FY12 Results

Analysts' meeting

Segrate, March 2013

Market highlights

- ITALY: ongoing recession led to a 2.4% drop in GDP, an unemployment level of 10.7% (the highest since 1993) and a -3.8% slide in internal demand

- FRANCE: a better situation but still negative economic climate, with stable GDP, internal demand down by -0.2% and rising unemployment, now at 10.2%

- The weakness of economic activity in the first months 2013 makes it difficult to predict when the recovery will begin

Market trend*

		Market
Italy		
Trade Books	-5.0%	-7.8%
Magazines:		
Circulation (like for like)	-13.5%	-13.6%
Advertising	-21.2%	-18.4%
Add-on sales	-18.3%	-15.4%
France (like for like)		
Circulation newsstands	-5.0%	-5.4%
Circ. newsstands + subscrip.	-2.2%	-3.8%
Adv magazines	-2.4%	-4.9%

*FY12 (value)
Nielsen (Italy), Kantar Media (France)

Results: highlights

- Revenues: -6% (-8.6%* on a like for like basis)
- EBITDA: -49%

-38.9% net of positive one-offs and restructuring costs

- EBIT: - €151.6m vs. €103.8m in FY11, after -€194.3m impairment (substantially related to Mondadori France goodwill and R101 network's station)
- Net Result: before impairment +€12.0m
- Net Result: -€167.3m vs. +€49.6m in FY11
- Net financial position -€267.6m (-€335.4m in FY11, -€380.6m in 9M11)

* Emas consolidation in Mondadori

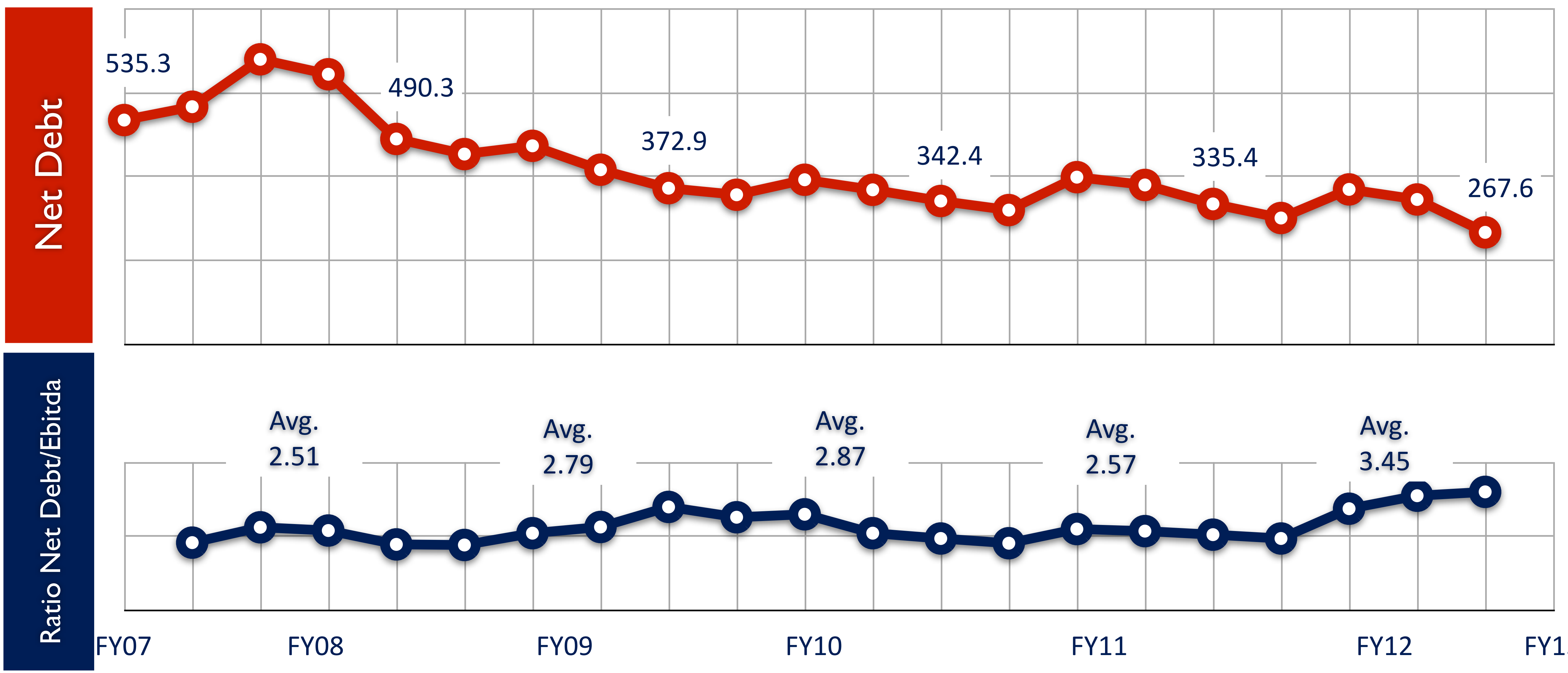
Profit&Loss FY12

€ m	FY11	FY12	Change %	
Revenues	1,507.2	1,416.1	-6.0	[-8.6%]*
Personnel costs	-270.7	-290.4	7.3	[-1.4%]**
Cost of sales & other	-1,106.1	-1,059.2	-4.2	
EBITDA	**130.4**	**66.5**	**-49.0**	
Depreciation & Devaluation	-26.6	-218.1	nm	
EBIT	**103.8**	**-151.6**	**NS**	
Financial charges & others	-21.1	-22.2	5.2	
Pre Tax Profit	**82.7**	**-173.8**	**NS**	
Taxes	-33.2	8.7	nm	
Minority Interests	0.1	-2.2	nm	
Net Profit	**49.6**	**-167.3**	**NS**	

* Like for like
** LIke for like and net of restructuring costs

Net debt and covenant evolution

- Net Debt: €267.6m, with €67.8m improvement vs. FY11
- Net Debt/EBITDA ratio at 3.45 for FY12
- Average Covenant for 2013: 3.50



