



MONDADORI

Mandatory public notification (as per Consob Regulation N° 11971 of May 14, 1999, and subsequent modifications)

PRESS RELEASE

Board of Directors approves the report for the first half of the year to 30 June 2009

- **CONSOLIDATED REVENUES: €730.7 MILLION**
-21.4% COMPARED WITH THE €930.1 MILLION TO 30 JUNE 2008
(-14.9% ON A LIKE-FOR-LIKE BASIS)

- **GROSS OPERATING PROFIT: €40.2 MILLION**
-61.5% ON THE €104.5 MILLION TO 30 JUNE 2008

- **CONSOLIDATED OPERATING PROFIT: €27.9 MILLION**
-66.7% COMPARED WITH THE €83.8 MILLION TO 30 JUNE 2008

- **CONSOLIDATED NET PROFIT: €7.3 MILLION**
COMPARED WITH A FIRST QUARTER 2009 THAT RECORDED -€1.8 MILLION

Segrate, 29 July 2009 – The Board of Directors of Arnoldo Mondadori S.p.A. met today, to examine and approve the management report for the first half of the year to 30th June 2009, as presented by the Group's deputy chairman and chief executive, Maurizio Costa.

The market scenario

Recent macroeconomic figures appear to reject the danger that the current recessionary phase will become even worse, but in terms of national markets there is still no sign of a turnaround in consumer spending or investments.

In the markets of reference, the trends that became evident in the first months of the year have continued.

In particular (volume figures to May):

- Magazine circulations continued to fall by about 9% in Italy; while, in France, the drop was 8%, with essential stability in subscriptions;
- There was no sign of a recovery in advertising investments and levels remained significantly lower than those of 2008, with falls of 29% in Italy (in terms of value) and 18% in France;
- Italy also saw the continuing decline in the market for add-on sales, with a drop of 19% in copies and 23% in value;
- Following essential stability in the first months of the year, the Italian book market saw a fall, starting in April, of 2.6% in the large-scale retail and non-chain bookstores.

Group performance in the period to 30 June 2009

During the second quarter actions aimed at containing costs allowed the Mondadori Group to mitigate the negative impact on profitability of a fall in revenues – especially those from advertising; if the printing business (sold at the end of 2008) is excluded, non-recurring items and investments in development, the Group's businesses generated gross operating profits in the second quarter of €33.6 million (8.9% of revenues), €18 million less (-34.9%) than in the same period of 2008.

Consolidated revenues to 30 June 2009 came to **€730.7 million**, a fall of 21.4% on the €930.1 million of the same period of 2008 (-14.9% on a like-for-like basis, excluding the activities of Mondadori Printing).

Consolidated gross operating profit amounted to **€40.2 million**, a fall of 61.5% compared with the €104.5 million in the first six months of the previous year; as a proportion of revenues, the figure went from 11.2% in 2008 to 5.5% this time.

Excluding the activities of Mondadori Printing the variation in operating profit was down by €50.8 million (-55.7%), essentially due to lower business profits (-€40.1 million of which €5,8 for add-ons); increased investments in developing businesses (-€1.6 million); non-recurring items (extraordinary elements and restructuring costs): -€9.1 million.

Consolidated operating profit to 30 June 2009 came to **€27.9 million**, a fall of 66.7% compared with the €83.8 million in the first half of 2008, with amortizations and writedowns on tangible and intangible assets of €12.3 million (€20.7 million in 2008).

As a proportion of revenues, a fall from the 9% of 2008 to 3,8%.

Consolidated pre-tax profit came to **€17.6 million**, a fall of 72.6% on the €64.2 million of the same period of 2008, with a fall of €9.3 million in net financial charges, due to a lower level of debt and, above all, a significant reduction in the cost of borrowing.

Consolidated net profit for the period to 30 June 2009 amounted to **€7.3 million**, compared with the €36.7 million of the previous year (-80.1%), and a first quarter 2009 that recorded a loss of €1.8 million.

Gross cash flow came to **€19.6 million** compared with the €57.4 million of the first half of 2008.

The **net financial position** went from -€490.3 million at the end of 2008 to - **€473.9 million** on 30 June 2009.

As of 30 June 2009 the **personnel** employed, on indefinite and fixed-term contracts, by the companies controlled by the Group totalled 3,861.

Compared with the first half of the previous year, on a like-for-like basis, in other words excluding Mondadori Printing, there was a fall in the number of personnel of 194.

