INTERIM MANAGEMENT STATEMENT AT 31 MARCH 2022

GRUPPO MONDADORI

ARNOLDO MONDADORI EDITORE S.p.A.

Share capital € 67,979,168.40

Registered Office in Milan
Administrative Offices in Segrate (Milan)

INTERIM MANAGEMENT STATEMENT
AT 31 MARCH 2022

Arnoldo Mondadori Editore S.p.A.

CONTENTS

COMPOSITION OF CORPORATE BODIES

*Board of Directors**

Chairman
Marina Berlusconi

CEO
Antonio Porro

Directors
Pier Silvio Berlusconi
Elena Biffi**
Valentina Casella**
Francesco Currò
Alessandro Franzosi
Paola Elisabetta Galbiati**
Danilo Pellegrino
Alceo Rapagna**
Angelo Renoldi**
Cristina Rossello

*Board of Statutory Auditors**

Chair
Sara Fornasiero

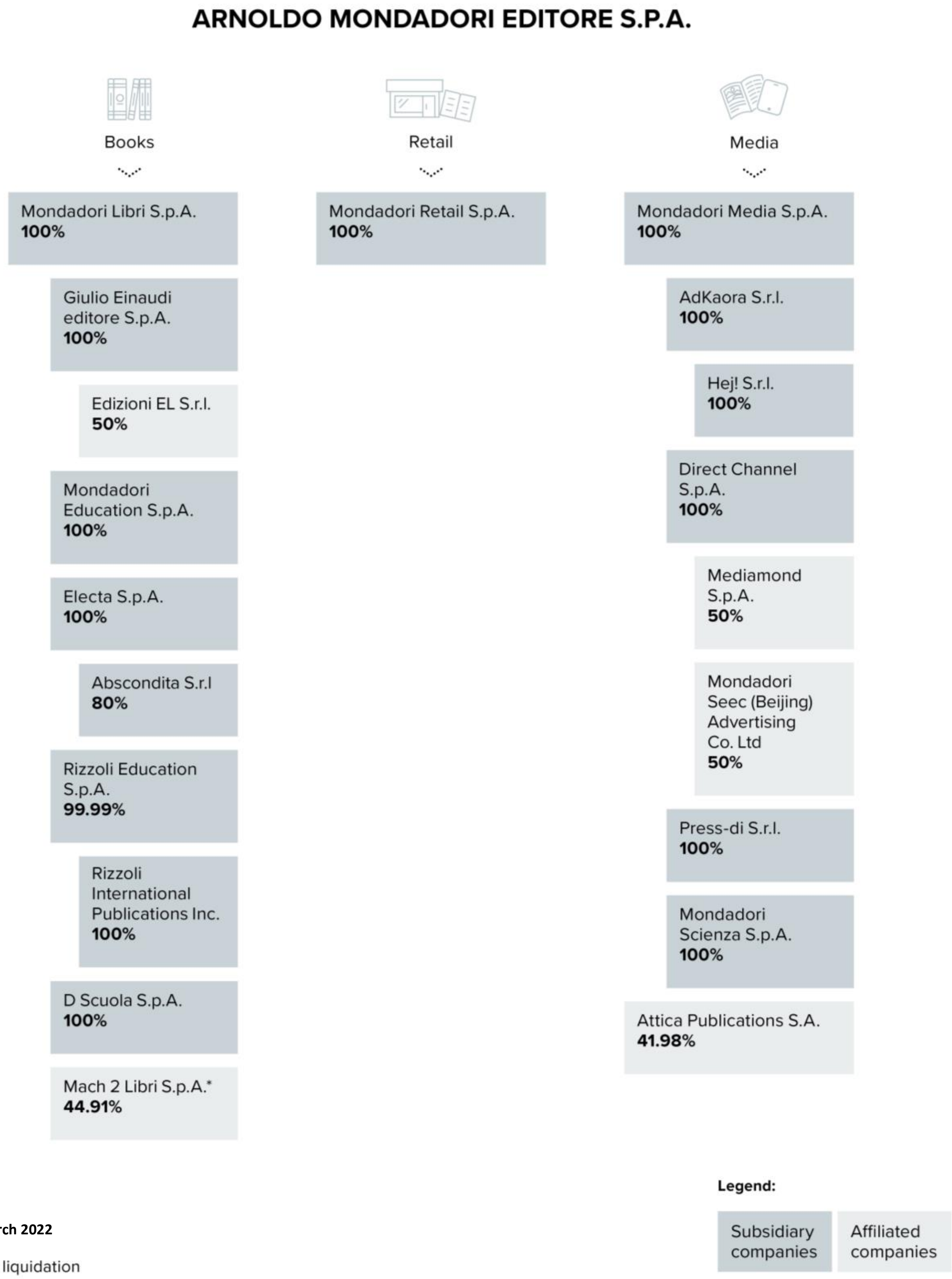
Standing Auditors
Flavia Daunia Minutillo
Ezio Maria Simonelli

Substitute Auditors
Mario Civetta
Annalisa Firmani
Emilio Gatto

** The Board of Directors and the Board of Statutory Auditors currently in office were appointed by the Shareholders' Meeting of 27 April 2021*

*** Independent Director*

MONDADORI GROUP STRUCTURE



At 31 March 2022

* Put into liquidation

MONDADORI GROUP ORGANIZATION CHART

Marina Berlusconi*
Chairman

Antonio Porro*
Chief Executive Officer

Alessandro Franzosi*
Group Chief Financial Officer

Daniele Sacco
Group HR and Organization Director, Legal and Corporate Affairs Director

Federico Angrisano
Director of Communications and Media Relations

Francesca Rigolio
Chief Diversity Officer

Enrico Selva Coddè
Vice President of Mondadori Libri S.p.A. Managing Director of Mondadori Libri S.p.A. Trade area

Gian Luca Pulvirenti
Managing Director of Mondadori Libri S.p.A. Education area

Carmine Perna
Managing Director of Mondadori Retail S.p.A.

Carlo Mandelli
Managing Director of Mondadori Media S.p.A.

Andrea Santagata
Group Chief Innovation Officer and General Manager of Mondadori Media S.p.A.

* Members of the Board of Directors

DIRECTORS' REPORT ON OPERATIONS
AT 31 MARCH 2022

MONDADORI GROUP HIGHLIGHTS IN FIRST QUARTER 2022

(Euro/millions)	1Q 2022	1Q 2022 lfl	1Q 2021
Income Statement			
Revenue	**153.1**	**149.1**	**144.8**
Adj. EBITDA	**(1.1)**	**2.4**	**1.1**
EBITDA	**(0.7)**	**2.8**	**0.2**
EBIT	**(12.2)**	**(6.6)**	**(9.0)**
Group Net Result	**(11.4)**	**(7.1)**	**(10.2)**
Business Areas			
Revenue			
Books	76.2	72.0	71.6
Retail	37.2	37.2	33.4
Media	47.1	47.1	46.8
Corporate & Shared Services	9.5	9.5	9.8
Intercompany	*(16.9)*	*(16.7)*	*(16.6)*
Adj. EBITDA			
Books	(2.1)	1.5	0.6
Retail	0.3	0.3	(0.4)
Media	2.0	2.0	2.0
Corporate & Shared Services	(1.2)	(1.2)	(1.0)
Intercompany	*(0.2)*	*(0.2)*	*(0.1)*
Balance Sheet			
Group Equity	**211.6**	**215.9**	**164.0**
Net invested capital	**429.0**	**285.8**	**295.9**
Net Financial Position before IFRS 16	**135.8**	**(9.6)**	**47.9**
Net Financial Position post IFRS 16	**217.4**	**69.9**	**131.8**
Human resources			
End-of-period headcount	**1,883**	**1,756**	**1,839**

** Changes in this document were calculated on amounts expressed in Euro thousands*

In first quarter 2022, the Group - excluding the contribution from the newly-consolidated D Scuola - continued its efforts to **strongly increase profitability** (**adjusted EBITDA up from € 1.1 to € 2.4 million**), spurred by the **positive trend in revenue (organic growth of 2.9%) and careful management of operations** implemented in the prior quarters, and by the **greater structural efficiency achieved,** while **confirming its ability to guarantee a steady and solid cash flow generation** (cash flow from ordinary operations LTM) amounting to **over € 68 million**.

The contribution of D Scuola, fully consolidated as from 1 January 2022, is irrelevant to date owing to the seasonal nature of the Education business which, in the first half of the year, records only the costs of creating editorial content as well as the expense from the promotional activities to support the adoption campaign, postponing the recognition of revenue from the sale of school textbooks to the second half of the year.

In light of the results achieved in the first quarter and despite the uncertain economic and geopolitical context, the **outlook for 2022 remains confirmed**, as detailed below.

CONSOLIDATED RESULTS FOR THE FIRST THREE MONTHS

€ millions	1Q 2022		1Q 2022 LFL		1Q 2021		% chg.	% chg. LFL
REVENUE	**153.1**		**149.1**		**144.8**		***5.7%***	***2.9%***
INDUSTRIAL PRODUCT COST	49.7	*32.4%*	48.4	*32.4%*	43.2	*29.9%*	*14.8%*	*11.9%*
VARIABLE PRODUCT COSTS	21.4	*14.0%*	21.2	*14.2%*	24.7	*17.0%*	*(13.2%)*	*(14.2%)*
OTHER VARIABLE COSTS	34.2	*22.3%*	31.2	*20.9%*	28.6	*19.8%*	*19.5%*	*8.9%*
STRUCTURAL COSTS	12.6	*8.2%*	11.9	*8.0%*	12.5	*8.6%*	*0.6%*	*(4.9%)*
EXTENDED LABOUR COST	36.8	*24.0%*	34.5	*23.1%*	35.1	*24.2%*	*4.7%*	*(1.9%)*
OTHER EXPENSE (INCOME)	(0.5)	*(0.3%)*	(0.4)	*(0.3%)*	(0.4)	*(0.3%)*	*n.s.*	*(2.3%)*
ADJUSTED EBITDA	**(1.1)**	***(0.7%)***	**2.4**	***1.6%***	**1.1**	***0.7%***	***n.s.***	***125.3%***
RESTRUCTURING COSTS	0.2	*0.1%*	0.2	*0.1%*	0.9	*0.6%*	*(80.8%)*	*(80.8%)*
EXTRAORDINARY EXPENSE (INCOME)	(0.6)	*(0.4%)*	(0.6)	*(0.4%)*	(0.1)	*(0.1%)*	*n.s.*	*n.s.*
EBITDA	**(0.7)**	***(0.4%)***	**2.8**	***1.9%***	**0.2**	***0.2%***	***n.s.***	***1178.9%***
AMORTIZATION AND DEPRECIATION	8.1	*5.3%*	6.0	*4.0%*	5.9	*4.1%*	*35.8%*	*1.4%*
IMPAIRMENT AND WRITE-DOWNS	0.0	*0.0%*	0.0	*0.0%*	0.0	*0.0%*		
AMORTIZATION AND DEPRECIATION IFRS 16	3.5	*2.3%*	3.4	*2.3%*	3.3	*2.3%*	*6.6%*	*2.7%*
EBIT	**(12.2)**	***(8.0%)***	**(6.6)**	***(4.4%)***	**(9.0)**	***(6.2%)***	***n.s.***	***n.s.***
FINANCIAL EXPENSE (INCOME)	0.8	*0.5%*	0.8	*0.5%*	0.6	*0.4%*	*35.8%*	*35.8%*
FINANCIAL EXPENSE IFRS 16	0.6	*0.4%*	0.6	*0.4%*	0.5	*0.4%*	*10.5%*	*8.2%*
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.0	*0.0%*	0.0	*0.0%*	0.4	*0.3%*	*n.s.*	*n.s.*
EXPENSE (INCOME) FROM INVESTMENTS	0.9	*0.6%*	0.9	*0.6%*	1.6	*1.1%*	*n.s.*	*(45.2%)*
EBT	**(14.4)**	***(9.4%)***	**(8.8)**	***(5.9%)***	**(12.1)**	***(8.4%)***	***n.s.***	***n.s.***
TAX EXPENSE (INCOME)	(3.1)	*(2.0%)*	(1.7)	*(1.1%)*	(1.9)	*(1.3%)*	*n.s.*	*(14.1%)*
GROUP NET RESULT	**(11.4)**	***(7.5%)***	**(7.1)**	***(4.8%)***	**(10.2)**	***(7.0%)***	***n.s.***	***n.s.***