Trade books: channels trend by value

Distribution channels

LSR + Bookstores
-7.8%

LSR
-7.2%

Bookstores
-8.0%

Chains
-7.1%

Indipendent
-8.8%

On line
-10.1%

Bookstore by
publisher

- Persisting negative market trend, though stabilizing

Nielsen, FY12
LSR= Large scale retail

Hardcover and paperback market trend

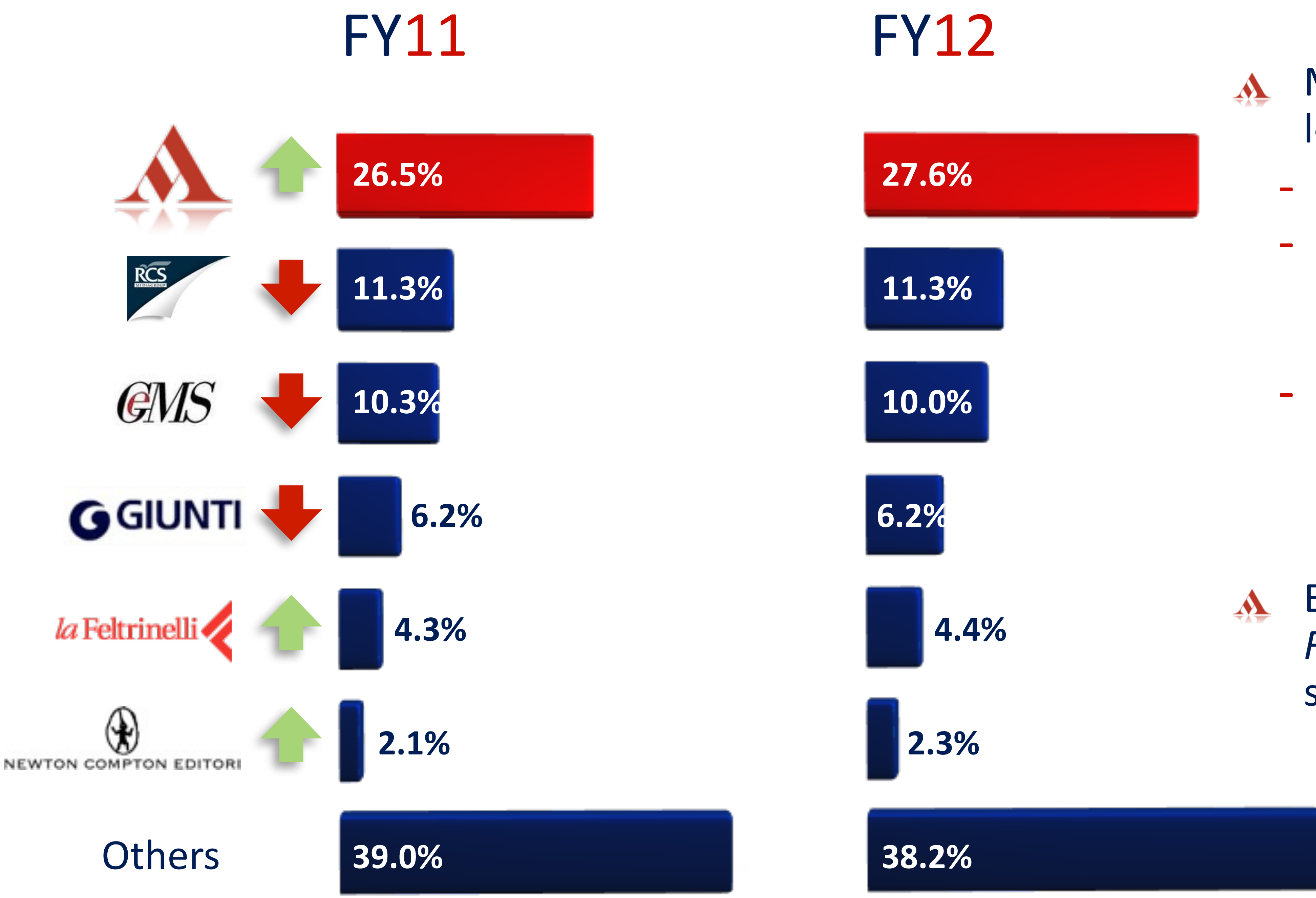
€1,107m FY12

-8.0%

	Hardcover	Paperback
	-7.6%	-10.7%
	-0.2%	**-10.3%**
RCS	-5.3%	-12.4%
GeMS	-7.6%	-17.2%
GIUNTI	-12.1%	+18.2%
la Feltrinelli	-6.1%	-6.1%
NEWTON COMPTON EDITORI	+2.7%	-11.9%
DeAGOSTINI	-15.0%	-25.8%

Nielsen (value) FY12 (Bookstores + web, exl. LSR)

Market share evolution by value

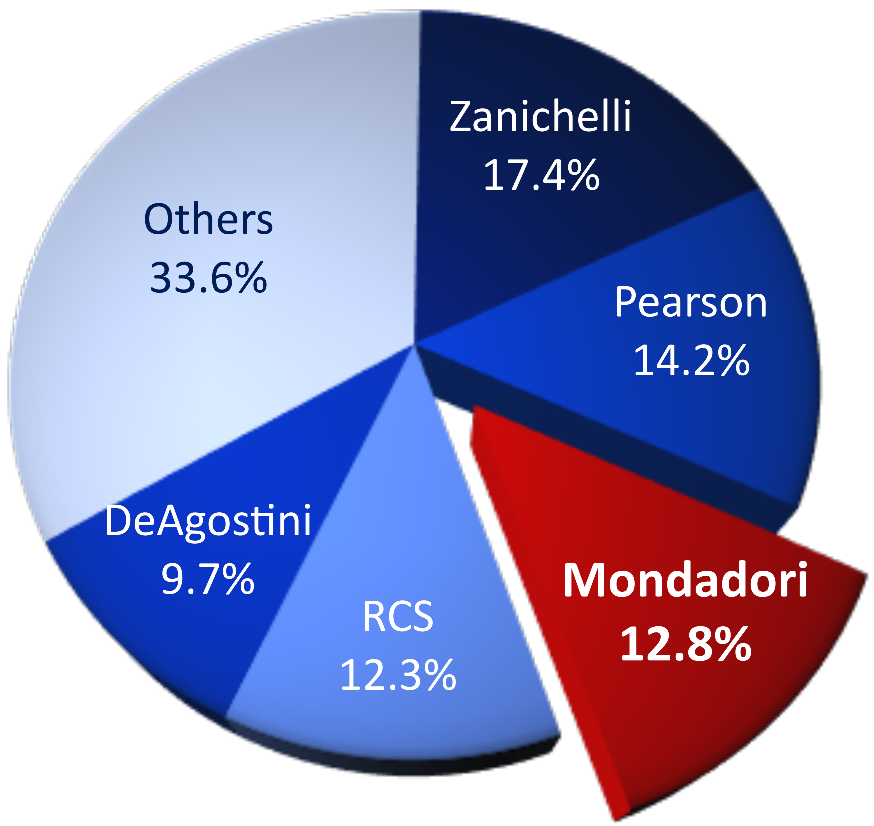


- Mondadori confirms its leadership for:
  - Market share
  - Best-selling books (6 titles in the top 10 and 43 in the top 100 best-selling books)
  - Winner of the most important literary prizes: *Strega, Campiello, Nobel*
- Extraordinary success of the *Fifty Shades* trilogy with sales of 3.3m copies

Nielsen FY12

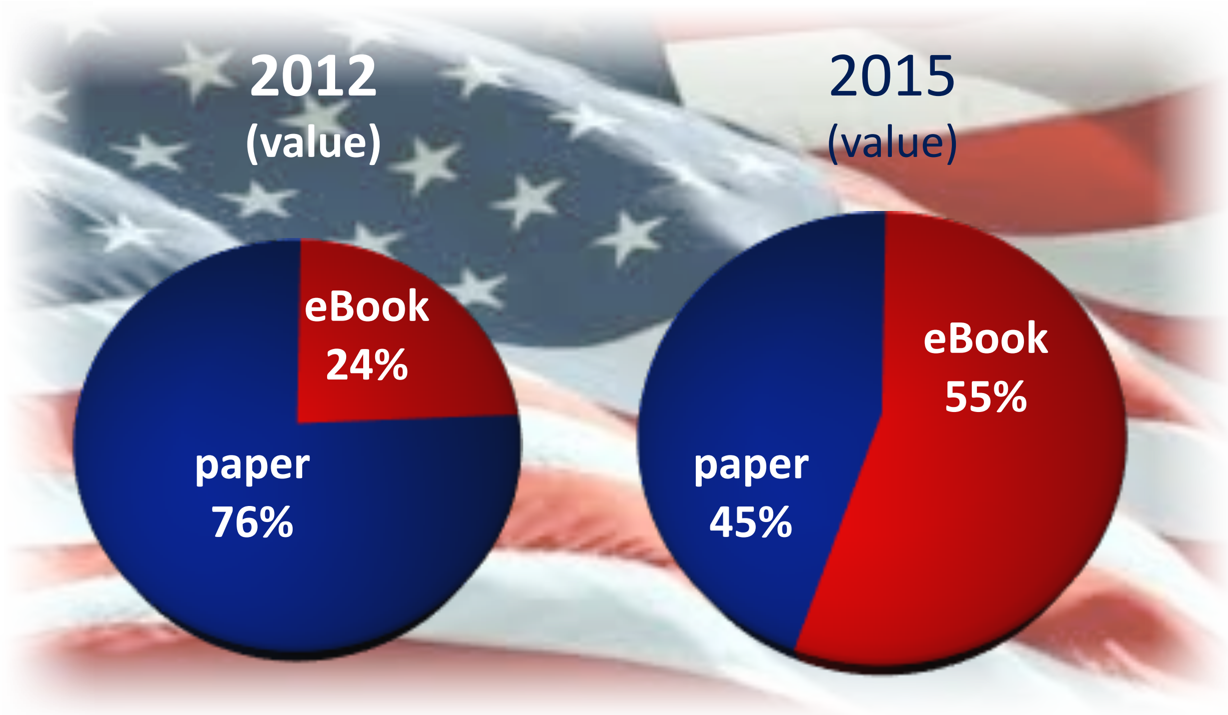
Educational book market

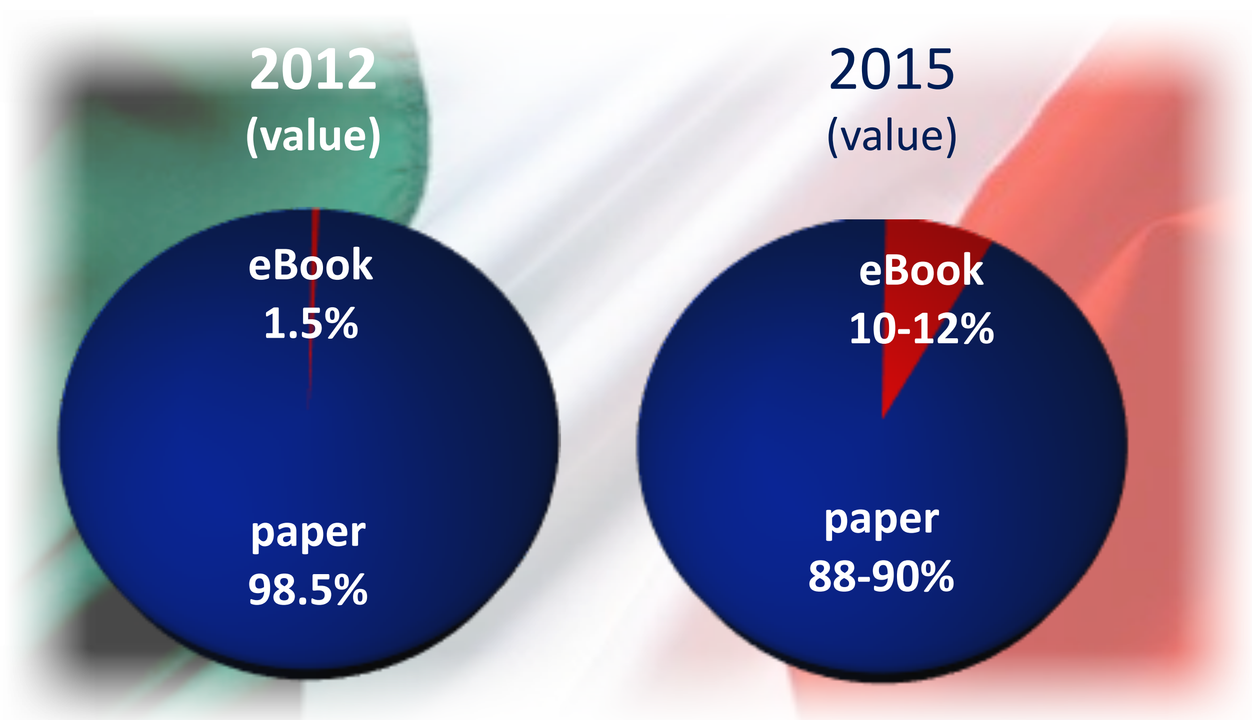
Market share per Publisher
(value)