Personnel costs, which amounted to €143.1 million, were down by 24.1% from the €188.6 million to 30 June 2008; net of Mondadori Printing the fall would be of 6.8%.

BUSINESS AREA RESULTS ¹

Books

In the first half of 2009 the Book Division generated revenues of **€182.6 million**, a fall of 5.2% compared with the €192.7 million of the same period of the previous year.

During the period the market was characterised by a general trend that, from March, was down compared with the first six months of 2008, both in terms of new titles and reprints.

In this context the Mondadori Group confirmed its leadership in trade books, with a market share, in just the medium to large-scale bookstores, of 27.8% (source: Nielsen Bookscan – period P6), markedly ahead of its main competitors. There was also an increase in the market share of Sperling & Kupfer and Einaudi, while there was a slight fall for Edizioni Mondadori and Piemme.

As regards the performance of the individual publishing houses, Edizioni Mondadori generated first half 2009 revenues of €65.2 million, a fall of 4.5% compared with the previous year. Significant titles during the period included three new titles published between the end of May and the beginning of June, both for the importance of the authors and their commercial appeal: *Marina*, an unpublished novel by Carlos Ruiz Zafón; *La bellezza e l'inferno* by Roberto Saviano; and *Il ricatto*, the new legal thriller by John Grisham, which benefited from the author's presence in Italy for the launch.

In the paperback sector, sales were up by 6% compared with the previous year, with particular growth in the bookstore chains, also thanks to the Oscar Mondadori promotional campaign in the months of March and April.

Net revenues for the first six months at Einaudi amounted to €24.5 million, a fall of 7.2% compared with the same period of last year: there was a 5.9% drop in revenues from the bookstore channel, while instalment revenues were down by 10.3% and the sale of rights down by 20.4%.

Revenues from Mondadori Electa totalled €18.5 million, an 8.4% fall on the same period of the previous year, mainly due to the marked fall in add-on sales (-31%), in the context of a rapidly declining market, and an inconstant performance in higher margin businesses.

Sperling & Kupfer ended the first half of 2009 with revenues of €15 million, an increase of 15.4% compared with the first half of 2008. This result reflects good sales both through bookshops and organised distribution.

Net sales to 30 June 2009 at Mondadori Education amounted to €14.2 million, a fall of 6% compared with the first six months of the previous year.

Edizioni Piemme generated revenues in the period of €22.3 million, a fall of 17.4% on the first half of 2008, mainly due to a substantial drop in the supply of titles by Khaled Hosseini and a significant overall rise in returns.

¹ It should be noted that from 1 January 2009, replacing IAS 14, the IFRS 8 accounting principle, that regulates the information that must be disclosed for each relevant business in which the group operates, came into effect.

The application of this new principle has involved the publication of figures relating to the activities managed by the Mondadori France subsidiary separately from the entire Magazine Division, of which it is in any case a part. Consequently, in order to make a correct comparison, it has been necessary to also include the figures for the first half of 2008.

Moreover, following the sale of 80% of Mondadori Printing in November 2008, the section that included the figures relating to the group's printing activities is no longer significant as per the terms of IFRS 8 and, consequently, such figures have been incorporated under the item "Corporate and other business". The same attribution has been made for the figures for 2008.

• **Magazines Italy**

The publishing business, both in Italy and around the world, has been significantly affected by the crisis that began in the second half of 2008. In Italy, following an extremely difficult first quarter, the second quarter proved to be equally problematic and, above all, without, for the moment, providing any indication of a turnaround in the trend. The fall in consumer spending has impacted also on the purchase of newspapers and magazines and, in a more marked way, of add-on sales products that often involve a significant investment over time because of the nature and duration of the offers.

In the same way, the financial crisis, which has evolved in to a full-blown recession, has led companies to drastically reduce their investments in communications, which a consequent slump in advertising expenditure.

In Italy, Magazine revenues in the first half of the year amounted to **€253.2 million**, a fall of 20.9% compared with the €320 million of the same period of the previous year.

This downturn was determined by a series of specific phenomena:

- in a market in which circulation volumes were down by around 10%, Mondadori saw its circulation revenues fall by less than the reference market and with an overall market share of more than 35%;
- Mondadori ended the first half with a fall in add-on sales of 32.8% - despite revenue levels remaining significant and higher than other magazine publishers -, in a market that recorded a generalised fall in all segments, with the exception of music;
- a substantial resizing of advertising revenues (-30.6%) that affected all sectors: especially fashion, cosmetics and furnishings.

The action taken by Mondadori to react to this context has included efforts to sustain and develop the titles and an increased control of costs.