The item *Extended Labour Cost* includes costs for collaborations and temporary employment.

In the table above, for the purpose of greater comparability with 2021, the column "1Q 2022 LFL" includes the Group's Income Statement excluding the contribution of D Scuola, consolidated as from 1 January 2022.

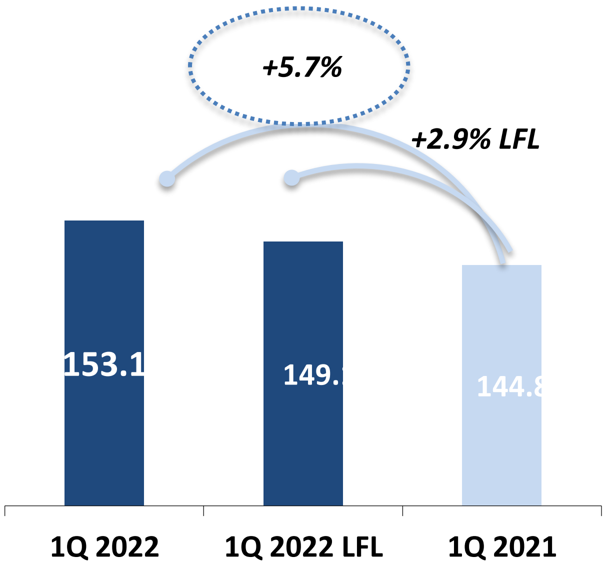
ALTERNATIVE PERFORMANCE MEASURES

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 the section "Glossary of terms and alternative performance measures used".

INCOME STATEMENT

REVENUE

In first quarter 2022, **consolidated revenue** amounted to € **153.1** million, **increasing** by **5.7%** versus € 144.8 million in the prior year; net of the consolidation of D Scuola, effective as from 1 January 2022, Group revenue would have recorded a **like-for-like growth of 2.9%, thanks to the contribution of all business areas, of the Retail area in particular**.



In the **Books** area, revenue rose by **6.5% - or 0.7% on a like-for-like basis** - thanks in particular to the growth in sales of the American publishing house Rizzoli International Publications and the upswing of activities relating to the management of museums and cultural assets, which were badly hit in the first months of 2021 by the restrictive measures to contain the pandemic.

The **Retail** area reported **revenue growth of 11.4%**, thanks mostly to the **book** product (which **grew by approximately 14%**).

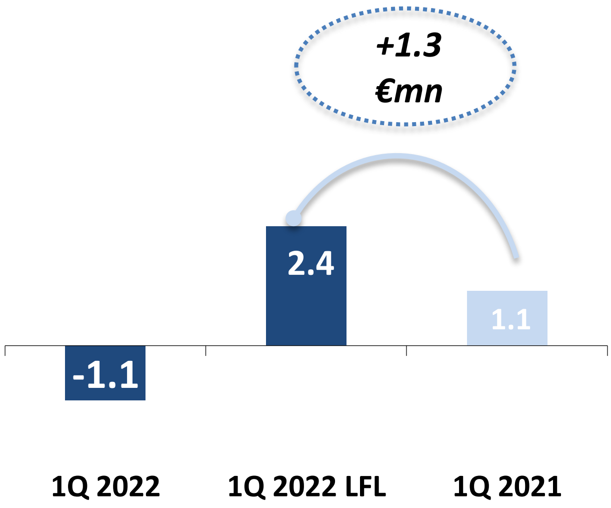
In the **Media** area, revenue increased by **0.7%**, with a highly positive trend in digital advertising sales, which more than offset the drop in revenue from print activities. On a like-for-like basis of portfolio of titles[1], overall revenue in the Media area **grew** by **9.2%** versus first quarter 2021, driven by the good circulation performance of television titles.

[1] Mention should be made of the disposal at end 2021 of the DonnaModerna and Casafacile brands

Revenue by Business Area *(Euro/millions)*	**1Q 2022**	**1Q 2022 LFL**	**1Q 2021**	***% chg.***	***% chg. LFL***
Books	76.2	72.0	71.6	*6.5%*	*0.7%*
Retail	37.2	37.2	33.4	*11.4%*	*11.4%*
Media	47.1	47.1	46.8	*0.7%*	*0.7%*
Corporate & Shared Services	9.5	9.5	9.8	*(2.3%)*	*(2.3%)*
Total aggregated Revenue	**170.0**	**165.8**	**161.5**	***5.3%***	***2.7%***
Intercompany	(16.9)	(16.7)	(16.6)	*1.5%*	*0.6%*
Total Consolidated Revenue	**153.1**	**149.1**	**144.8**	***5.7%***	***2.9%***

EBITDA

Adjusted EBITDA for the period under review came to a **negative € 1.1 million;** excluding the result for the period of D Scuola, **adjusted EBITDA came to a positive € 2.4 million**, as the company, which operates in the school textbooks segment, recognizes a loss in the first part of the year due to the seasonal nature of the business: **on a like-for-like basis**, the Group recorded an **improvement in profitability of € 1.3 million** versus first quarter 2021, driven by the **positive performance** of **the Books and Retail segments**.

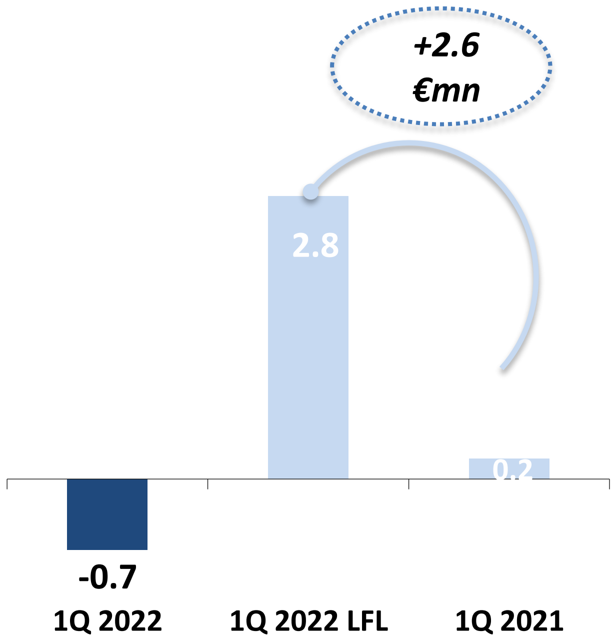


More specifically, the various business segments achieved the following results:

- the **Books** area **increased** by € **0.8** million on a like-for-like basis in the period, driven by the positive performance of Rizzoli International Publications and the upswing in Electa's museum activities;

ADJUSTED EBITDA by Business Area					
(Euro/millions)	**1Q 2022**	**1Q 2022 LFL**	**1Q 2021**	***Chg.***	***Chg. LFL***
Books	(2.1)	1.5	0.6	*(2.7)*	*0.8*
Retail	0.3	0.3	(0.4)	*0.8*	*0.8*
Media	2.0	2.0	2.0	*(0.0)*	*(0.0)*
Corporate & Shared Services	(1.2)	(1.2)	(1.0)	*(0.2)*	*(0.2)*
Intercompany	(0.2)	(0.2)	(0.1)	*(0.1)*	*(0.1)*
Total ADJUSTED EBITDA	**(1.1)**	**2.4**	**1.1**	***(2.2)***	***1.3***

- the **Retail** area recorded an **improvement of € 0.8** million, thanks to revenue growth and continued development and renovation of the network of physical stores and the revision of the organization and processes;
- the **Media** area delivered a **steady performance** versus the first three months of 2021 (€ 2.0 million), thanks to the continued growth of digital activities and the ongoing cost containment measures that allowed it to reduce the negative impact on profitability from the increase in certain industrial costs and higher development costs in the digital segment;
- the **Corporate & Shared Services** area recorded a negative margin of € 1.2 million, down slightly from € -1.0 million in first quarter 2021, due mainly to the increase in utility costs relating to the management of the headquarters.

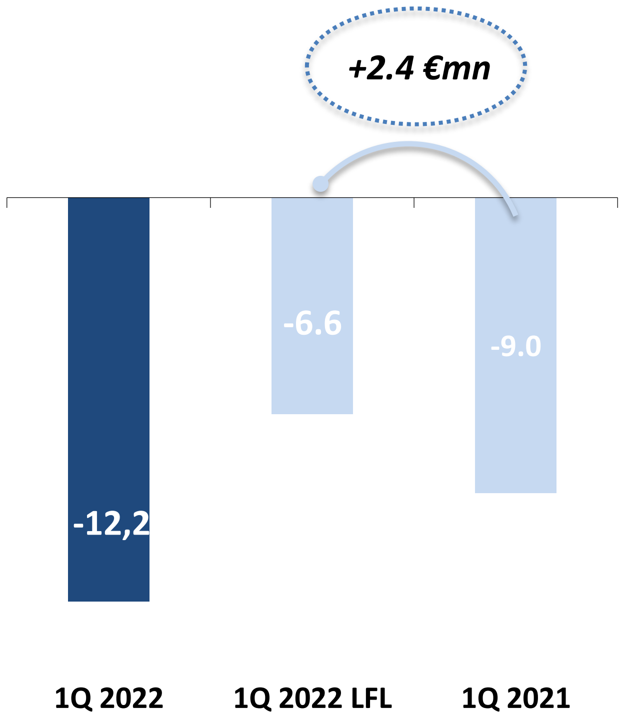


EBITDA by Business Area *(Euro/millions)*	**1Q 2022**	**1Q 2022 LFL**	**1Q 2021**	***Chg.***	***Chg. LFL***
Books	(2.3)	1.3	0.6	*(2.9)*	*0.6*
Retail	0.3	0.3	(0.3)	*0.6*	*0.6*
Media	2.8	2.8	2.0	*0.8*	*0.8*
Corporate & Shared Services	(1.3)	(1.3)	(2.0)	*0.7*	*0.7*
Intercompany	(0.2)	(0.2)	(0.1)	*(0.1)*	*(0.1)*
Total EBITDA	**(0.7)**	**2.8**	**0.2**	***(0.9)***	***2.6***

Group **EBITDA** came to a negative € **0.7** million, but to a **positive € 2.8 million on a like-for-like basis**; a comparison with the result of € 0.2 million recorded in the prior year shows a **clear improvement** attributable to the phenomena and trends mentioned earlier, as well as lower non-recurring expense, especially in the Corporate area, as described in greater detail below.