- Third operator in a fragmented market
- Significant investments
  - editorial: for the upgrading of texts for secondary schools (SS2)
  - technological: multimedia platform development
- Good results of heritage activities thanks to Coliseum and Constantine exhibition

Ebook market evolution by value





- Double digit growth in the Italian market, estimated at around €18m (1.5% of the total)
- Mondadori is:
  - market leader with a 40% market share
  - over 1.2m downloads in FY12
  - trade revenues: 2% of the total (0.4% in FY11)
  - over 4.000 digitalised titles

Internal estimates

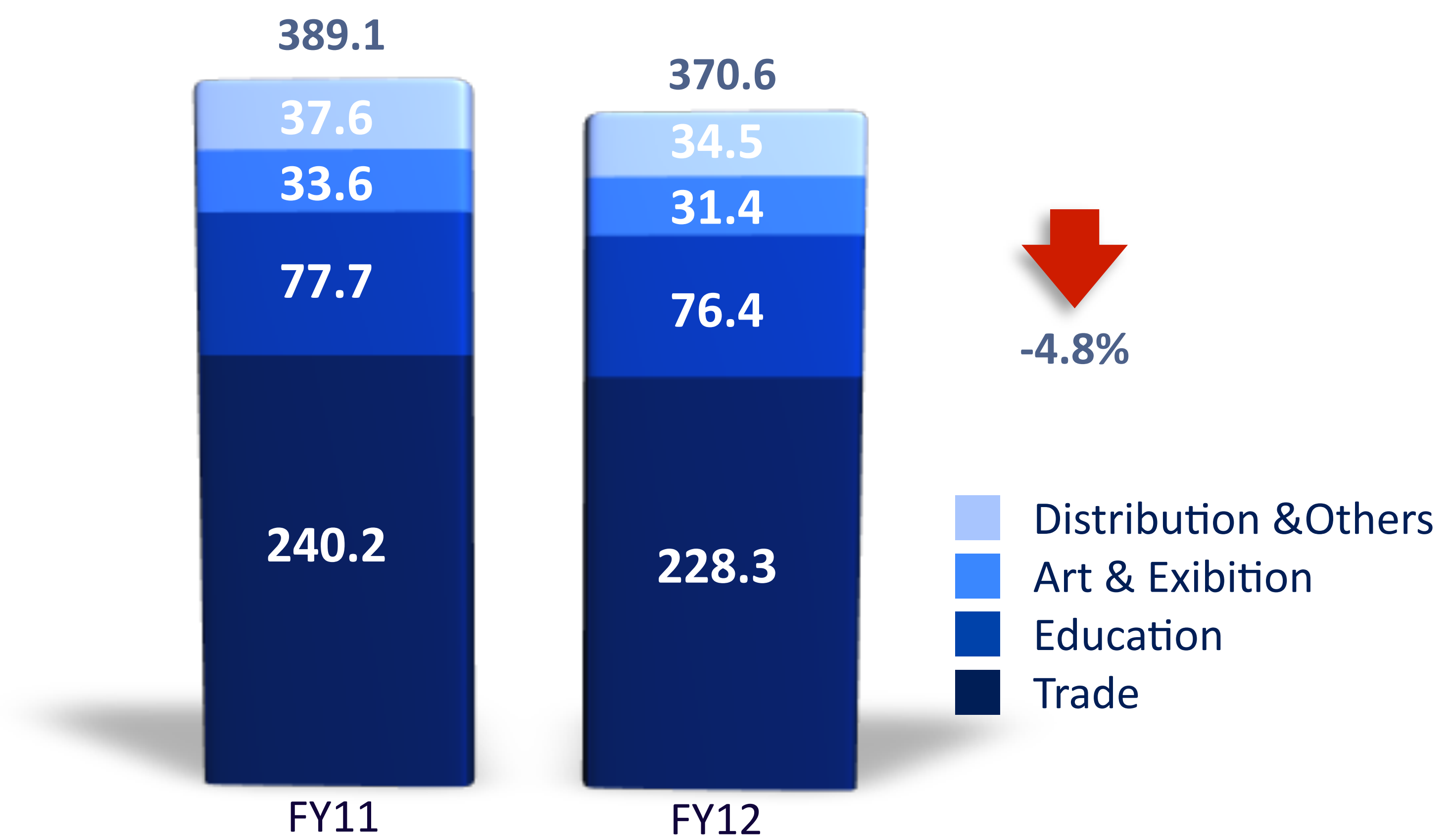
Kobo: achievements in FY12

- Enhanced the integration between “physical” and digital through a network of more than 500 shops and the *inMondadori.it* web site
- Success of the offer of a high quality device in an “open platform”, with different models at competitive prices
- Already reached a leadership position in the ebook market; 20% market share in the *eReader* market

€ 99 6’ eInk Perl Touchscreen + WIFI	€ 79 5’ eInk Touchscreen + WIFI	€ 129 6’ eInk con *Glowlight* Touchscreen + WIFI	€ 199 7’ LCD HD - 16GB WIFI - Multimediale

Books: financial highlights

Revenues (€ m)

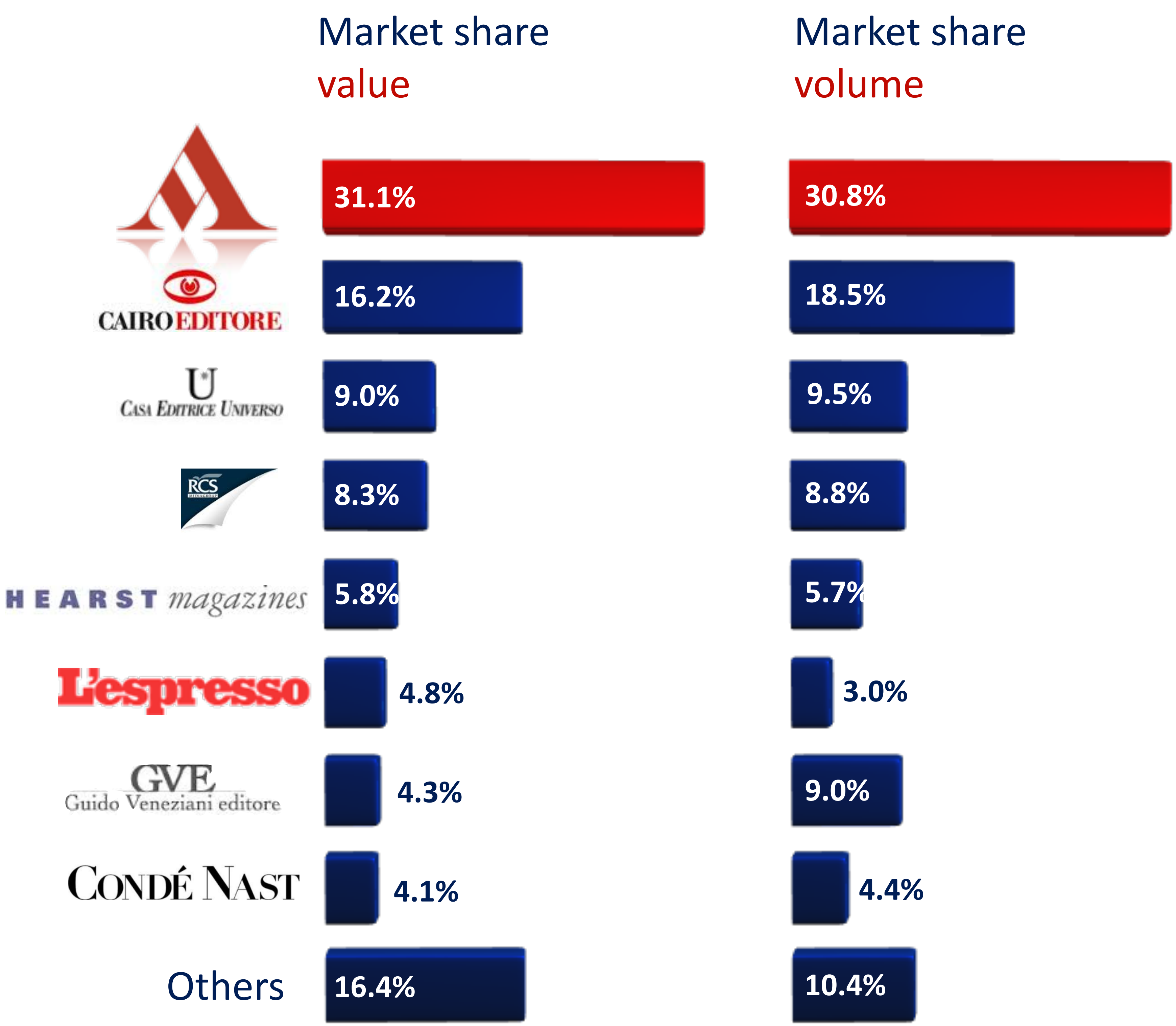


- Revenues: -4.8%, an improvement on the -6.7% in 9M, in particular the Trade area outperformed the market