International activities

During the period the effects were felt of the international crisis both on the revenues of the individual editions and the relative royalties, which were, however, compensated by the increase in the number of active licences and licensing revenues (+23%).

Moreover, by the end of the year, the existing 12 editions of *Grazia* will be joined by three new editions in France, Indonesia and Thailand. To the success of the *Grazia* Network, should also be added the positive performance of the licences for *Casaviva*, *Flair*, *Sale&Pepe* and *Interni*.

The joint-ventures in Russia and China performed well: in particular the Chinese edition of *Grazia*, launched in February, which has outperformed expectations in terms of circulation, while advertising revenues have been affected by the international economic situation.

The Attica subsidiary in Greece recorded results in line with expectations, thanks to a detailed cost control policy.

• **Magazines France**

Magazines in France generated total first half 2009 revenues of **€170.5 million**, a fall of 12.3% compared with the €194.4 million of the same period of the previous year. On a like-for-like basis, in other words net of the titles sold in 2008, the downturn was of 8.6%.

On the circulation side, newsstand sales in France were characterised in the first half by a 7.8% fall in copies (source: NMPP/TP).

In this context, the circulation revenues of Mondadori France, which account for 70% of the total, saw a fall of 6% - which was lower than the fall in the market - (on a like-for-like basis the fall was 3.1%), helped also by a slight increase in subscriptions (+1% net of the titles sold), that represent a stable source of revenues also in this difficult economic phase.

In terms of advertising sales, the market remained depressed during the whole of the period (-17.8% in terms of volume in the first 5 months; source: TNS-MI).

The advertising revenues generated by Mondadori France totalled €40 million, a fall of 25.3% compared with the first half of 2008 (-19.2% on a like-for-like basis).

During the period Mondadori France began negotiations with Axel Springer for the sale of *Auto-Journal* and *Sport Auto* to EMAS, the 50-50 joint-venture with the German publisher created in 1988 which already publishes *Auto Plus*, the leading weekly in the auto segment. The grouping of all of the auto titles in a single company, that has in the past recorded excellent performances, will allow EMAS to become France's leading publisher of car magazines. A sector that has been particularly hard hit by the current market downturn.

Moreover, the launch on the French market of *Grazia*, a strategic female magazine for Mondadori, is now imminent and will allow the Group to strengthen its position in the up-market segment with a brand that in just

a few years has become firmly established internationally as the most authoritative interpreter of Italian style and fashion.

- **Advertising**

Total advertising revenues generated by Mondadori Pubblicità in the first six months of the year were essentially in line with the negative trend in the market and amounted to **€126.4 million**, a fall of 29.1% compared with the €178.2 million of the same period of last year, and following a first quarter 2009 that ended with a fall of 34.5%.

Magazine advertising, that constitutes the largest part of the portfolio, was, in fact, marked by a second quarter in gradual recovery, thanks to detailed and specific commercial policies.

Also other media recorded lower falls than the reference markets. For the Internet, Donnamoderna.com web site further consolidated its growth, while in Radio, the acquisition, in March, of the contract for sales for Radio Kiss Kiss has made it possible to expand the offer in this sector, combining the new broadcaster with the Group's radio station, R101, which has become a leading player in Italian commercial radio.

- **Direct Marketing**

The Direct Marketing, in the period to May 2009, saw a fall of 17.7% (Nielsen figures in terms of value) largely as a result of a general slump in investments in communication.

In the first six months of the year Cemit generated revenues of **€10.5 million**, a 12.5% fall on the €12 million of the same period of the previous year: this performance, which was better than the reference market, is even more worthy of note if note is taken of the fact that it was produced despite the lack of income deriving from the elections of 2008.

- **Retail**

Turnover by the Retail area in the first half amounted to **€3.1 million**, a fall of 3.6% compared with the €36.2 million of the same period of 2008.

The general downturn in consumer spending that characterised the first quarter of the year continued also in the second, with some slight signals of a recovery in the month of June. In this scenario, efforts were continued to reduce management costs and working capital and tighten the control of stocks.

Mondadori Retail, in its 29 directly-controlled stores, recorded revenues of €52.1 million, a 10.1% fall on the €58 million in the first half of 2008; a breakdown of revenues shows a 5% fall in the sale of editorial products; a 17% drop in the sale of IT products; a 11% fall in audiovideo; while there was a 20% increase in stationery.

Mondadori Franchising recorded revenues of €31 million, an increase of 9.6% on the €28.3 million of the first six months of last year.