EBIT

The Mondadori Group **EBIT** at 31 March 2022 closed with a negative € 12.2 million or € 6.6 million on a like-for-like basis. The comparison with 2021 shows i) a **like-for-like improvement of € 2.4 million**, attributable to the above trends and ii) a deterioration of € 3.3 million in the overall scope, due to the consolidation of amortization and depreciation of D Scuola and the effects of the Purchase Price Allocation process (which led to the allocation to intangible assets with finite useful life of part of the goodwill generated by the acquisition of the company).



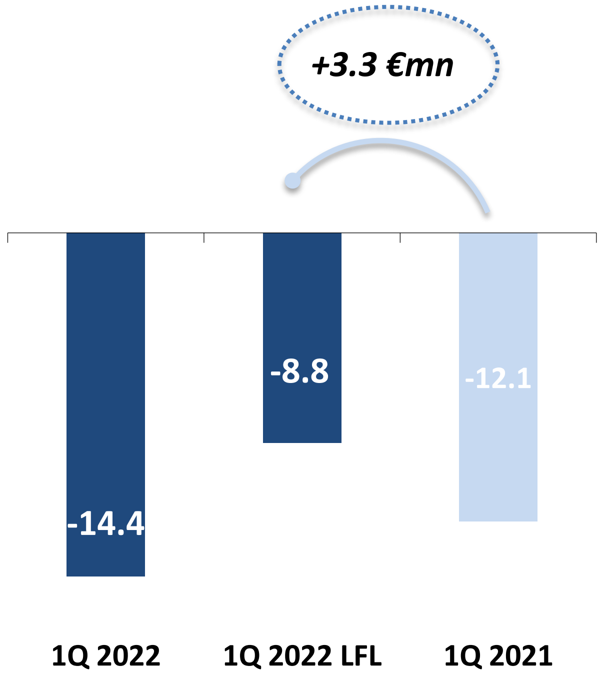
EBIT by Business Area *(Euro/millions)*	**1Q 2022**	**1Q 2022 LFL**	**1Q 2021**	***Chg.***	***Chg. LFL***
Books	(7.9)	(2.2)	(2.5)	*(5.3)*	*0.4*
Retail	(1.9)	(1.9)	(2.4)	*0.5*	*0.5*
Media	1.3	1.3	0.4	*0.9*	*0.9*
Corporate & Shared Services	(3.6)	(3.6)	(4.3)	*0.7*	*0.7*
Intercompany	(0.2)	(0.2)	(0.1)	*(0.1)*	*(0.1)*
Total EBIT	**(12.3)**	**(6.6)**	**(9.0)**	***(3.3)***	***2.4***

CONSOLIDATED RESULT BEFORE TAX

The **consolidated loss before tax** amounted to € **14.4** million or € **8.8 million on a like-for-like basis, thus improving by over € 3 million** versus € **-12.1** million in the first three months of 2021.

On top of the improvement in operating profit, the increase - on a like-for-like basis - versus the prior year was also affected by:

- the sale of the **investment in ReWorld Media**, completed in February 2021, which resulted in the recognition of a capital loss of € **0.4** million in first quarter 2021[2];
- **the result of associates** (consolidated at equity), which **improved** in the period by € **0.7** million, following the sale on 1 January 2022 of the residual stake in Monradio and the improved results for the period of the Mediamond joint venture.



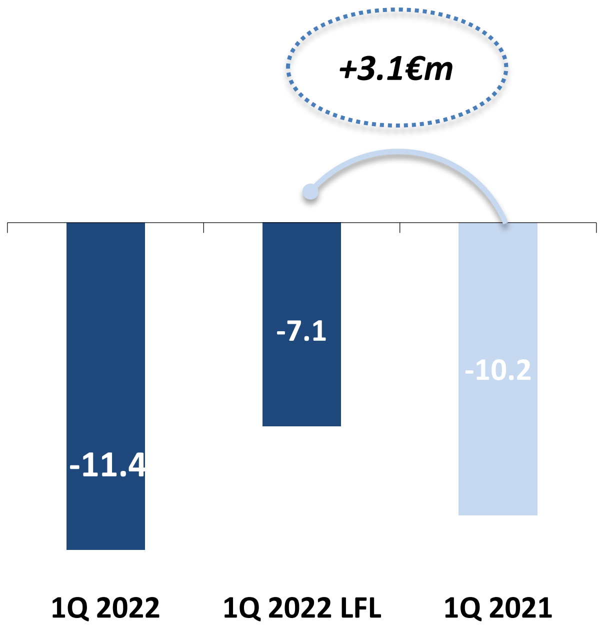
Financial expense rose by € **0.3** million, due to the higher average gross debt recorded in the quarter following the acquisition of D Scuola.

[2] The monetization of this investment generated a total gain (2019-2021) of € 1.1 million.

NET RESULT

The **Group's net result**, after minority interests, amounted to € **-11.4** million or € **7.1** million on a like-for-like basis, a **clear improvement** versus € **-10.2** million in the first three months of 2021; mention should be made that the first quarter of the year usually recognizes a net loss at a consolidated level due to the seasonal nature of the Education business.

The tax charge for the period came to a positive € 3.1 million (€ 1.9 million at 31 March 2021).



FINANCIAL RESULTS

€ millions	1Q 2022	1Q 2022 LFL	1Q 2021	*% chg.*	*% chg. LFL*
TRADE RECEIVABLES	116.8	115.6	132.7	*(12.0%)*	*(12.9%)*
INVENTORY	131.7	123.6	121.4	*8.4%*	*1.8%*
TRADE PAYABLES	190.7	170.0	175.5	*8.6%*	*(3.2%)*
OTHER ASSETS (LIABILITIES)	(10.4)	(5.7)	(17.6)	*n.s.*	*(67.6%)*
NET WORKING CAPITAL CONTINUING OPERATIONS	**47.4**	**63.5**	**61.0**	***(22.3%)***	***4.2%***
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(2.0)	(2.0)	(5.0)	*(60.7%)*	*(60.7%)*
NET WORKING CAPITAL	**45.4**	**61.6**	**56.0**	***(18.9%)***	***9.9%***
INTANGIBLE ASSETS	353.0	189.1	194.1	*81.9%*	*(2.6%)*
PROPERTY, PLANT AND EQUIPMENT	15.0	15.0	16.2	*(7.0%)*	*(7.4%)*
INVESTMENTS	17.0	17.0	18.7	*(9.0%)*	*(9.1%)*
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	**385.1**	**221.1**	**228.9**	***68.2%***	***(3.4%)***
ASSETS FROM RIGHTS OF USE IFRS 16	78.0	76.0	81.2	*(3.9%)*	*(6.4%)*
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	**463.1**	**297.0**	**310.1**	***49.3%***	***(4.2%)***
PROVISIONS FOR RISKS	47.2	45.3	40.2	*17.6%*	*12.8%*
POST-EMPLOYMENT BENEFITS	32.3	27.5	30.0	*7.5%*	*(8.3%)*
PROVISIONS	**79.5**	**72.8**	**70.2**	***13.3%***	***3.8%***
NET INVESTED CAPITAL	**429.0**	**285.8**	**295.9**	***45.0%***	***(3.4%)***
SHARE CAPITAL	68.0	68.0	68.0	*0.0%*	*0.0%*
RESERVES	155.0	155.0	106.2	*45.9%*	*45.9%*
PROFIT (LOSS) FOR THE PERIOD	(11.4)	(7.1)	(10.2)	*n.s.*	*n.s.*
GROUP EQUITY	**211.6**	**215.9**	**164.0**	***29.0%***	***31.6%***
NON-CONTROLLING INTERESTS’ EQUITY	0.0	0.0	0.0	*n.s.*	*n.s.*
EQUITY	**211.6**	**215.9**	**164.0**	***29.0%***	***31.6%***
NET FINANCIAL POSITION NO IFRS 16	135.8	(9.6)	47.9	*n.s.*	*n.s.*
NET FINANCIAL POSITION IFRS 16	81.5	79.5	83.9	*(2.8%)*	*(5.3%)*
NET FINANCIAL POSITION	**217.4**	**69.9**	**131.8**	***64.9%***	***(47.0%)***
SOURCES	**429.0**	**285.8**	**295.9**	***45.0%***	***(3.4%)***

In the table above, for the purposes of greater comparability with first quarter 2021, the column "1Q 2022 LFL" shows the reclassified statement of financial position for first quarter 2022 also on a like-for-like basis, excluding D Scuola from the financial situation (fully consolidated as from 31 December 2021, following conclusion of the transaction on 16 December 2021).

Under IFRS 5, at 31 March 2022 and for the sake of correct comparison also at 31 March 2021, the balance sheet amounts referring to the investment in Press-Di Distribuzione Stampa Multimedia S.r.l., the sale of which is currently being reviewed by the Antitrust Authority, and to the publishing activities of the titles DonnaModerna and CasaFacile, sold effective as from 1 January 2022, are shown under "Assets (Liabilities) disposed of or being disposed of".

NET INVESTED CAPITAL

Group **Net Invested Capital** at 31 March 2022 - on a like-for-like basis - amounted to € **285.8** million, down by more than 3% versus € 295.9 million at 31 March 2021.

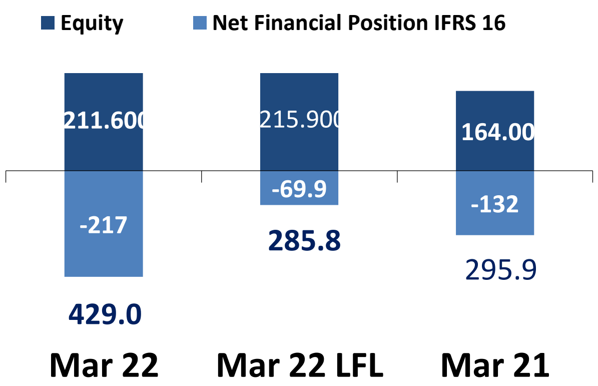
Net Working Capital (of continuing operations) amounted to € **63.6** million, up slightly versus the prior 12 months (€ 61.0 million), recording the following:

- a reduction in exposure to customers, thanks to positive management;
- an increase in trade payables, attributable to higher production volumes in first quarter 2022 versus the prior year;
- a decrease in deferred tax liabilities, following realignment in 2021 of the tax amounts of certain assets with their statutory amounts;
- an increase in payables due to current tax, following the improved results, and payables relating to the personnel area.