EBITDA (€ m)

- EBITDA reduction due to:
  - lower contribution from paperback sales
  - investments in education
- *Ebook* contribution already positive

Magazines Italy: circulation market share

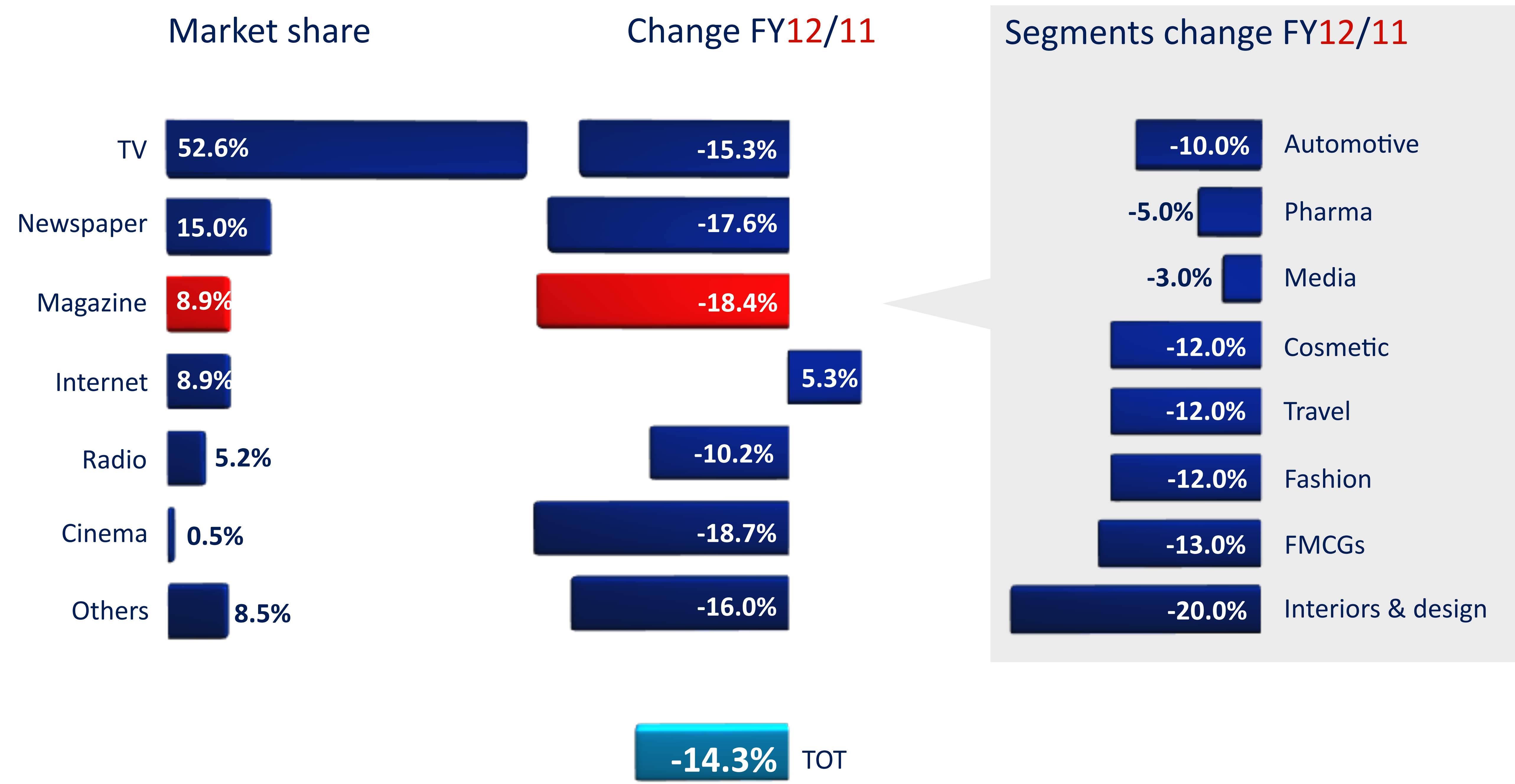


- Market down -13.6% (like for like) in terms of value. Strong fall in both newsstand sales and subscriptions

- Increase market share of magazines priced between €0.5 - €1 (53% of the total market)

Internal estimates

Italy: adv investment evolution (value)



Nielsen FY12

Add-on sales: highlights

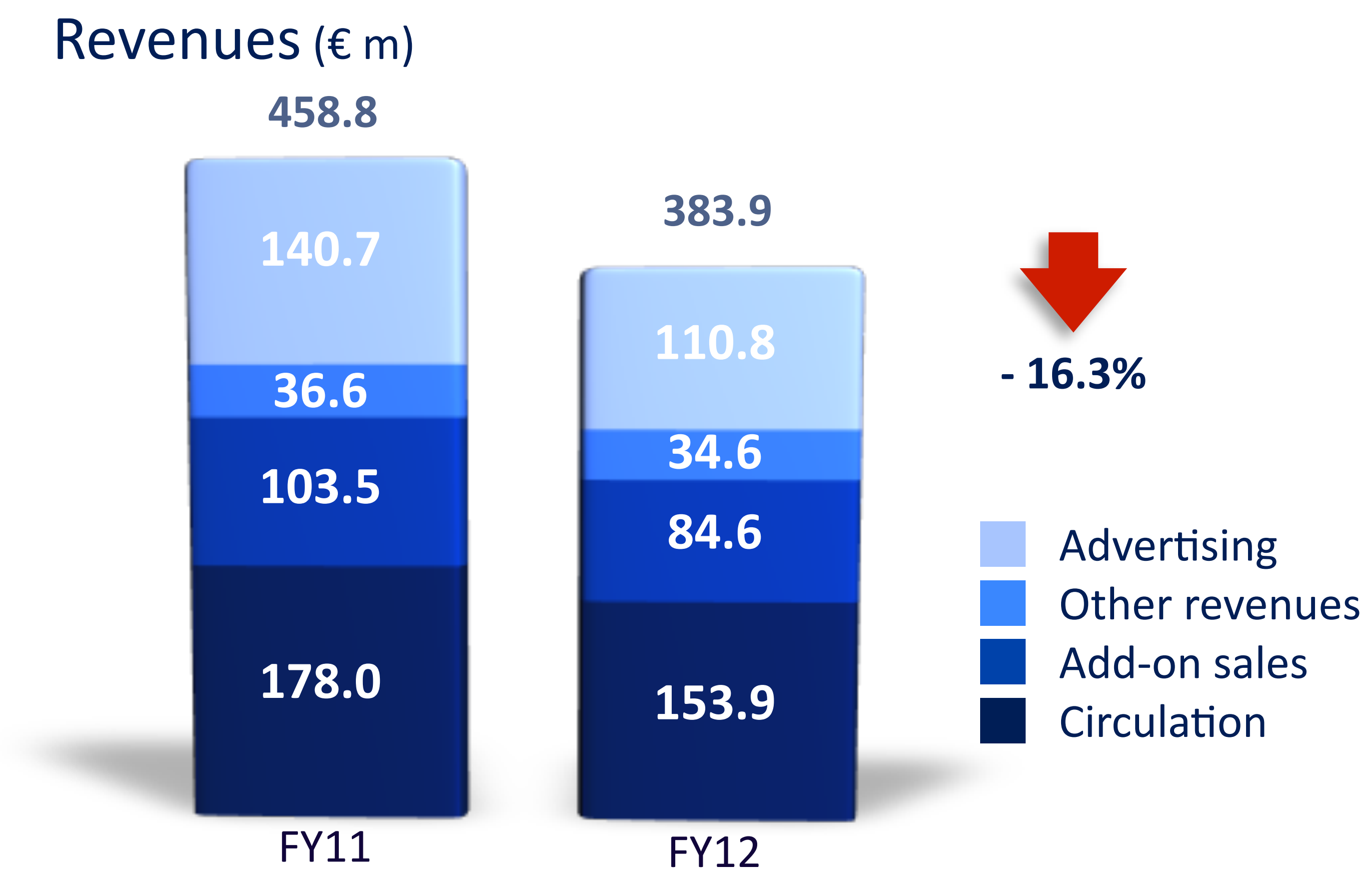
		Market
Revenues % changes	-18.3%	-15.4%
N° issues	1,856 (+5.4 % vs FY11)	5,076 (+25.4% vs FY11)
Avg. price	9.6 € (-2% vs FY11)	5.5 € (-15.6% vs FY11)

- Market leadership with a 34% share
- Average price +74% vs market
- Decline in books and home video due to a lack of best selling movies and especially for a shift towards digital