The company continued with its development programme, confirming the position of the chain as Italy's most extensive with 410 outlets (including the Edicolò format).

- **Radio**

In the first half of the year, the radio advertising market saw a continuation of its negative trend (-18.6% to May. Source: FCP Assoradio).

In this context R101 recorded net revenues of **€7 million**, a fall of 14.6% compared with the €8.2 million of the first half of last year.

According to the new metric introduced by Audiradio, in the first six months of 2009 R101 reached around 9 million listeners per month, reducing considerably the gap with the top five commercial radio stations.

It should also be noted that, from June, the new www.r101.it web site is online, which has been developed on a new technological platform aimed at strengthening the online editorial offer, achieving greater access to users/listeners and encouraging a higher level of interaction with web radio users.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

In July, the Group's Human Resources Department presented to national and company trade union representatives a proposal for the reorganisation of the Magazine and Central Staff areas, with the aim of achieving significant cost reductions through the structural downsizing of journalistic and design staff.

The negotiation, which is continuing, foresees the evaluation of a range of instruments, including the use of early retirement.

Joint-venture between Mondadori Pubblicità S.p.A. and Publitalia '80 S.p.A. for the sale of online advertising

As previously announced to the market, in July Mondadori Pubblicità and Publitalia '80, the advertising sales companies of the Mondadori Group and the Mediaset Group, have reached an agreement for the creation of a joint initiative for online advertising sales, through the establishment of a 50-50 new company. The new

company will have the concession, or sub-concessions, to sell the advertising (with the exception of video) for the sites produced by the Mondadori Group, by RTI and by third-party publishers that are currently in the portfolios of either Mondadori Pubblicità or Digitalia 08. The joint venture will also target the online advertising investments of third-party publishers with a view to aggregating and maximising the value of the advertising opportunities on offer and to reach, in the short term, a leading position in the Italian online advertising.

EXPECTATIONS FOR THE CURRENT YEAR

In considering the evolution of the business, we think it is useful to distinguish between the short-term prospects and longer-term view.

In the short term:

- the planning of advertising investments by leading companies will largely remain inhibited by the situation of uncertainty and, despite no clear indications about the second half of the year, initial signals do not suggest a significant change in current trends;
- a recovery in magazine sales cannot be expected, neither is there likely to be a slowdown in the decline in add-on sales, that in all probability will stabilise broadly around current levels;
- the book sector will continue to be less affected than others and the publication of new bestsellers in the closing months of the year are expected to lead to satisfactory end of year results.

The company's response to the certain reduction in revenues involves a range of actions, and over the coming months these will include:

- the continuation of efforts to simplify processes and structure, also through the introduction of an incisive restructuring plan;
- investments in the support and valorisation of company assets and the defence of positions of market leadership;
- increased investments in developing businesses and markets (digital, international network);
- the launch of the weekly women's title *Grazia* in France, a fundamental step in the reinforcement of Mondadori France in the up-market segment.

2009 continues to prove to be a difficult and demanding year, both from a financial and a business perspective, with profitability levels being sacrificed, also in a bid to defend and develop the elements that underpin the entire business, a factor that is important for the success of a medium term vision. The future competitive scenario in the publishing sector has fundamentally changed and will reward those companies that are best equipped, in terms of both structures and products, to seize new market opportunities resulting from technological changes and new emerging business models.

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The executive responsible for the preparation of the company's accounts, Carlo Maria Vismara, declares that, as per art. 2, 154 bis of the Single Finance Text, the accounting information contained in this release corresponds to that contained in the company's formal accounts.

§

The interim report for the period to 30 June 2009 will be made available at the company's corporate offices, at Borsa Italiana S.p.A. and on the web site www.mondadori.it (News&Media and Investor Relations section) by 30 July 2009.

The report of the external auditors will be published, in the same way, as soon as possible and within the terms of current legislation.