Net Fixed Assets amounted to € **297.0** million, down from € 310.1 million at 31 March 2021, due mainly to the amortization of intangible assets with finite useful life and the impairment, carried out in December 2021, of tangible assets resulting from the planned transfer of the flagship store in Piazza Duomo, Milan.

SOURCES

(€/mn)



Consolidated equity at 31 March 2022 **increased by over € 47 million** versus the prior year, due to the Group's profit recognized in 2021.

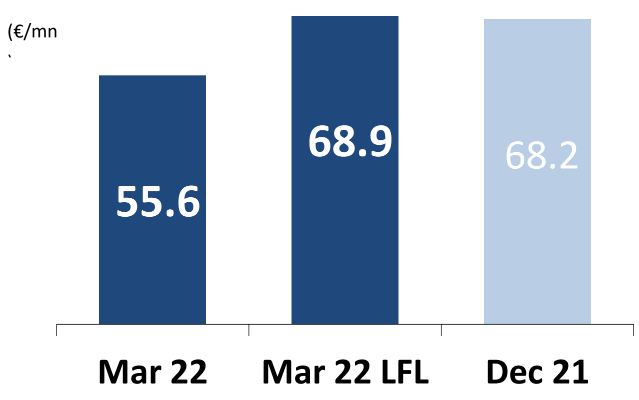
On a like-for-like basis (net of the acquisition of D Scuola), the Net Financial Position before IFRS 16 amounted to a net cash of € **9.6** million, **a strong improvement of over € 57.5** million versus the net debt at 31 March 2021 of € 47.9 million, thanks to the **significant cash generation recorded over the last twelve months**.

The **IFRS 16 Net Financial Position** at 31 March 2022 stood at a negative € 69.9

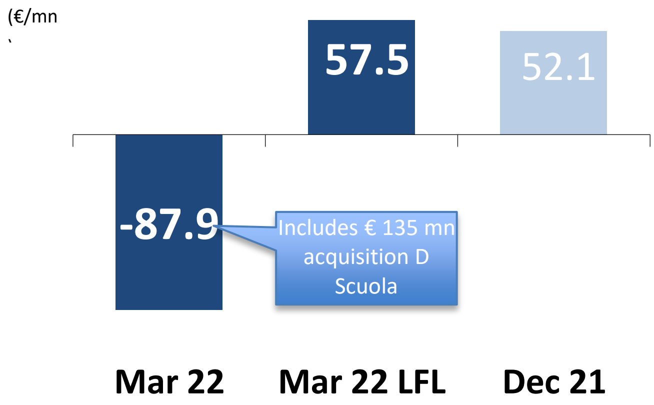
million, due to the recognition of the financial payable of € 79.5 million from the application of IFRS 16.

Considering the effects of the acquisition of D Scuola, the Net Financial Position (excluding IFRS 16) stood at € -135.8 million, or € -217.4 million including the IFRS 16 impact.

LTM CASH FLOW



LTM FREE CASH FLOW



On a like-for-like basis, **cash flow from ordinary operations** (after outlays for financial expense and tax) amounted to € **68.9** million, allowing the **Group to continue to strengthen its financial structure** through the **business's continued ability to generate cash**.

D Scuola, consolidated as from January 2022, reported a negative cash flow of € 13.3 million in the quarter, in line with the seasonal nature of the school business which, in the first half of the year, records only the costs and investments for the development and publication of texts marketed in the second half.

At 31 March 2022, again on a like-for-like basis, **cash flow from extraordinary operations came to a negative** € **11.5** million, and included mainly restructuring costs for € 8.1 million. As a result, **LTM Free Cash Flow** at 31 March 2022 amounted to € **57.5** million, **improving again** versus the figure at 31 December 2021.

The cash flow from extraordinary operations of the overall scope includes instead the impact (net cash) of the acquisition of D Scuola for approximately € 135 million; as a result, the Free Cash Flow of the overall scope saw outlays of approximately € 88 million.

PERFORMANCE BY BUSINESS AREA

OVERALL SCOPE

(Euro/millions)	REVENUE		ADJUSTED EBITDA		EBITDA		D&A		EBIT	
	1Q 2022	**1Q 2021**	**1Q 2022**	**1Q 2021**	**1Q 2022**	**1Q 2021**	**1Q 2022**	**1Q 2021**	**1Q 2022**	**1Q 2021**
Books	76.2	71.6	(2.1)	0.6	(2.3)	0.6	(5.6)	(3.2)	(7.9)	(2.5)
Retail	37.2	33.4	0.3	(0.4)	0.3	(0.3)	(2.1)	(2.1)	(1.9)	(2.4)
Media	47.1	46.8	2.0	2.0	2.8	2.0	(1.5)	(1.6)	1.3	0.4
Corporate & Shared Services	9.5	9.8	(1.2)	(1.0)	(1.3)	(2.0)	(2.3)	(2.3)	(3.6)	(4.3)
Intercompany	(16.9)	(16.6)	(0.2)	(0.1)	(0.2)	(0.1)	0.0	(0.0)	(0.2)	(0.1)
TOTAL	**153.1**	**144.8**	**(1.1)**	**1.1**	**(0.7)**	**0.2**	**(11.6)**	**(9.2)**	**(12.3)**	**(9.0)**

BOOKS

Mondadori Libri S.p.A. is the Group company heading all of the Group's activities in the Books area, traditionally divided into two business units, Trade and Educational; mention should be made that, following the acquisition of **D Scuola**, the Group has opted for a different scope of its activities starting from 2022.

The scope of the **Trade** business unit as from 2022 includes:

- editorial activities relating to the publication - both in paper and digital format (e-books and audio-books) - of the fiction, non-fiction, children's and miscellaneous works by the publishing houses, which enable the Group to hold a leadership position at national level: **Mondadori, Einaudi, Rizzoli, Fabbri, Piemme, Sperling & Kupfer, Frassinelli, Mondadori Electa;**

- art publishing where the Group operates under the **Electa** and, from 2020, **Abscondita** brands. The segment's activities include publishing of works on art, architecture, exhibition catalogues, museum guides and sponsor books in art publishing, as well as the management of museum concessions and the organization of exhibitions and cultural events;

- the publishing house **Rizzoli International Publications**, which operates on the US market with the **Rizzoli, Rizzoli New York, Rizzoli Electa and Universe** brands and with the *Rizzoli Bookstore* located in New York.

The other activities have been grouped together in a new business unit - **Education** - which operates exclusively in the field of school textbooks and legal publishing and, to a lesser extent, university textbooks.

In **school textbooks**, the Group boasts a **leadership position** with an adoption share of approximately 33%,[3] including the activities of **D Scuola,** acquired in 2021; D Scuola joins **Mondadori Education** and **Rizzoli Education** - the Group’s traditional school textbooks companies - which boast an extensive catalogue of approximately 30 proprietary and distributed brands, and a publishing production including textbooks, courses, teaching tools and multimedia content for every school level, from primary school to the first and second-level secondary schools, both with its own and distributed brands (one for English language, Oxford University Press, and one for Spanish, Edinumen).

[3] ESAIE, 2021 (adopted sections)

Relevant market performance

Following the remarkable growth seen in 2021, first quarter 2022 witnessed a **consolidation phase in the books market**, with a slight drop in both value (-1.6%) and volume (-0.6%) versus the same period of 2021[4].

There is no material change to the trend if we exclude from the market surveys the segments currently untapped by Mondadori, the professional segment and, most importantly, comics, which are continuing to see strong growth close to 50%; in this case, the market drops by 2.5% (in terms of value) versus 2021.

With regard to the different product categories that mark the segment, **Hardcovers** - which account for approximately 84% of the physical market - recorded a 1.9% decrease for the entire year, while **Paperbacks** bucked the trend, **increasing slightly** by **0.5%**.

Against this backdrop, the Mondadori Group was affected, on the one hand, by the slight downturn in the relevant market and, on the other, by the scheduling of the publishing plan, which envisages the publication of the major titles in the second half of the year; the Group nonetheless confirmed its **undisputed leadership** with a **market share** of **23%** (including the share of DeAgostini Libri, consolidated as from 1 April 2022).

Trade Market shares	31 March 2022	31 March 2021
Mondadori Group pro-forma (incl. DeAgostini Libri)	**23.0%**	**25.1%**
GeMS Group	10.8%	11.3%
Giunti Group	7.0%	6.9%
Feltrinelli	6.4%	5.4%
Other publishers	52.8%	51.3%

GFK, March 2022 (figures in terms of value)

In the first 3 months of the year, the Group placed **3 titles in the top ten bestsellers** in terms of value[5], as shown in the table below.

[4] *GFK, March 2022*

[5] *GFK, March 2022 (ranking in terms of cover value)*

#	Title	Author	Publisher
1	Fabbricante di lacrime	Doom Erin	MAGAZZINI SALANI
2	Le ossa parlano	Manzini Antonio	SELLERIO EDITORE PALERMO
3	Violeta	Allende Isabel	FELTRINELLI
4	Harry Potter e la camera dei segreti. Papercut edition MinaLima	Rowling J. K.	SALANI
5	Nel modo in cui cade la neve	Doom Erin	MAGAZZINI SALANI
6	Una vita come tante	Yanagihara Hanya	SELLERIO EDITORE PALERMO
7	**Per niente al mondo**	**Follett Ken**	**MONDADORI**
8	**La nostra cucina. Fatto in casa da Benedetta. Ricette e storie**	**Rossi Benedetta**	**MONDADORI ELECTA**
9	La canzone di Achille	Miller Madeline	MARSILIO
10	**Lobby & logge. Le cupole occulte che controllano «il sistema» e divorano l'Italia**	**Sallusti Alessandro, Palamara Luca**	**RIZZOLI**

School textbooks experience a typical seasonal performance that sees sales squeezed in the second half of the year following the adoption campaign: as a result, the relating market shares for 2022 are unavailable at this time.

In the opening months of the current year, the **museum segment,** as a result of the easing of the restrictive measures to contain the pandemic and the upward trend in international tourist flows, saw a renewal of its operations linked to the organization of exhibitions (including management of the related bookstores) and art publishing, albeit to a lesser extent than in the pre-COVID-19 period.