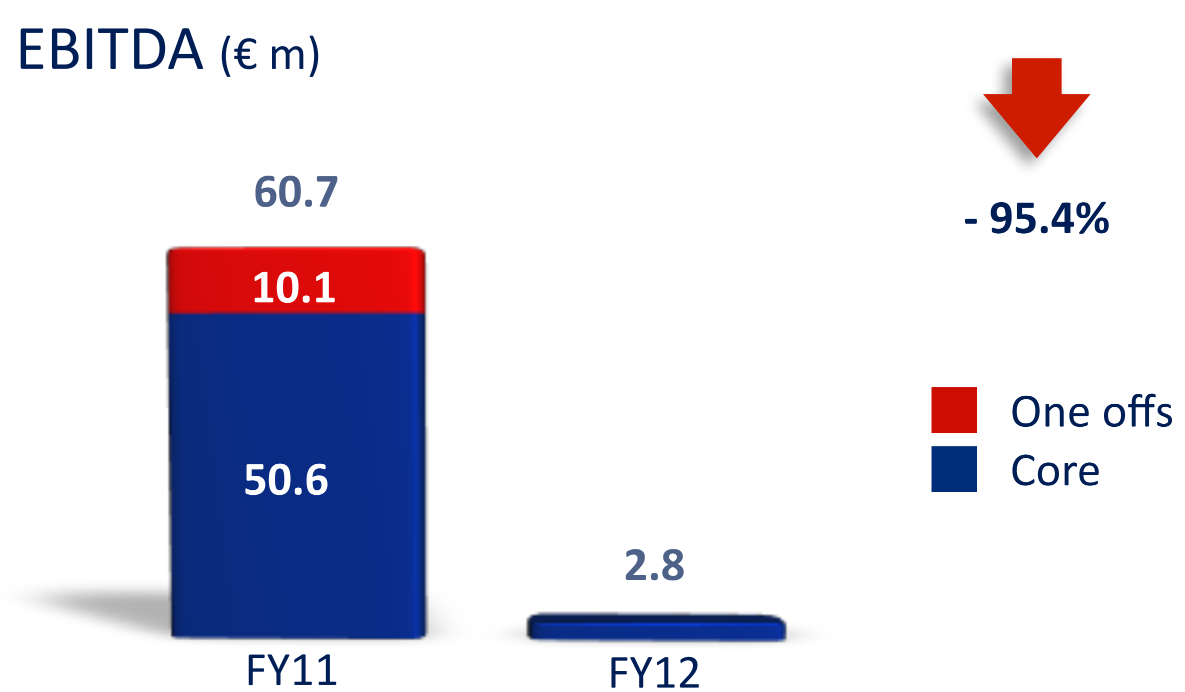
- Market marked by low price initiatives
- Market falls for: piracy (Home Video) and digital downloads (Music and Books)
- Reduction in the number of distribution outlets and returns (art. 39 liberalization law)

Internal estimates

Magazines Italy: financial highlights



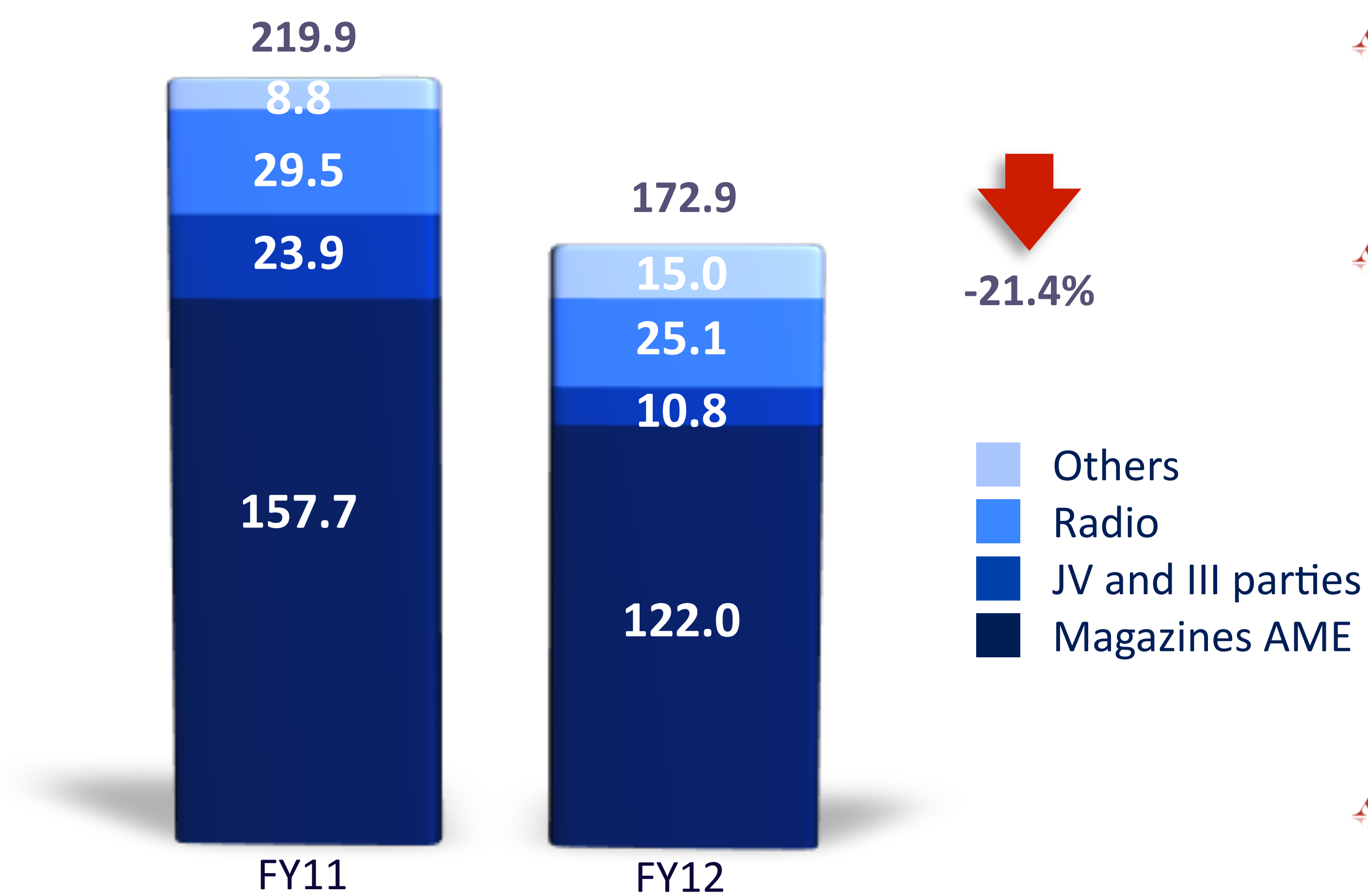
- Total Revenues: -16.3% with the following mix:
  - advertising: -21.2% (internet +37.4% and international +17.1%)
  - circulation: -13.5%
  - add-on sales: -18.3%



- EBITDA: 50% of the reduction due to:
  - on offs FY11 capital gains
  - higher restructuring charges
  - lower contribution from add-on sales (but with still high profitability)

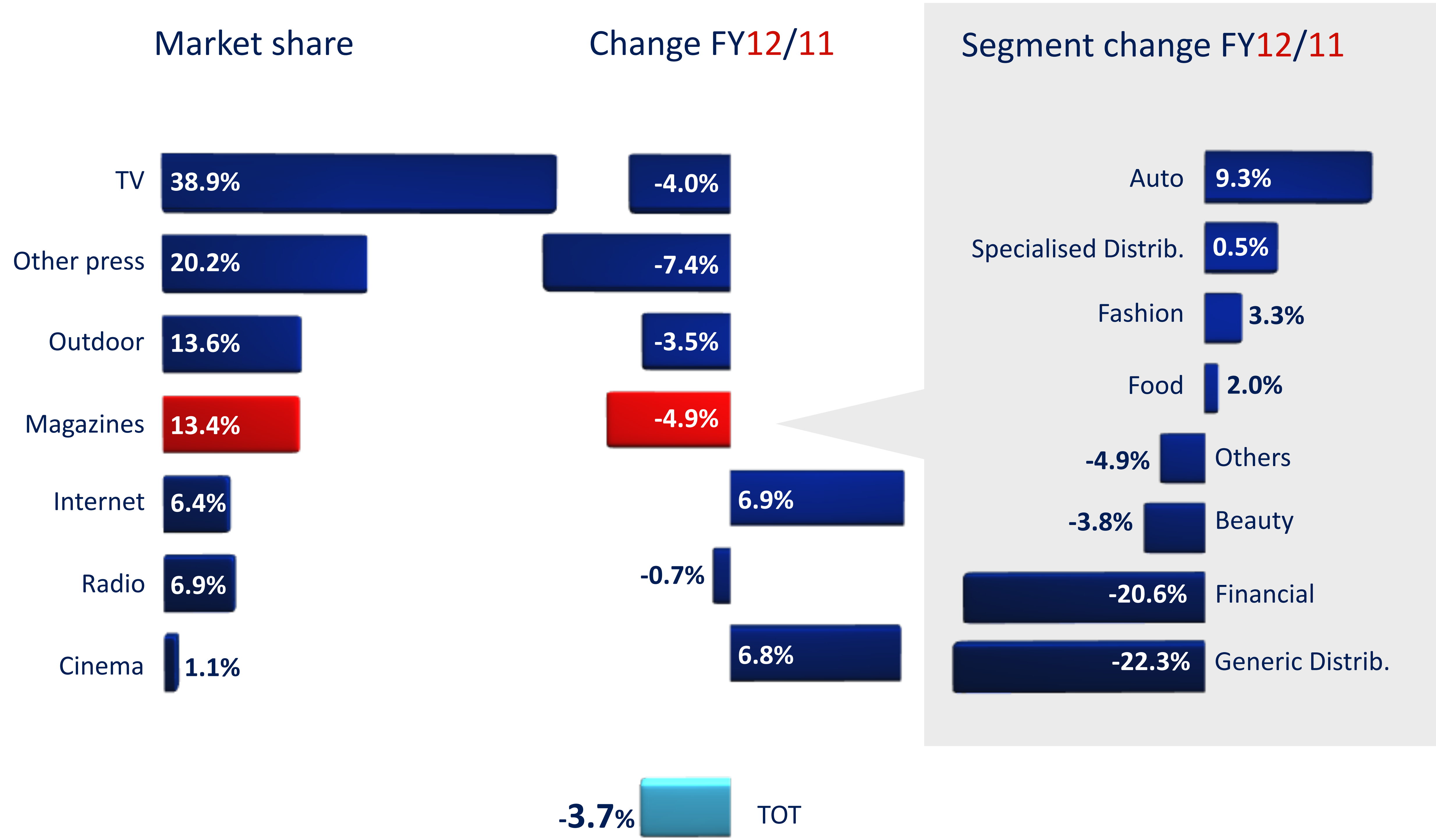
Mondadori Pubblicità: financial highlights

