million euro from the closure of a Retail store, included in “Other costs/(income)” in the income statement.

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