Enclosed:

- consolidated balance sheet (1)
- consolidated income statement (2)
- cash flow statement (3)
- balance sheet of Arnoldo Mondadori Editore S.p.A. (4)
- consolidated income statement of Arnoldo Mondadori Editore S.p.A. (5)
- cash flow statement of Arnoldo Mondadori Editore S.p.. (6)

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Encl. 1

Consolidated balance sheet (in €m)

Assets	30 June 2009	31 December 2008
Intangible assets	923.8	930.9
Fixed assets	2.5	2.6
Land and buildings	17.8	18.3
Plant and machinery	9.5	10.3
Other assets	29.9	32.2
Property, plant and machinery	57.2	60.8
Investments booked using net equity method	135.1	140.8
Other investments	0.2	0.2
Total investments	135.3	141.0
Non-current financial assets	0.5	2.0
<i>Advanced taxes</i>	35.1	38.9
Other non-current assets	2.9	2.8
Total non-current assets	1,157.3	1,179.0
Tax credits	21.6	20.1
Other current assets	89.6	90.3
Inventories	127.1	123.4
Trade receivables	404.4	417.3
Stocks and other current financial assets	53.4	68.5
Cash and equivalents	152.9	330.5
Total current assets	849.0	1,050.1
Assets destined to be sold or closed	-	-
Total assets	2,006.3	2,229.1
Liabilities	30 June 2009	31 December 2008
Share capital	67.5	67.5
Share premium reserve	286.8	286.9
Treasury stock	(138.8)	(138.8)
Other reserves and results carried forward	287.1	194.5
Profit (loss) for the period	7.3	97.1
Total Group shareholders' equity	509.9	507.2
Minority capital and reserves	1.5	1.9
Total shareholders' equity	511.4	509.1
Reserves	35.1	39.7
Severance payments	59.3	61.4
Non-current financial liabilities	602.6	674.0
Deferred tax liabilities	89.4	88.9
Other non-current liabilities	-	-
Total non-current liabilities	786.4	864.0
Income taxes payable	24.2	23.6
Other current liabilities	260.4	258.8
Trade liabilities	345.8	356.3
Bank debts and other financial liabilities	78.1	217.3
Total current liabilities	708.5	856.0
Liabilities deriving from sales or closures	-	-
Total liabilities	2,006.3	2,229.1

Encl. 2

Consolidated income statement (in €m)

	30 June 2009	30 June 2008	% change
Income from sales of goods and services	730.7	930.1	(21.4%)
Personnel costs	143.1	188.6	(24.1%)
Cost of sales and management (*)	543.8	641.4	(15.2%)
Income (charges) from investments calculated on a net equity basis	(3.6)	4.4	n.s.
Gross operating profit	40.2	104.5	(61.5%)
- as a proportion of revenues	5.5%	11.2%	
Depreciation of property, plant and machinery	6.0	16.9	(64.5%)
Depreciation of intangible assets	6.3	3.8	65.8%
Operating profit	27.9	83.8	(66.7%)
- as a proportion of revenues	3.8%	9.0%	
Net financial income (charges)	(10.3)	(19.6)	(47.4%)
Other financial income (charges)	-	-	-
Profit for the period before taxation	17.6	64.2	(72.6%)
Tax charges (income)	10.0	27.1	(63.1%)
Minority interest	0.3	0.4	(25.0%)
Net profit	7.3	36.7	(80.1%)

(*) Includes the following items: decrease (increase) in inventories; cost of raw, ancillary and consumable materials and goods; cost of services; various charges (income).

Encl. 3

Consolidated cash flow statement (in €m)

	30 June 2009	30 June 2008
Net profit for the period	7.3	36.7
Adjustments		
Depreciations, amortisation and impairment	12.3	20.7
Stock options	0.4	1.1
Charges to provisions and leaving entitlements	(7.6)	(0.2)
Capital losses (gains) on disposals of tangible assets, property, plant and equipment	(0.4)	(3.9)
Capital losses (gains) on valuations of financial assets	(1.3)	0.6
(Income) charges from companies booked at net equity	3.6	(4.3)
Adjusted net profit from operating activities	14.3	50.7
(Increase) decrease in trade receivables	9.8	(16.1)
(Increase) decrease in inventories	(4.0)	8.6
Increase (decrease) in trade payables	(8.9)	(46.8)
Net changes in income tax receivables/payables	(1.0)	(30.5)
Payment of advances and leaving entitlements	(2.4)	(4.0)
Net changes in deferred tax assets/liabilities	5.1	3.1
Net changes in other current assets/liabilities	0.7	(28.6)
Cash flow from (used in) operating activities	13.6	(63.6)
Payment of business combination net of cash acquired		-
(Investments in) disposals of intangible assets	(0.9)	1.0
(Investments in) disposals of property, plant and equipment	5.0	(19.1)
(Investments in) disposals of equity investments	0.6	12.8
(Investments in) disposals of financial assets	14.7	38.1
Cash flow from (used in) investment activities	19.4	32.8
Net changes in financial liabilities	(210.6)	138.3
(Purchase) disposal of treasury stock	-	-
Dividends paid	-	(83.8)
Cash flow from (used in) financial activities	(210.6)	54.5
Increase (decrease) in cash and cash equivalents	(177.6)	23.7
Cash and cash equivalents at beginning of period	330.5	225.1
Cash and cash equivalents at end of period	152.9	248.8
Composition of cash and cash equivalents at beginning of period		
Cash, cheques and valuables in hand	1.4	2.1
Bank and post office deposits	151.5	246.7
	152.9	248.8