Revenues (€ m)

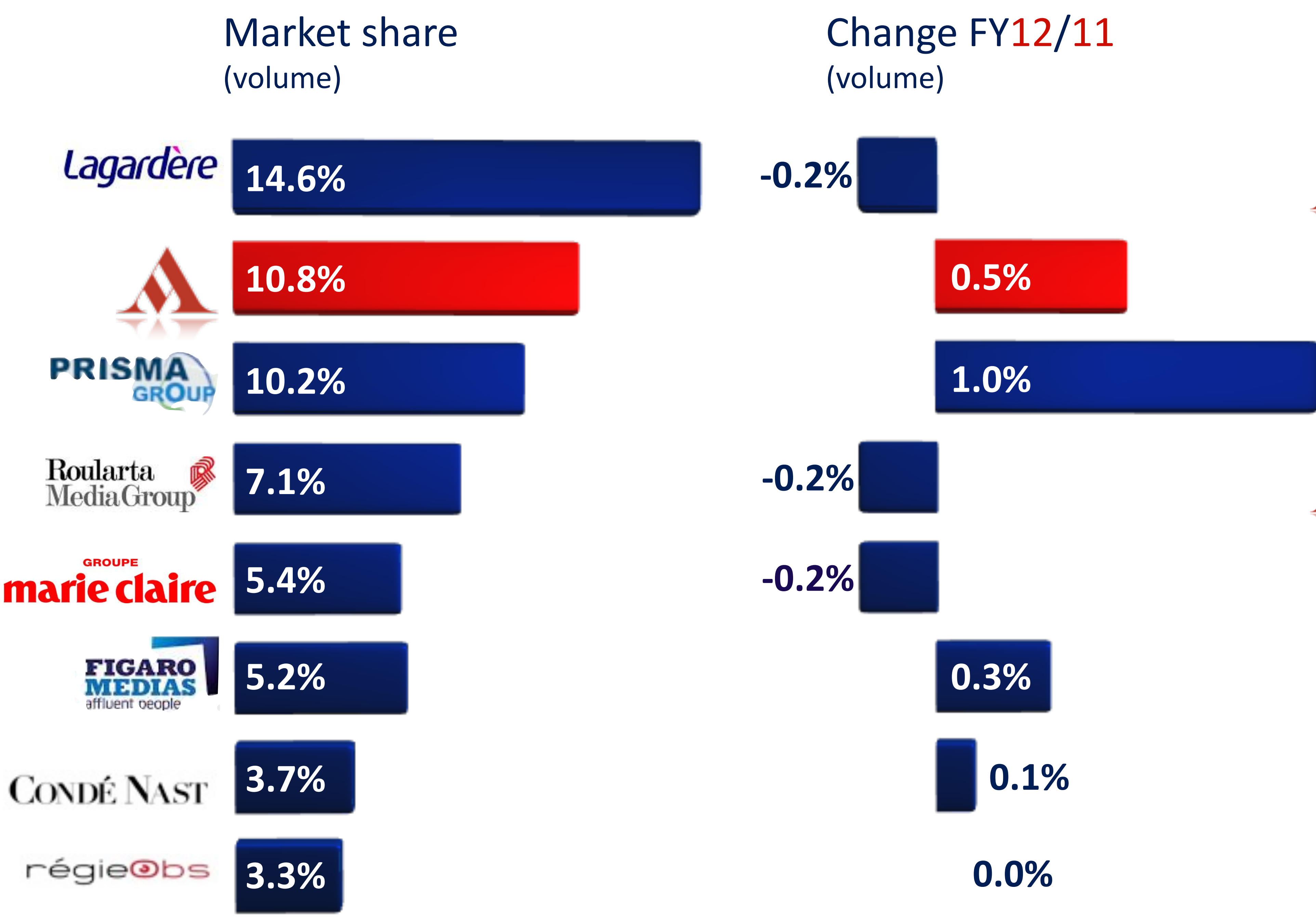


- Market -14.3% (-20.5% in 4Q) the worst performance in the last 20 years
- All segments showed negative trends excluding Internet (also now slowing down)
- The fall in Mondadori revenues was related to:
  - Magazine adv. sales (-22.6%) with a negative trend in all the most important sectors
  - Radios (*R101 and Kiss Kiss*) revenues -14.9% in a market that lost -10.2%
- Mediamond JV (not consolidated) confirmed excellent revenues (+63.4% to €37.4m) with an improvement for all the most important websites *Donna Moderna* (+22%), *Grazia* (+44%), *Panorama* (+22%); excellent results of *TGcom* (+10.5%), *Sport Mediaset* (+53%) and *Videomediaset.it* (collection started in Jan.12)

France: adv market evolution (value)



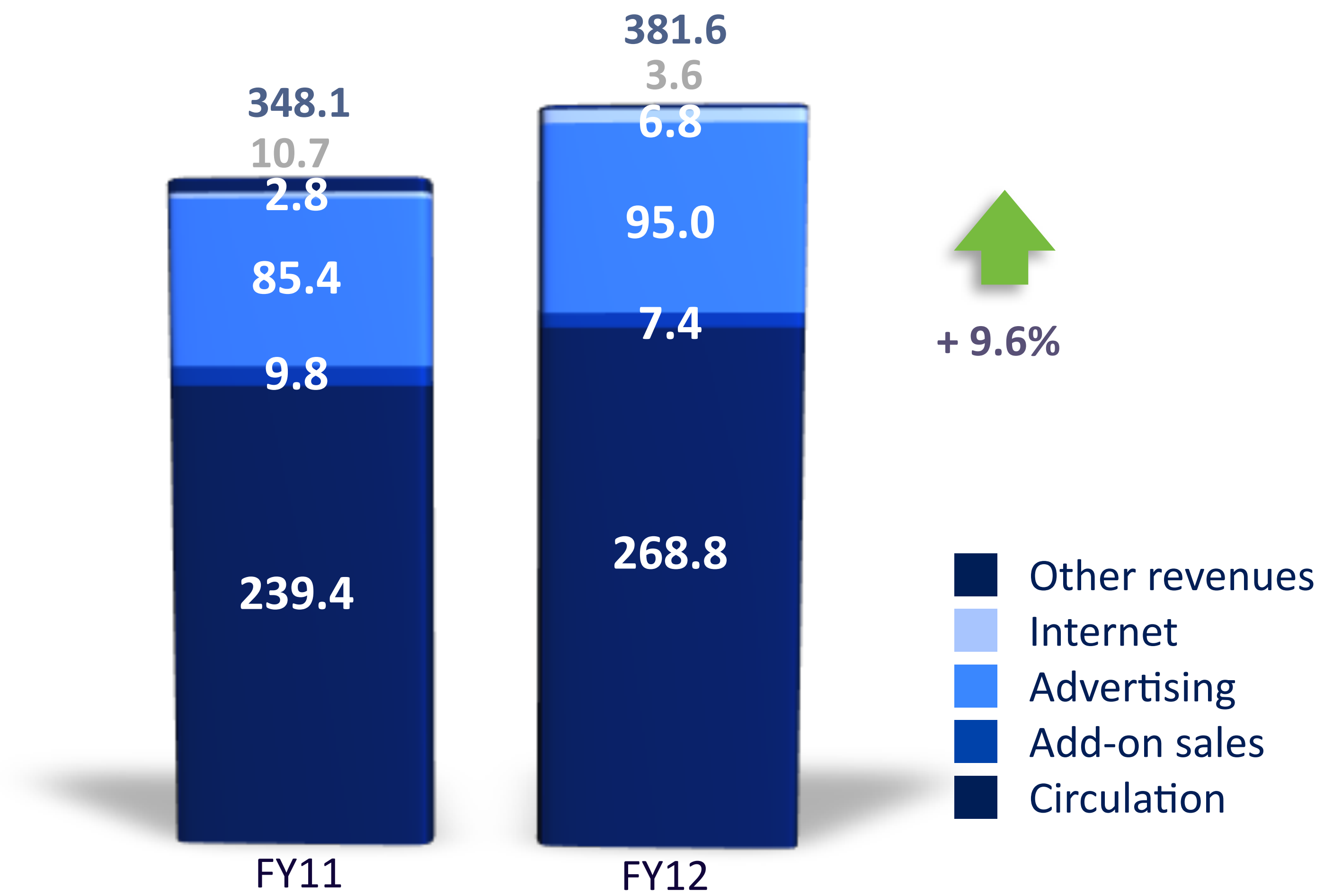
France: market share (volume)