Performance of the Books Area

Books *(Euro/millions)*	**1Q 2022**	**1Q 2021**	***Chg.***	***Chg. LFL***
Revenue	76.2	71.6	*4.6*	*0.5*
Adj. EBITDA	(2.1)	0.6	*(2.7)*	*0.8*
EBITDA	(2.3)	0.6	*(2.9)*	*0.6*
EBIT	(7.9)	(2.5)	*(5.3)*	*0.4*

Revenue

(Euro/millions)	1Q 2022	1Q 2022 LFL	1Q 2021	% chg.	% chg. LFL
Trade publishing houses	52.3	52.3	55.9	*(6.4%)*	*(6.4%)*
Mondadori Electa	3.7	3.7	0.7	*+453.7%*	*+453.7%*
Rizzoli International Publications	9.6	9.6	8.4	*+14.8%*	*+14.8%*
Total TRADE	**65.6**	**65.6**	**65.0**	***+0.9%***	***+0.9%***
Total EDUCATION	**9.0**	**4.8**	**4.9**	***+84.5%***	***(1.4%)***
Distribution and other services	1.6	1.6	1.8	*(7.1%)*	*(9.8%)*
Total revenue	**76.2**	**72.0**	**71.6**	***+6.5%***	***+0.7%***

Revenue in the first three months of 2022 amounted to € **76.2** million**, up by 6.5%** versus first quarter 2021, due mainly to the effects of the consolidation of D Scuola; on a like-for-like basis net of the contribution of D Scuola, revenue is up by **0.7%**, driven by the **significant increase** recorded in the period by the publishing house **Rizzoli International Publications** and the **upswing in Electa's museum activities**.

- **Trade publishing houses**: revenue in the first three months of the year amounted to € 52.3 million (€ 55.9 million in first quarter 2021), down by approximately 6% versus the prior year, due to the different publishing plan which, in the quarter last year, had benefited from the extraordinary success of *"Il sistema. Potere, politica, affari: storia segreta della magistratura italiana"* by A. Sallusti and L. Palamara, published by Rizzoli, with the major works to be published in the second half of the current year;

  Hardcovers saw the publication of the following main titles in the period under review:

  - For **Mondadori**: for Fiction "*La mascella di Caino*" by Torquemada, "*L'equazione del cuore*" by M. De Giovanni, "*Quattro stagioni per vivere*" by M. Corona, "*Autopsia*" by P. Cornwell, for Non-Fiction "*La crepa e la luce*" by G. Calabresi, "*Suicidio occidentale*" by F. Rampini, "*Il metodo geniale*" by G. Deangeli, for Miscellaneous "*La pura vida*" by G. Gotto; in the Young Adult segment the titles in the "*Grishaverse*" series by L. Bardugo;
  - For **Einaudi**: "*Rancore*" by G. Carofiglio, "*Dove sei, mondo bello"* by S. Rooney, *"Libri che mi hanno rovinato la vita"* by D. Bignardi, "*Sono felice, dove ho sbagliato?*" by D. De Silvia and *"Il prigioniero dell'interno 7" by* M. Presta;
  - For **Piemme**: *"Le ore più buie"* by M. Connelly, *L'ultima cosa che mi ha detto"* by L. Dave for Foreign Fiction and *"Fine dei giochi"* by A. Gucci for Non-Fiction. In the Children's segment, moreover, the publisher retained a leading position with the titles of *Geronimo Stilton*;

- For **Sperling & Kupfer**: for Foreign Fiction "*It ends with us*" by C. Hoover, "*Tutto ciò che brilla*" by D. Steel, *"Dalla mia finestra"* by A. Godoy, for Miscellaneous "*Insopportabilmente donna*" by T. Masazza and "*E tu all'improvviso*" by Adessoscrivo;
- For **Rizzoli**: the most successful Non-Fiction titles include "*Lobby e Logge*" by A. Sallusti - L. Palamara, appearing in the Top ten bestsellers of the quarter, for Italian Fiction "*La scelta*" by W. Veltroni, "*Mi prometto il mare*" by R. Bertoldi, *"Tutto il blu del cielo*" by M. Da Costa;
- For **Mondadori Electa**: for Miscellaneous *"Stardust House. Il libro ufficiale*" and "*Ma non eri morta?!"* by I. Ferraris.

E-books and audiobooks

Revenue from the sales of e-books and audiobooks, which accounted for approximately **7.2%** of total **publishing revenue**, was down by approximately 11% versus the prior year.

The number of e-book downloads fell by 13.9% versus 2021, while audiobook catalogue listening hours grew by 10.5%.

- the main titles in **e-book** format were "*Per niente al mondo*" by K. Follett (Mondadori), "*Le ore più buie*" by M. Connelly (Piemme), "*L'equazione del cuore*" by M. De Giovanni (Mondadori), "*Autopsia*" by P. Cornwell (Mondadori). New titles were published in digital format during the first quarter, increasing the catalogue to over 29,500 e-book titles;
- the most popular audiobook titles were "*Per niente al mondo*" and *"I pilastri della terra"* by K. Follett.

- **Mondadori Electa**: in the first three months of 2022, **Mondadori Electa** generated total revenue of € 3.7 million versus € 0.6 million in the prior year, a period affected by the closure of museums, bookstores and archaeological sites ordered by national authorities in order to contain the health emergency.
- **Rizzoli International Publications** reported revenue of € **9.6** million in the quarter**, up by 14.8%** versus first quarter 2021 (thanks also to the positive effect of the Euro/Dollar exchange rate), driven by the remarkable performance of sales of both catalogue and sponsor titles, especially in the US and UK markets, and the good performance of retail sales in the New York bookstore, confirming the strong development of the publishing house already seen in 2021.

Education Revenue

Mention should be made that school textbooks are a highly seasonal business, so revenue generated in the first three months typically accounts for less than 5% of the annual figure.

In first quarter 2022, the school business recorded total **revenue** of € **9.0** million: on a like-for-like basis net of D Scuola (consolidated as from 1 January 2022), revenue was basically steady versus the prior year (€ 4.8 versus € 4.9 million in first quarter 2021).

EBITDA

Adjusted EBITDA in the Books area amounted to € -2.1 million, including the negative contribution of D Scuola, owing to the seasonal nature of the school textbooks business: net of these effects, adjusted EBITDA would stand at € **1.5** million versus € 0.6 million in first quarter 2021, **improving by** € **0.8** million, pushed by the positive performance of the publishing house **Rizzoli International Publications and** the **upswing in Electa's museum business**.

Reported EBITDA - on a like-for-like basis of € 1.3 million - **improved by** € **0.6** million versus € 0.6 million at 31 March 2021, while **EBIT** came to € **-2.2** million versus € -2.5 million in first quarter 2021, with an upward trend consistent with the above dynamics.

RETAIL

The Mondadori Group operates the most extensive network of bookstores in Italy - a cultural presence active throughout the Country thanks to more than 500 stores in all Italian regions and provinces, from large cities to smaller towns - online with its e-commerce site mondadoristore.it and through the *Bookclub* formula.

Stores	Mar. 2022	Dec. 2021	Mar. 2021	*Chg. yoy*
Directly-managed bookstores	37	39	33	*+4*
Franchised bookstores	501	505	515	*-14*
Total	**538**	**544**	**548**	***-10***

The current year continued with the policy of development and optimization of the physical network implemented in recent years; overall, the network at end March counted **538 bookstores**, down by 10 outlets versus the same period of 2021:

- the network of **directly-managed stores**, which counted 37 outlets at end March (+4 units), continued to expand in 2022, as shown by the recent opening of Genoa (former Corso Sardegna marketplace) at the beginning of April. The first quarter also saw the renovation of the store in Lonato (BS), in addition to the planned closure of the points of sale in Bologna via D'Azeglio and Seriate;
- **franchised stores** saw a reduction in the number of units (-14), due primarily to the closure of small *Point* bookstores; the network of medium-sized *Bookstore* outlets remained basically steady.

Relevant market performance

As anticipated, the Italian books market recorded a slight drop by 1.6% versus 2021[6], despite the continued growth of the physical channel versus the same period of the prior year, when the performance of the channel had been affected by the COVID-19 emergency and the resulting restrictive measures.
The ***market share*** of Mondadori Retail stood at **10.8%** at end March 2022 (up by 1.3% versus 31 March 2021), driven by the remarkable performance of physical stores, which benefited from a positive comparison with the prior year.

[6] GFK (in terms of value)

Performance of the Retail Area

Retail *(Euro/millions)*	**1Q 2022**	**1Q 2021**	**Chg.**
Revenue	37.2	33.4	*3.8*
Adj. EBITDA	0.3	(0.4)	*0.8*
EBITDA	0.3	(0.3)	*0.6*
EBIT	(1.9)	(2.4)	*0.5*

Revenue

In the first quarter, the Retail area posted revenue of € 37.2 million, up by € 3.8 million (approximately 11.5%) versus the same period of the prior year.

The ongoing development and renovation of existing stores and the focus on the core business of books have enabled the Mondadori Store network to consolidate its role on the market, as shown by the solid growth in Book revenue (€ +3.5 million), which is higher at the end of the first quarter even than in the pre-COVID period.

Specifically:

- **directly-managed stores** reported a sharp increase in revenue (+49.9% versus the prior year), due to the abovementioned strategy of focusing on the book product and network development activities, and to the restrictions on their activities in 1° quarter 2021 brought by the anti-COVID measures;
- the **franchised channel** too, composed mainly of proximity stores located in small towns, **continued its progression**, increasing by +3.2% versus the same period of the prior year.

The revenue trend by channel is as follows:

(Euro/millions)	**1Q 2022**	**1Q 2021**	***% chg.***
Directly-managed bookstores	12.8	8.5	*49.9%*
Franchised bookstores	17.9	17.3	*3.2%*
Online	3.4	4.0	*-14.4%*
Stores	**34.1**	**29.9**	*14.2%*
Book clubs and other	3.1	3.5	*-11.8%*
Total revenue	**37.2**	**33.4**	***11.4%***

As far as the product categories are concerned:

- **Books** were the main item of revenue (**over 80% of the total**), up by an overall **13.9%** versus 2021.
- **Extra-book** sales were on a positive trend versus the same period of the prior year, thanks to growth in the *Impulse* and *Gift Box* segments and the effect of the disposal of certain product categories, in line with the strategy to rationalizing this segment.

EBITDA

The Retail area recorded a **positive and sharply growing adjusted EBITDA of € +0.3 million** (**€ +0.7 million** versus the first three months of 2021).

This target was achieved thanks to the strong growth in revenue, the deep transformation of the company as a whole, the ongoing renewal and development of the network of physical stores, as well as careful cost management and a thorough review of the organization and processes.

Reported EBITDA also showed a positive growing figure of € +0.3 million (€ **+0.6** million versus 2021).

EBIT amounted to € -1.9 million, recording an improvement consistent with the above (€ **+0.5** million versus first quarter 2021).

