

Results Q1 09



Consolidated results Q1 09

Mondadori in Q109 in brief

- ✓ **Revenues (-23.0%)**
 - a like-for-like fall of 16.4% (excluding the contribution of Mondadori Printing, sold in Q4 2008)
- ✓ **EBITDA (-70.7%)**
 - a like-for-like fall of 64.5%
 - profitability heavily impacted by the fall in advertising investments
- ✓ **Net profit (-€1.8m)**
- ✓ **Net financial position (-€454.2m)** an improvement on the -€490,3m on 31 December

Profit & loss

€m	Q108	Q109	% change
Revenues	460.3	354.5	-23.0%
EBITDA	48,4	14.2	-70.7%
<i>Ebitda margin</i>	10.5%	4.0%	
EBIT	38.2	8.0	-79.1%
<i>Ebit margin</i>	8.3%	2.3%	
Pre-tax profit	27.9	2.6	-90.7%
Net profit	17.7	(1.8)	

Excluding Printing

Q108	Q109	% change
423.9	354.5	-16.4%

Change in EBITDA

€m



Balance Sheet

€m

	<i>FY08</i>	<i>Q109</i>
Net working capital	184.4	163.1
<i>as a % of revenues</i>	<i>10.1%</i>	<i>9.5%</i>
Net capital employed	999.4	957.9
<i>Financed by:</i>		
Net debt	(490.3)	(454.2)
Net assets	509.1	503.7

Dynamics in the net financial position

€m

(490.3)

Net financial position on
31 December 2008

8.8

Gross cash flow

(2.6)

Taxation

11.6

Extraordinary items

18.3

Working capital and other

(454.2)

Net financial position on
on 31 March 2009



The Divisions

Market scenario in Q109

The reference market in Italy (figures to February 2009)

Books¹: slight downturn (-1.6%¹);

Magazines: fall in circulation (-12.1%²) and a marked fall in add-on sales (-24.9%³)

Advertising⁴: reduction in magazines (-29.6%), radio (-27.2%) and stability in the internet (+3.9%)

The reference market in France (figures to March 2009)

Magazines: circulation (-10.3%⁵); advertising (-17.4%⁶)

¹Source: Nielsen Bookscan (value) period p3

²Source: Internal (volume)

³Source: Internal (value)

⁴Source: Nielsen (value)

⁵Source: NMPP (volume)

⁶Source: TNS (volume)

Revenues by division

€m	Q108	Q109	
Books	94.1	89.0	-5.4%
Magazines Italy	162.3	124.7	-23.2%
Magazines France	97.8	83.6	-14.5%
Advertising	78.9	51.7	-34.5%
Direct	5.3	4.8	-9.4%
Retail	43.3	41.8	-3.5%
Radio	3.6	3.0	-16.7%
Corporate	107.1	4.6	ns
Gross revenues	592.4	403.2	-31.9%
Intercompany	-132.1	-48.7	
Net revenues*	460.3	354.5	-23.0%

Like-for-like

-16.4%

IFRS 8 compliant

Book Division

- ✓ Positive results from the book chain while there was a downturn in the large-scale retail channel
- ✓ Mondadori confirms its leadership (with a 26.8% market share) with essential stability in trade books (-2.5% net of rights for add-ons) despite the absence of particular bestsellers in the period

€m	Q108	Q109	
Trade	71.9	69.3	-3.6%
Education	2.7	2.3	-14.8%
Art & Exhibitions	9.9	8.3	-16.2%
Distribution & other revenues	9.5	9.1	-4.8%
Total revenues	94.1	89.0	-5.4%

Net of add-ons -4.5%

Magazine Italy

- ✓ Circulation: performance in line with a market in a not especially marked downward trend
- ✓ Add-ons: significant fall in revenues in a market in which only music remained positive while there was a marked fall in editorial and audiovisual products
- ✓ Launch of the weekly *Tu Style* at the end of January with excellent results in terms of circulation and advertising

€m	Q108	Q109	
Net circulation	55.1	51.1	-7.2%
Add-on sales	57.0	37.7	-33.9%
Circulation	112.1	88.8	-20.8%
Advertising	45.5	29.3	-35.7%
Other revenues	4.7	6.6	+40.6%
Revenues (Italy)	162.3	124.7	-23.2%

Net of add-on sales -17.3%

Mondadori France

- ✓ Circulation: fall in newsstand sales of weeklies (TV guides, people and auto titles); essential stability in subscriptions
- ✓ Advertising: performance in line with a market in steep decline
- ✓ In September *Grazia* will be launched also in France, increasing the international network to 12 editions

Like-for-like¹

€m	Q108	Q109		
Circulation	63.9	58.5	-8.4%	-5.9%
Add-ons	5.8	2.8	-52.5%	
Advertising	25.3	19.3	-23.9%	-19.2%
Other revenues	2.9	3.1	+8.1%	
Total revenues	97.9	83.6	-14.5%	-11.6%
		Net of add-on sales	-12.2%	-8.9%

¹ Net of the 8 niche titles sold in 2008

The advertising market

€m, Nielsen Media Research



	Feb 08	Feb 09	% Change
Television	818	686	-16.0%
Newspapers	284	210	-26.3%
Magazines	147	103	-29.6%
Radio	72	52	-27.2%
Internet	80	83	+3.9%
Outdoor	29	18	-36.2%
Cinema	7	5	-27.1%

Advertising Division

- ✓ Market: a particularly marked fall, both in volumes and rates; a general trend that affected all sectors
- ✓ Mondadori: performance essentially in line with the market, however compared with strong growth at the beginning of 2008 (+6.5% vs +4.1% for the market)
- ✓ Radio: from March 2009 exclusive advertising sales rights for the national radio station Radio Kiss Kiss

€m	Q108	Q109	
Magazines	54.3	35.6	-34.4%
Radio	5.1	4.7	-7.8%
Newspapers	4.2	2.9	-31.0%
Third parties & other revenues	15.2	8.5	-44.1%
Total revenues	78.8	51.7	-34.5%

Direct & Retail

€m



	Q108	Q109
Own stores	28	29
Edicolé (franch.)	208	227
Bookstores in franch.	149	177
Total	385	433

Q108 Q109

Radio

€m

- ✓ Since January 2009 Audiradio has changed the way in which it measures listeners, adding more precise figures (thanks to panel diaries) that are in line with media planning (figures for 7,14, 21,28 days)
- ✓ According to the new figures, R101 now reaches 9 million listeners per month, markedly reducing the gap with the top 5 commercial radio stations
- ✓ The radio market has proved not to be immune to the fall in advertising investments in the first months of the year
- ✓ R101 generated net revenues of €3m (compared with €3.6 in Q108) with a fall that was below that of the market
- ✓ In January a brand-building campaign was launched focusing on the music offer

Corporate calendar

29 July 2009

First half results

12 November 2009

Results for the first nine months

Disclaimer

Certain statements contained herein may be statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential, or continue' and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Mondadori core business and core markets, (ii) performance of financial markets, including emerging markets, (iii) interest rate levels, (vii) currency exchange rates including the Euro-U.S. dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions including related integration issues, and (xii) general competitive factors, in each case on a local, regional, national and/or global basis.