- In a falling market (-5.7% in terms of volume) Mondadori confirmed its position as the second player
- Market share increased for the fourth year in a row

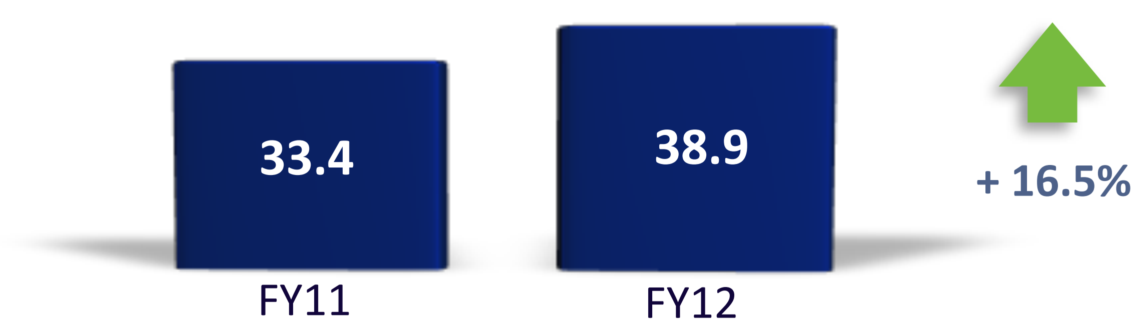
Mondadori France: financial highlights

Revenues (€ m)



- Total revenues; -2.2%* (like-for-like):
  - advertising: -2.4% vs -4.9% (market), confirmed the positive trend in the women's upscale segment
  - circulation: -2.2% with a continued rise in subscriptions (33.6% of total revenues)
- Digital activities:
  - Revenues +28%, unique users +67% to 4.5m
  - Acquisition of 60% of *NaturaBuy*, after 50% of *AutoreReflex* in FY11

EBITDA (€ m)

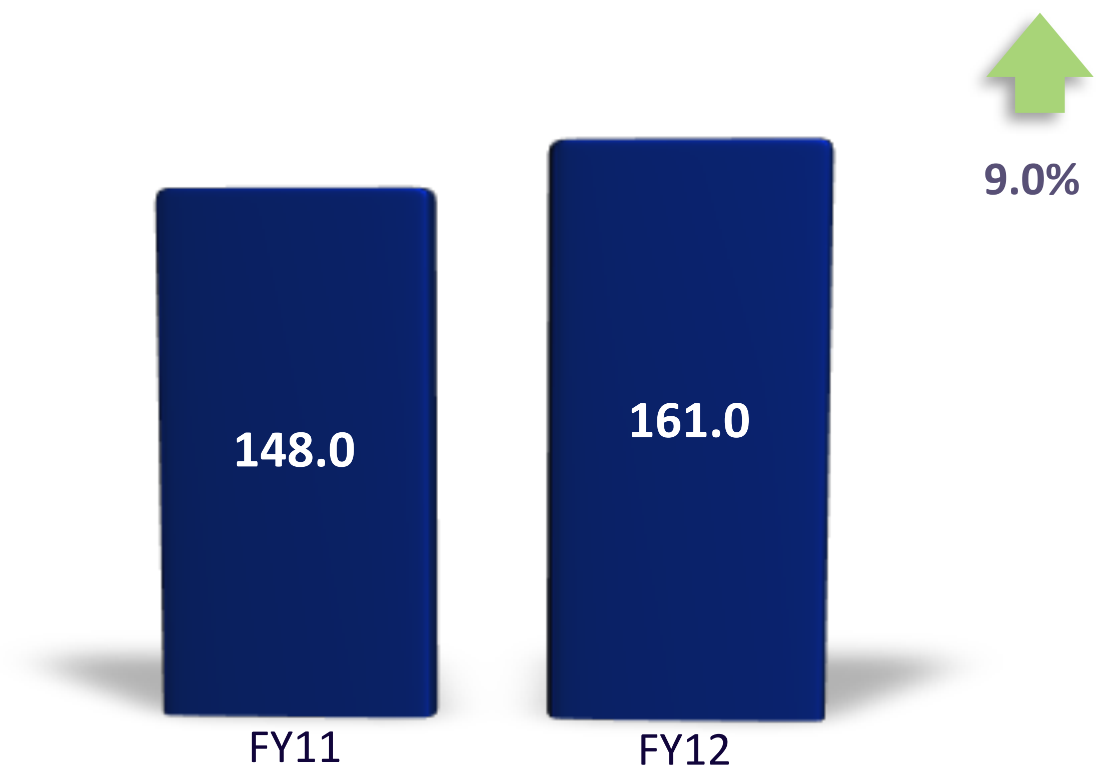


- EBITDA: +6.2% even excluding EMAS consolidation thanks to *Grazia* and cost efficiencies

* EMAS consolidation

Magazines international network: highlights

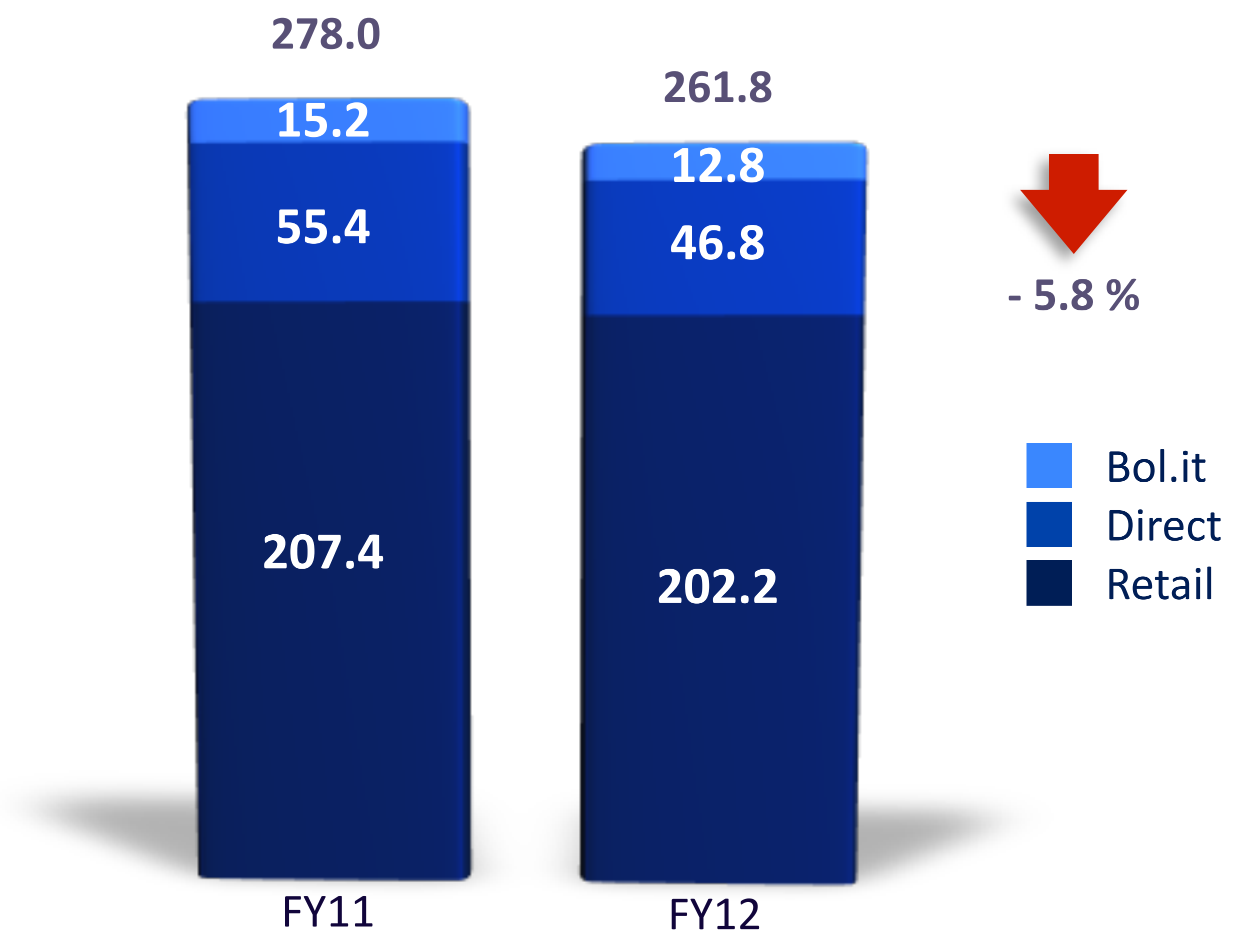
Total aggregated turnover (€ m)