MEDIA

Mondadori Media S.p.A. is the Group company heading all the activities in the magazine and digital media segments, comprising:

- the activities of print magazines and digital brands;
- the subsidiaries Direct Channel S.p.A. (100%), Press-di Distribuzione Stampa e Multimedia S.r.l. (100%), currently being sold, Adkaora S.r.l. (100%), Hej! S.r.l. (100%) and Mondadori Scienza S.p.A. (100%);
- the investees Mediamond (50%), Attica Publications S.A. (41.98%) and Mondadori Seec (Beijing) Advertising Co. Ltd (50%), publisher of the magazine *Grazia* in China.

Relevant market performance

The relevant market performed as follows in early 2022:

- the **advertising market** in the first two months of the year **grew by 3.8%,** continuing the performance of 2021; the individual segments performed as follows: **digital +8.4%**, **TV +2.1%**, **newspapers -0.4%, radio +0.4%** and **magazines -10.6%**[7];
- the **magazines circulation market** declined by **9.8%**[8];
- the **add-on sales market** closed with a negative **6.3%** (-2.8% for add-ons to magazines, -8.3% to newspapers)[8].

Mondadori's market share (in terms of circulation), as a result of a performance - on a like-for-like basis of portfolio of titles - that was significantly better than the relevant market, stood at **21.8%**, up versus 20.2% of February of the prior year[8].

In 2022, the Mondadori Group, as **Italy's top multimedia publisher**, continued its efforts to engage readers and users and strengthen communities across all media:

- in print with **10.3 million readers**[9];
- on the web with a reach in February 2022 of **75%** (approximately **32.7** million unique users[10]);
- in social media with a **fan base** at 31 March 2022 of **60.5**[11] million and **100** profiles.

In February 2022, Mondadori Media launched ***The Wom***, the new 100% inclusive digital brand and new social and web magazine dedicated to young millennials and Generation Z focused on the themes of *Diversity & Inclusion:* a few months after the online launch of the beta version on social networks and the

[7] Nielsen, February 2022
[8] Internal source: Press di, February 2022, in terms of value, excluding the portion of titles sold at end 2021 (DonnaModerna, Casafacile)
[9] Audipress III, 2021
[10] Comscore, March 2022, average figure for first 3 months
[11] Shareablee + internal processing

web, today ***The Wom*** counts a total fan base of **3.6 million followers**, 90% of whom are women, and an **audience of 5 million unique users per month**, positioning the brand as a **leader in the under-35 female segment**[12].

Performance of the Media Area

Media (Euro/millions)	**1Q 2022**	**1Q 2021**	**Chg.**
Revenue	47.1	46.8	*0.3*
Adj. EBITDA	2.0	2.0	*(0.0)*
EBITDA	2.8	2.0	*0.8*
EBIT	1.3	0.4	*0.9*

Revenue

In first quarter 2022, the Media area recorded revenue of € **47.1** million, basically steady versus the same quarter of the prior year, but **up by 9.2% on a like-for-like basis of portfolio of brands** (excluding the effect of the deconsolidation of the titles sold at end 2021):

- **digital activities**, which now account for **20%** of the area's total **revenue**, **rose sharply in the quarter by over 31%** (+36.8% on a like-for-like basis of brands);
- traditional **print** activities, excluding the titles sold at end 2021, **grew by 3.4%**.

Media *(Euro/millions)*	**1Q 2022**	**1Q 2021**	**1Q 2021 on a like-for-like basis of brands**	*% chg.*	*% chg. LFL*
Circulation	14.5	17.2	14.9	*(15.6%)*	*(2.8%)*
Add-on sales	7.1	6.7	6.6	*+6.0%*	*+7.6%*
Print Advertising	3.0	4.1	3.1	*(26.9%)*	*(3.6%)*
Digital Advertising	10.1	7.8	7.5	*+29.3%*	*+34.1%*
Total Advertising	13.0	11.9	10.6	*+10.0%*	*+23.1%*
Distribution/Other revenue	12.5	11.1	11.1	*+12.7%*	*+13.1%*
Total revenue	**47.1**	**46.8**	**43.1**	***+0.7%***	***+9.2%***

[12] Shareablee and Insight, January 2022; Google Analytics, January 2022

Specifically:

- **Circulation** revenue (newsstands + subscriptions) fell by **2.8%** on a like-for-like basis, with television titles, which account for approximately 60% of the total, outperforming the relevant market trend.
- Revenue from add-on **products** (DVDs, CDs, gadgets and books) sold as add-ons to Mondadori magazines, again on a like-for-like basis, was up by approximately **7.6%** versus first quarter 2021, thanks mainly to a successful initiative in the gadgets segment.
- On a like-for-like basis, **advertising** revenue **grew by** approximately **23%** at a total level, thanks to the contribution of **digital (+34.1%)** and in particular the **strong performance** of **AdKaora,** as a result of the development and monetization of new mobile advertising formats.
  Thanks to this growth, a point worth mentioning is that **digital revenue** as a percentage of total advertising revenue stands at **77%** of the total (up from 66% in 1Q 2021).
- Other revenue, which includes revenue from newsstand distribution and subscriptions, increased by approximately **13%** versus the first quarter of the prior year, reflecting growth in the portfolio of third-party publishers distributed and the related services.

EBITDA

Adjusted EBITDA in the Media area stood at € **2.0** million, steady versus the first three months of 2021 as a result of:

- in the **print** area, the **continuing measures to contain operating costs**, which offset the increase in industrial costs recorded in the period;
- in the **digital** area, **growth in activities in the MarTech segment**, which offset the higher editorial and development costs incurred for the launch of the new social magazine "The Wom".

Reported EBITDA amounted to € **2.8** million, up from € 2.0 million in first quarter 2021, due to the release of a provision for risks in excess of the current valuation of the related risk.

EBIT came to a positive € **1.3** million versus € 0.4 million at 31 March 2021, due also to lower amortization and depreciation attributable mainly to the effects of write-downs recognized in 2021.

CORPORATE & SHARED SERVICES

The **Corporate & Shared Services** segment includes - besides the Group's top management organizations - the Shared Services functions providing services to Group companies and the different business areas.
These services are mainly associated with activities regarding: Administration, Management Control and Planning, Treasury and Finance, Purchasing, IT, Human Resources, Logistics, Legal and Corporate Affairs, and External and Institutional Relations.
Revenue comes mainly from services provided to subsidiaries and associates, and was basically steady in first quarter 2022 versus first quarter 2021.

The area's **adjusted EBITDA** amounted to a negative € **1.2** million**,** deteriorating slightly versus € -1.0 million in first quarter 2021, due mainly to the increase in utility costs relating to the management of the headquarters.

Including non-recurring items, **EBITDA** amounted to € **-1.3** million, improving versus the same quarter of the prior year (€ -2.0 million), which included the supplementary non-compete agreement, amounting to € 800,000[13], awarded to the former CEO at the end of his term.

EBIT in the area amounted to € **-3.6** million (€ -4.3 million in 1Q 2021), with an increase attributable to the abovementioned dynamics.

Corporate & Shared Services *(Euro/millions)*	**1Q 2022**	**1Q 2021**	**Chg.**
Revenue	9.5	9.8	*(0.2)*
Adj. EBITDA	(1.2)	(1.0)	*(0.2)*
EBITDA	(1.3)	(2.0)	*0.7*
EBIT	(3.6)	(4.3)	*0.7*

[13] *Non-compete clause extended within the European Union and until April 2023.*

BALANCE SHEET

The **Mondadori Group's Net Financial Position, excluding the impact of IFRS 16**, stood at € -**135.8** million at 31 March 2022; excluding the effects of the acquisition of D Scuola, the figure would amount to € +9.6 million, improving significantly versus € -47.9 million at 31 March 2021.

Net Financial Position *(Euro/millions)*	**Mar. 2022**	**Mar. 2022 LFL**	**Mar. 2021**	**Dec. 2021**
Cash and cash equivalents	53.4	206.1	67.0	90.7
Assets (liabilities) from derivative financial instruments	3.7	3.7	(0.7)	(0.1)
Other financial assets (liabilities)	(8.2)	(15.5)	2.0	(26.4)
Loans (short and medium/long term)	(184.8)	(184.7)	(118.2)	(164.4)
Held-for-sale financial assets (liabilities)	0.0	0.0	2.1	5.4
Net Financial Position no IFRS 16	**(135.8)**	**9.6**	**(47.9)**	**(94.8)**
Financial payables IFRS 16	(81.5)	(79.5)	(83.9)	(84.3)
Total Net Financial Position	**(217.4)**	**(69.9)**	**(131.8)**	**(179.1)**

IFRS 16 NFP amounted to € **-217.4** million (or € -69.9 million on a like-for-like basis) and includes the IFRS 16 impact of € -81.5 million.

The following table shows the Group's cash flow generation in the last 12 months prior to 31 March 2022: the second column shows in particular the Group's **Cash Flow** which, <u>on a like-for-like basis net of the effects of the acquisition of D Scuola</u> (which typically generates cash outlays in the first quarter, given the seasonal nature of the school business), amounted to € **57.5** million.

	LTM		
€ millions	1Q 2022	1Q 2022 LFL	FY 2021
INITIAL NFP IFRS 16	**(131.8)**	**(131.8)**	**(97.6)**
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(83.9)	(83.9)	(82.8)
INITIAL NFP NO IFRS 16	**(47.9)**	**(47.9)**	**(14.8)**
ADJUSTED EBITDA (NO IFRS 16)	88.5	92.2	91.0
NWC AND PROVISIONS	14.2	18.1	10.3
CAPEX NO IFRS 16	(26.0)	(24.5)	(22.0)
OPERATING CASH FLOW	**76.7**	**85.8**	**79.3**
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(2.6)	(2.6)	(2.4)
TAX	(18.1)	(13.9)	(13.9)
ORDINARY CASH FLOW	**56.0**	**69.3**	**62.9**
ORDINARY CF FROM DISCONTINUED OR DISCONTINUING OPERATIONS	(0.4)	(0.4)	5.3
ORDINARY CASH FLOW	**55.6**	**68.9**	**68.2**
RESTRUCTURING COSTS	(8.1)	(8.1)	(6.9)
EXTRAORDINARY TAX	3.6	3.6	3.4
SHARE CAPITAL INCREASE/DIVIDENDS FROM ASSOCIATES	(0.4)	(0.4)	(0.1)
PURCHASE/DISPOSAL	(135.3)	(3.1)	(8.7)
OTHER INCOME AND EXPENDITURE	(3.4)	(3.4)	(3.8)
EXTRAORDINARY CF FROM DISCONTINUED OR DISCONTINUING OPERATIONS	(0.3)	(0.3)	(0.3)
CASH FLOW FROM EXTRAORDINARY OPERATIONS	**(143.6)**	**(11.5)**	**(16.2)**
FREE CASH FLOW	**(88.0)**	**57.5**	**52.1**
NET FINANCIAL POSITION NO IFRS 16	**(135.8)**	**9.6**	**37.3**
IFRS 16 EFFECTS IN THE PERIOD	2.5	4.5	0.7
FINAL NET FINANCIAL POSITION	**(217.2)**	**(69.7)**	**(44.7)**

Looking at the individual components:

- **cash flow from ordinary operations closed at a positive € 68.9 million, increasing slightly** versus the figure recorded in December 2021, as a result of the greater profitability of the businesses and the Net Working Capital, partly offset by higher expenditure; this performance is attributable to the **cash flow from operations**, amounting to € 85.8 million, which reflects the **profitability** of € **92.2** million, expenditure of € 24.5 million, and the positive dynamics of net working capital (including provisions) for approximately € 18.1 million, less the cash outflows for payment of tax and financial expense, as well as the cash flow attributable to the disposals for a total of € 16.9 million;
- **cash flow from non-ordinary operations came to** € **-11.5** million and included mainly:
  - **extraordinary positive tax** for € **3.4** million from the tax credit related to the "Patent Box" facility for the years 2015-2018;
  - outlays for **restructuring costs** of € **8.2** million;

As a result of the above, the total **Free Cash Flow** generated by the Group in the last 12 months amounted to € **57.5** million.

Below is a summary of the Group's financial position at 31 March 2022 versus the prior year, both on a like-for-like basis and including the effects of the consolidation of D Scuola.

€ millions	1Q 2022	1Q 2022 LFL	1Q 2021	% chg.	% chg. LFL
TRADE RECEIVABLES	116.8	115.6	132.7	*(12.0%)*	*(12.9%)*
INVENTORY	131.7	123.6	121.4	*8.4%*	*1.8%*
TRADE PAYABLES	190.7	170.0	175.5	*8.6%*	*(3.2%)*
OTHER ASSETS (LIABILITIES)	(10.4)	(5.7)	(17.6)	*n.s.*	*(67.6%)*
NET WORKING CAPITAL CONTINUING OPERATIONS	**47.4**	**63.5**	**61.0**	***(22.3%)***	***4.2%***
DISCONTINUED OR DISCONTINUING ASSETS (LIABILITIES)	(2.0)	(2.0)	(5.0)	*(60.7%)*	*(60.7%)*
NET WORKING CAPITAL	**45.4**	**61.6**	**56.0**	***(18.9%)***	***9.9%***
INTANGIBLE ASSETS	353.0	189.1	194.1	*81.9%*	*(2.6%)*
PROPERTY, PLANT AND EQUIPMENT	15.0	15.0	16.2	*(7.0%)*	*(7.4%)*
INVESTMENTS	17.0	17.0	18.7	*(9.0%)*	*(9.1%)*
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	**385.1**	**221.1**	**228.9**	***68.2%***	***(3.4%)***
ASSETS FROM RIGHTS OF USE IFRS 16	78.0	76.0	81.2	*(3.9%)*	*(6.4%)*
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	**463.1**	**297.0**	**310.1**	***49.3%***	***(4.2%)***
PROVISIONS FOR RISKS	47.2	45.3	40.2	*17.6%*	*12.8%*
POST-EMPLOYMENT BENEFITS	32.3	27.5	30.0	*7.5%*	*(8.3%)*
PROVISIONS	**79.5**	**72.8**	**70.2**	***13.3%***	***3.8%***
NET INVESTED CAPITAL	**429.0**	**285.8**	**295.9**	***45.0%***	***(3.4%)***
SHARE CAPITAL	68.0	68.0	68.0	*0.0%*	*0.0%*
RESERVES	155.0	155.0	106.2	*45.9%*	*45.9%*
PROFIT (LOSS) FOR THE PERIOD	(11.4)	(7.1)	(10.2)	*n.s.*	*n.s.*
GROUP EQUITY	**211.6**	**215.9**	**164.0**	***29.0%***	***31.6%***
NON-CONTROLLING INTERESTS' EQUITY	0.0	0.0	0.0	*n.s.*	*n.s.*
EQUITY	**211.6**	**215.9**	**164.0**	***29.0%***	***31.6%***
NET FINANCIAL POSITION NO IFRS 16	135.8	(9.6)	47.9	*n.s.*	*n.s.*
NET FINANCIAL POSITION IFRS 16	81.5	79.5	83.9	*(2.8%)*	*(5.3%)*
NET FINANCIAL POSITION	**217.4**	**69.9**	**131.8**	***64.9%***	***(47.0%)***
SOURCES	**429.0**	**285.8**	**295.9**	***45.0%***	***(3.4%)***

In the table above, for the purposes of greater comparability with first quarter 2021, the column "1Q 2022 LFL" shows the reclassified statement of financial position for first quarter 2022 also on a like-for-like basis, excluding D Scuola from the financial situation (fully consolidated as from 31 December 2021, following conclusion of the transaction on 16 December 2021).

Under IFRS 5, at 31 March 2022 and for the sake of correct comparison also at 31 March 2021, the balance sheet amounts referring to the investment in Press-Di Distribuzione Stampa Multimedia S.r.l., the sale of which is currently being reviewed by the Antitrust Authority, and to the publishing activities of the titles DonnaModerna and CasaFacile, sold effective from 1 January 2022, are shown under "Assets (Liabilities) disposed of or being disposed of".

Trend of key balance sheet figures on a like-for-like basis versus 31 March 2021:

- **trade receivables**, despite the increase in revenue in first quarter 2022, fell by approximately 13%;
    - in the Books area, exposure to customers was lower as a result mainly of increased revenue from the e-commerce channel, which typically has more favourable collection conditions, and the museum segment, which is marked by a high percentage of cash collections;

  - in the Retail area, due to the effect of higher revenue versus the prior year from the network of company-owned stores, which record an immediate conversion into cash.

  Added to all that, the positive management of receivables pursued across all business areas;

- **inventory** rose by 1.8%, due primarily to Rizzoli International Publications, as a result of the increase in production and the average cost of the product in Asian markets;
- **trade payables** fell by 3.2%, due to lower production and purchase costs for third-party products;
- **other assets and liabilities** dropped sharply versus 31 March 2022, attributable mainly to the allocation of deferred tax liabilities in 2021, as a result of the realignment of the tax amounts of certain assets to their respective statutory amounts;
- **intangible assets** and **assets from rights of use** decreased as a result of the amortization process;
- **property, plant and equipment** decreased as a result of depreciation and the write-down in 2021 in the Retail area, following the planned change of location of the flagship store in Piazza Duomo in Milan;
- the value of **investments** fell by approximately € 1.7 million, due to the sale of Monradio, effective as from 1 January 2022, and the negative results of Mediamond, Società Europea di Edizioni and SEEC;
- **provisions** increased by € 2.6 million; specifically, provisions for post-employment benefits and the sales network fell by € 2.5 million, while provisions for risks rose due to allocations recorded in 2021 for restructuring costs, provisions for future commitments and certain disputes.

An analysis of the <u>scope that includes the consolidation of D Scuola</u> shows:

- the sharp increase in intangible assets, € 353 million versus € 194.1 million at 31 March 2021, following recognition of goodwill arising from the acquisition transaction;
- the Group's Net Financial Position (excluding IFRS 16), which stood at € -135.8 million, or € -217.4 million including the IFRS 16 impact, from € -179.1 million at 31 December 2021.

PERSONNEL

Group employees with a fixed-term or permanent labour contract amounted to **1,883 units, up by 2.4%** versus 1,838 units at 31 March 2021 (+45 units), due primarily to the inclusion of **D Scuola** staff (totaling **127** units). On a **like-for-like** basis, therefore excluding both the contribution of the newly-consolidated company and the effects of the sale of the titles in the Media area in December 2021, the figure would come to approximately -**2.3%,** the result of the continued efforts to increase the efficiency of the individual business areas.

<u>Group employees by business segment at the end of the first quarter:</u>

Headcount by Business Area	31 March 2022	31 March 2021	*% chg.*	*% chg. LFL*
Books	769	645	*+19.2%*	*+0.3%*
Retail	311	330	*(5.8%)*	*(5.8%)*
Media	498	555	*(10.3%)*	*(3.1%)*
Corporate & Shared Services	305	309	*(1.3%)*	*(2.9%)*
Total	**1,883**	**1,839**	***+2.4%***	***(2.3%)***

In the **Books** area, net of the employees who joined the Group following the acquisition of D Scuola, the number of employees was basically steady versus the prior year.

The decrease in the **Retail** area reflects actions for achieving greater efficiencies both in the central units and in the organizational structure of the directly-managed stores network.

The trend recorded by the **Media** area would be -3.1% net of the titles sold at end 2021.

The **Corporate & Shared Services** area recorded a decrease in units of approximately **3%**, net of the addition of certain staff functions from the integration of D Scuola.

Personnel expense[14] amounted to € **36.8** million, **down by approximately 2%,** net of the consolidation of D Scuola, versus the first quarter of the prior year.

€ millions	1Q 2022	1Q 2022 LFL	1Q 2021	*% chg.*	*% chg. LFL*
Extended Labour Cost (before restructuring)	**36.8**	**34.5**	**35.1**	*+4.7%*	*(1.9%)*

[14] *Cost of enlarged personnel includes costs for collaborations and temporary employment*

SIGNIFICANT EVENTS DURING THE FIRST THREE MONTHS OF 2022

On 25 February 2022, the Mondadori Group announced that it had received notice from the Antitrust Authority of the authorization to acquire from De Agostini Editore S.p.A. a 50% stake in the share capital of DeA Planeta Libri S.r.l..

On 7 March 2022, the Mondadori Group announced that it had received notice from the Antitrust Authority of the authorization to acquire a 50% stake in A.L.I. S.r.l. - Agenzia Libraria International, specialized in the distribution of books.

SIGNIFICANT EVENTS AFTER 31 MARCH 2022

On 1 April 2022, the Mondadori Group, through its subsidiary Mondadori Libri S.p.A., in execution of the agreement signed and disclosed to the market last 22 November 2021, concluded the acquisition from De Agostini Editore, of a 50% stake in the share capital of De Agostini Libri S.r.l., formerly DeA Planeta Libri, specialized in trade books with focus on the children's and non-fiction segments.

As already disclosed, the scope of the deal includes Libromania S.r.l., wholly-owned by De Agostini Libri and active in the promotion of third-party publishers: the agreements reached include put&call options, exercisable in second half 2022, which entitle the Mondadori Group to acquire 100% of Libromania.

The total maximum value of the acquisition, taking account of the 100% valuation of Libromania, is set at € 4.5 million.

The transaction, which creates a partnership with a time-honoured publishing house boasting a strong heritage and know-how, is in line with the repeatedly announced strategy of increasing the focus on the core business of books, pursued also through a process of vertical integration in the books market.

In 2021, De Agostini Libri reported consolidated revenue of € 13.9 million and EBITDA of € 0.2 million.

The corporate governance structure entitles the Mondadori Group to fully consolidate the stake.