- MIB (Mondadori International Business) set up in October to manage and enhance the Group's international activities
- Further improvement of:
  - Licensing: +10.6% thanks to network expansion
    - *Grazia*: 3 new editions in FY12 (Slovenia, South Africa and Poland) bringing the total to 20 editions worldwide
    - *Flair*: in Germany from August
  - Advertising revenues: +17.1% thanks to fashion and interior design sectors and further expansion in France and Switzerland
- Total joint venture revenues in excess of €60m
  - excellent performance in Russia (+21%) and China (+56%)
  - Attica: better than market results, thanks to achieved leadership in Greece

Direct & Retail: financial highlights

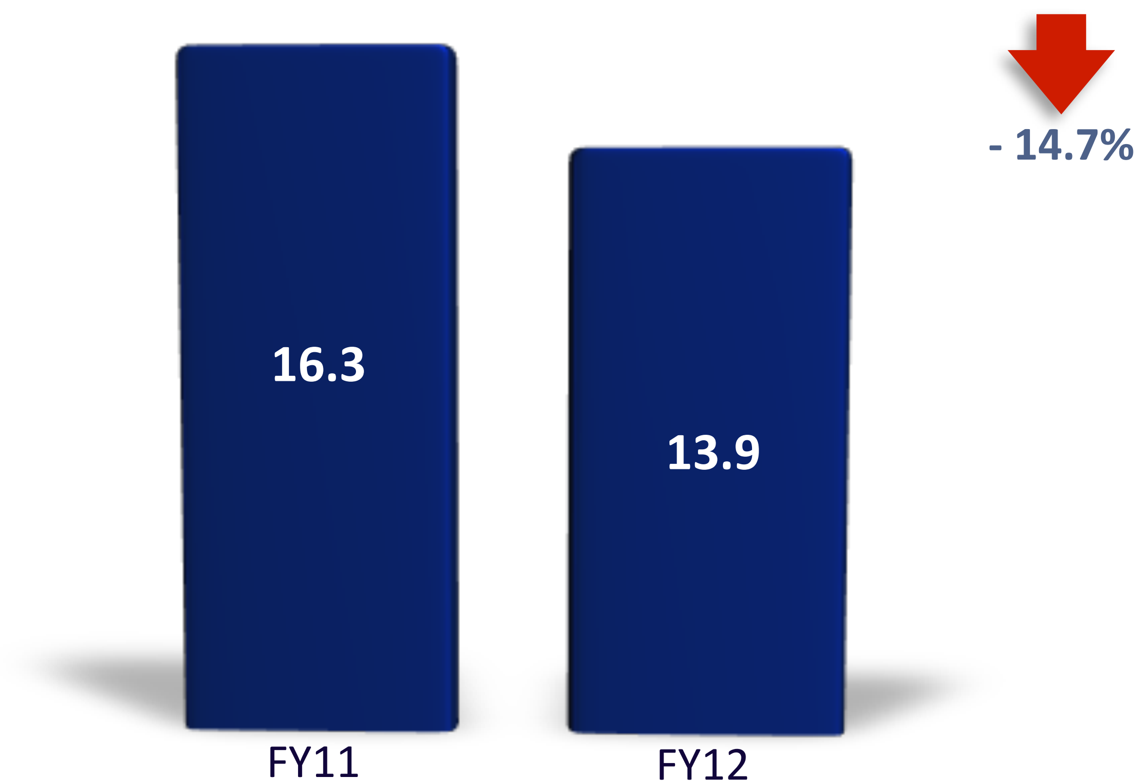
Revenues (€ m)



- Market reduction for books (-8%) DVDs (-18%) and Music (-14%)
- Retail
  - Important network rationalisation (from 628 to 597)
  - Private label and BoxForYou
  - Kobo
- *E-commerce*: strategic revision for "*InMondadori*"
- Direct: restructuring after the fall in investments in direct marketing

Radio: financial highlights

Revenues (€ m)



- Market -10.2% in FY12 with a deteriorated trend (-5.5% in 1H)
- Revenues -14.7% due to marked decline in the most important sectors (Auto, FMCGs and TLC) accounting for 50% of the total
- Audience: in FY12 no audited ratings
- During the year:
  - a renewed offer with new programmes and presenters
  - marketing initiatives for the sponsorship of national sport events
- The website recorded significant increase in traffic with more than 200,000 average monthly unique users and over 1.4m page views

2013 Outlook

- Also in the first two months of 2013 there were marked signals of difficulty in the economy with direct implications also in Mondadori's markets of reference

- With a view to recovering profitability in the medium term, further actions will be taken to:
  - rationalise the structure and reduce industrial costs
  - consolidate the core business with higher added value and recover profitability in the magazine business in Italy with the aim of strengthening the Group's leadership and harnessing development potential also in the digital area

- The realisation of the above will involve the commitment of significant financial and economic resources; FY13 EBITDA is expected to be below FY12

FY12 Results

Analysts' meeting

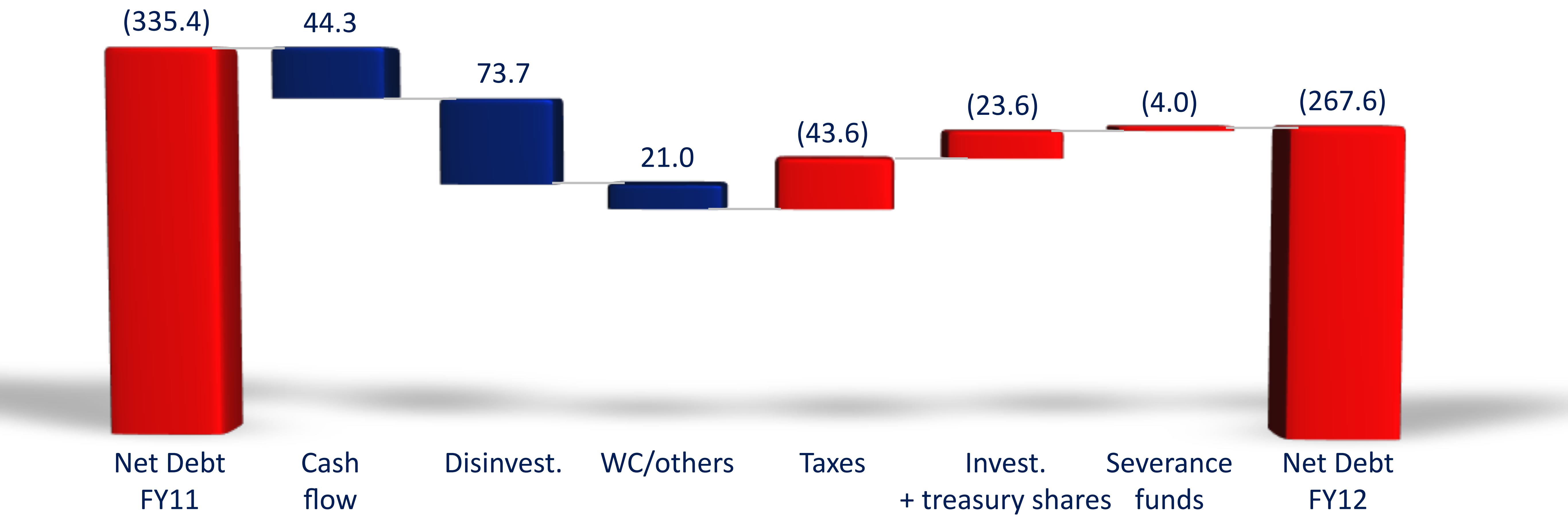
Segrate, March 2013

Annexes

1. Net Debt evolution

2. Results breakdown

1. Net Debt evolution



2. Results breakdown

Revenues

€ m	FY11	FY12	change
Books	389.1	370.6	-4.8%
Magazines Italy	458.8	383.9	-16.3%
Magazines France	348.1	381.6	+9.6%
Mondadori Adv.	219.9	172.9	-21.4%
Direct & Retail	278.0	261.8	-5.8%
Radio	16.3	13.9	-14.7%
Holding&Others	23.9	21.1	-11.7%
Gross revenues	1,734.1	1,605.8	-7.4%
Intercompany	-226.9	-189.7	-16.4%
Net revenues	1,507.2	1,416.1	-6.0%

EBITDA

€ m	FY11	FY12	change
Books	67.8	60.0	-11.5%
Magazines Italy	60.7	2.8	-95.4%
Magazines France	33.4	38.9	+16.5%
Mondadori Adv.	-6.9	-8.2	-18.8%
Direct & Retail	3.9	-1.2	ns
Radio	-0.3	-2.0	ns
Holding&Others	-282	-23.8	+15.6%
Total	130.4	66.5	-49.0%