On 11 May 2022, the Mondadori Group announced the conclusion, through its subsidiary Mondadori Libri S.p.A., of the acquisition of 50% of A.L.I. S.r.l. – Agenzia Libraria International, a company operating in the distribution of books and boasting a client portfolio of over 80 publishers. The transaction takes place in execution of the agreement signed and disclosed to the market last 11 November 2021.

Thanks to this acquisition, the Mondadori Group takes a further step along the path of increasing focus on the books market, through a process of vertical integration that allows the Group to strengthen its position in the promotion and distribution of third-party publishers, with a view to continually improving the service level and expanding the customer portfolio.

As already disclosed, the scope of the transaction includes a number of subsidiaries operating in the publishing field.

The acquisition price, paid in cash, is € 10.8 million.

The 50% stake in A.L.I. will be consolidated at equity effective as from 1 May 2022.

The final agreements envisage the acquisition by the Mondadori Group of a further 25% stake in A.L.I., effective as from 28 February 2023, at a price to be set based on average EBITDA 2021-2022. As from 1 March 2023, the company will be then fully consolidated.

The deal also provides for the subscription of put&call options, which give Mondadori the right to acquire the remaining 25% of A.L.I. by 30 July 2025 at a price to be set based on average EBITDA 2023-2024.

OTHER INFORMATION

Adhesion to the legislative simplification process adopted by CONSOB resolution no. 18079 of 20 January 2012. Disclosure pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-bis, of CONSOB Regulation no. 11971/99 as subsequently amended

On and with effect from 13 November 2012, the Board of Directors of Arnoldo Mondadori Editore S.p.A., pursuant to Article 3 of CONSOB Resolution no. 18079 of January 20, 2012 and in relation to the provisions set out in Article 70, paragraph 8, and Article 71, paragraph 1-bis, of CONSOB Regulation no. 11971/1999, resolved to avail itself of the right to waive the obligation of disclosure envisaged by the aforementioned CONSOB Regulation on the occasion of significant transactions relating to mergers, spin-offs and capital increases through contribution of assets in nature, acquisitions and transfers.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED

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 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): net result for the period before income tax, other financial income and expense, amortization, depreciation and write-downs of fixed assets. 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 expense of a non-ordinary nature such as:

(i) income and expense from restructuring, reorganization and business combinations;

(ii) clearly identified income and expense not directly related to the ordinary course of business;

(iii) as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.

With regard to adjusted EBITDA in first quarter 2021, the following items were excluded from EBITDA:

a) restructuring costs for a total of € 0.9 million, included in "Cost of personnel" in the income statement;

b) income of a non-ordinary nature for a total of € 0.1 million, included in "Sundry expense (income)" and "Cost of services".

With regard to adjusted EBITDA in first quarter 2022, the following items were excluded from EBITDA:

a) restructuring costs for a total of € 0.2 million, included in "Cost of personnel" in the income statement;

b) income of a non-ordinary nature for a total of € 0.6 million, included in "Sundry expense (income)" and "Cost of services".

Euro/millions	**1Q 22**	**1Q 21**
EBITDA (as shown in the financial statements)	***-718***	***220***
Restructuring costs under "Cost of personnel"	178	926
Not ordinary income, under "Other (income) expense"	-594	-81
Adjusted EBITDA (as shown in the Directors' Report)	***-1,134***	***1,065***

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

Result before tax (EBT): EBT or consolidated income before tax is the net result for the period before income tax.

Result from continuing operations: net result of the Group, excluding the contribution of Mondadori France and the financial expense charged to the subsidiary in 2019.

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).

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).

Ordinary Cash flow: cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

LTM cash flow: cash flow in the last 12 months (Last Twelve Months).

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

Free Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (excluding payment of dividends, if any).

Total Cash Flow: the sum of cash flow from ordinary and non-ordinary operations in the reporting period (including payment of dividends, if any).

BUSINESS OUTLOOK

In light of the results achieved in the first few months and in the absence of any future material deterioration in the geopolitical context, for the full year 2022, the Group believes it can **confirm the estimates previously disclosed**, despite the critical issues arising from the increase in costs for the procurement of raw materials, primarily paper, and for energy consumption.

That said, the Group expects for:

- **Earnings: continued resilience of the business model**

  - **mid-single-digit growth of revenue**

  - **Adjusted EBITDA up by more than 20%**

  - **double-digit growth** of **net result -** despite the fact that net profit in 2021 had benefited from a significant tax component[15], amounting to approximately € 19 million - thanks also to considerably lower non-recurring expense than the figure recorded in 2021.

- **Cash Flow and Net Financial Position: continued strong cash generation**

  - Cash Flow from ordinary operations: in line with 2021, as a result of the positive contribution from D Scuola, offsetting the "one-off" increase in Group capital expenditure, arising:

  - in the school segment, from the ongoing project to integrate D Scuola and from a stronger and richer product range and publishing catalogue;
  - in the Retail area, from the plan on the relocation and renovation of the flagship store in Piazza Duomo in Milan, which will see conclusion in the second half of the year;

  - Free Cash Flow in the region of € **40/45 million** (before payout of the dividend), which includes the expected cash outflows from extraordinary transactions announced;

  - Group net financial debt (IFRS 16) less than 1.1x Adjusted EBITDA (0.6x before IFRS 16).

The financial solidity reached allows the Group to continue its path of development, especially in the books business, also through M&As: therefore, the Group will continue to pursue its unwavering commitment, also in the current year, to further **growth opportunities through acquisitions**.

For the Board of Directors

The Chairman

Marina Berlusconi

[15] Derived from the tax realignment of intangible assets.

The Financial Reporting Manager - Alessandro Franzosi - hereby declares, pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, that the accounting information contained in this Interim Management Statement corresponds to the Company's accounting entries, books and results.

The Financial Reporting Manager

Alessandro Franzosi

Condensed Consolidated Financial Statements at 31 March 2022

Consolidated balance sheet

Assets (Euro/thousands)	31/03/2022	31/12/2021
Intangible assets	**353,046**	**351,844**
Land and buildings	-	-
Plant and equipment	2,661	2,701
Other tangible fixed assets	12,367	11,913
Property, plant and equipment	**15,028**	**14,614**
Assets from rights of use	**77,984**	**80,725**
Equity-accounted investees	16,118	17,859
Other investments	877	875
Total investments	**16,995**	**18,734**
Non-current financial assets	**4,195**	**553**
Pre-paid tax assets	**71,515**	**71,484**
Other non-current assets	**217**	**156**
Total non-current assets	**538,980**	**538,110**
Tax receivables	**17,436**	**8,833**
Other current assets	**84,922**	**70,610**
Inventory	**131,664**	**120,731**
Trade receivables	**116,772**	**164,971**
Other current financial assets	**794**	**181**
Cash and cash equivalents	**53,354**	**90,714**
Total current assets	**404,942**	**456,040**
Discontinued or discontinuing operations	**25,384**	**28,430**
Total assets	**969,306**	**1,022,580**

Consolidated balance sheet

Liabilities (Euro/thousands)	31/03/2022	31/12/2021
Share capital	**67,979**	**67,979**
Treasury shares	**(1,803)**	**(1,803)**
Other reserves and results carried forward	**156,840**	**109,186**
Profit (loss) for the period	**(11,408)**	**44,206**
Group equity	**211,608**	**219,568**
Share capital and reserves attributable to non-controlling interests	**15**	**13**
Total equity	**211,623**	**219,581**
Provisions	**47,229**	**47,079**
Post-employment benefits	**32,267**	**33,062**
Non-current financial liabilities	**123,201**	**122,953**
Financial liabilities IFRS 16	**68,495**	**71,340**
Deferred tax liabilities	**36,640**	**35,873**
Other non-current liabilities	**-**	**-**
Total non-current liabilities	**307,832**	**310,307**
Income tax payables	**8,903**	**17,431**
Other current liabilities	**138,932**	**139,990**
Trade payables	**190,660**	**222,997**
Payables to banks and other financial liabilities	**71,007**	**68,659**
Financial liabilities IFRS 16	**12,998**	**12,944**
Total current liabilities	**422,500**	**462,021**
Liabilities disposed or being disposed of	**27,351**	**30,671**
Total liabilities	**969,306**	**1,022,580**

Consolidated income statement

(Euro/thousands)	- **31 March 2022**	- **31 March 2021**
Revenue from sales and services	**153,091**	**144,839**
Decrease (increase) in inventory	(8,658)	(8,095)
Cost of raw and ancillary materials, consumables and goods	30,911	27,771
Cost of services	95,890	92,880
Cost of personnel	34,866	33,184
Other (income) expense	800	(1,121)
EBITDA	**(718)**	**220**
Amortization and impairment loss on intangible assets	7,073	4,855
Depreciation and impairment loss on property, plant and equipment	992	1,082
Amortization/depreciation and impairment loss of assets from rights of use	3,492	3,276
EBIT	**(12,275)**	**(8,993)**
Financial expense (income)	1,351	1,539
Expense (income) from investments	863	1,574
Result before tax	**(14,489)**	**(12,106)**
Income tax	(3,083)	(1,929)
Result from continuing operations	**(11,406)**	**(10,177)**
Result from discontinued or discontinuing operations	-	-
Net result	**(11,406)**	**(10,177)**
Attributable to:		
- Minority shareholders	**2**	**3**
- Parent Company shareholders	**(11,408)**	**(10,180)**
Earnings per share of continuing operations (expressed in Euro units)	(0.044)	(0.039)
Diluted earnings per share of continuing operations (expressed in Euro units)	(0.044)	(0.039)
Net earnings per share (in Euro units)	(0.044)	(0.039)
Diluted net earnings per share (in Euro units)	(0.044)	(0.039)

Consolidated comprehensive income statement

(Euro/thousands)	**31 March 2022**	**31 March 2021**
Net result	**(11,406)**	**(10,177)**
Items reclassifiable to income statement		
Profit (loss) deriving from the conversion of currency denominated financial statements of foreign companies	647	1,041
Other profit (loss) from equity-accounted investees	(48)	151
Effective part of profit (loss) on cash flow hedge instruments (*cash flow hedge*)	3,767	90
Profit (loss) from held-for-sale assets (fair value)	-	-
Tax effect on other profit (loss) reclassifiable to income statement	(904)	(22)
Items reclassified to income statement		
Profit (loss) on cash flow hedge instruments	82	-
Income (loss) deriving from held-for-sale assets (fair value)	-	-
Tax effect on other profit (loss) reclassified to income statement	(20)	-
Items not reclassifiable to income statement		
Actuarial profit (loss)	(422)	(24)
Tax effect on other profit (loss) not reclassifiable to income statement	98	29
Total other profit (loss) net of tax effect	3,200	1,265
Comprehensive net result	**(8,206)**	**(8,912)**
Attributable to:		
- Non-controlling interests	**2**	**3**
- Parent Company shareholders	**(8,208)**	**(8,915)**

For the Board of Directors

The Chairman

Marina Berlusconi