Encl. 4

Balance sheet of Arnoldo Mondadori Editore S.p.A. (in €m)

Assets	30 June 2009	31 December 2008
Intangible assets	92.4	92.4
Fixed assets	2.5	2.6
Land and buildings	9.1	9.3
Plant and machinery	6.1	6.7
Other assets	3.9	4.3
Property, plant and machinery	19.1	20.3
Investments	683.8	684.8
Non-current financial assets	-	-
<i>Advanced taxes</i>	14.4	16.5
Other non-current assets	0.6	0.5
Total non-current assets	812.8	817.1
Tax credits	5.6	2.7
Other current assets	43.4	53.6
Inventories	28.5	34.7
Trade receivables	207.4	224.6
Stocks and other current financial assets	129.2	108.9
Cash and equivalents	51.2	113.0
Total current assets	465.3	537.5
Assets destined to be sold or closed	-	-
Total assets	1,278.1	1,354.6
Liabilities	30 June 2009	31 December 2008
Share capital	67.5	67.5
Share premium reserve	286.8	286.8
Treasury stock	(104.0)	(104.0)
Other reserves and results carried forward	166.9	100.3
Profit (loss) for the period	46.5	66.2
Total net liabilities	463.7	416.8
Reserves	22.9	23.5
Severance payments	33.8	34.1
Non-current financial liabilities	296.1	371.3
Deferred tax liabilities	18.8	18.5
Other non-current liabilities	-	-
Total non-current liabilities	371.6	447.4
Income taxes payable	19.1	14.6
Other current liabilities	71.3	72.1
Trade liabilities	162.5	162.6
Bank debts and other financial liabilities	189.9	241.1
Total current liabilities	442.8	490.4
Liabilities deriving from sales or closures	-	-
Total liabilities	1,278.1	1,354.6

Encl. 5

Income statement for Arnoldo Mondadori Editore S.p.A. (in €m)

	30 June 2009	30 June 2008
Income from sales of goods and services	394.2	472.8
Personnel costs	65.5	68.7
Cost of sales and management (*)	297.8	347.6
Gross operating profit	30.9	56.5
Depreciation of property, plant and machinery	2.0	2.1
Depreciation of intangible assets	0.1	0.1
Operating profit	28.8	54.3
Net financial income (charges)	(8.3)	(11.2)
Other financial income (charges)	34.3	25.6
Profit for the period before taxation	54.8	68.7
Tax charges (income)	8.3	17.2
Net profit	46.5	51.5

(*) Includes the following items: decrease (increase) in inventories; cost of raw, ancillary and consumable materials and goods; cost of services; various charges (income).

Encl. 6

Cash flow statement for Arnoldo Mondadori Editore S.p.A (in €m)

	30 June 2009	30 June 2008
Net profit for the period	46.5	51.5
<i>Adjustments</i>		
Depreciations, amortisation and writedowns	11.3	22.3
Stock options	0.3	0.9
Charges to provisions and leaving entitlements	(5.6)	1.0
Capital losses (gains) on disposals of tangible assets, property, plant and equipment	-	(0.1)
Losses (gains) from the sale of financial assets	-	-
Losses (gains) from the valuations of financial assets	-	-
(Income-dividends) charges from investments	(43.4)	(45.7)
Adjusted net profit from operating activities	9.1	29.9
(Increase) decrease in trade receivables	20.6	(8.5)
(Increase) decrease in inventories	8.2	10.3
Increase (decrease) in trade payables	(0.1)	3.6
Net changes in income tax receivables/payables	1.6	(17.9)
Payment of advances and leaving entitlements	(2.6)	(8.4)
Net changes in deferred tax assets/liabilities	2.4	0.7
Net changes in other current assets/liabilities	11.3	(6.1)
Cash flow from (used in) operating activities	50.5	3.6
(Investments in) disposals of intangible assets	(0.1)	(0.1)
(Investments in) disposals of property, plant and equipment	(0.7)	5.9
(Investments in) disposals of equity investments	(2.6)	(1.8)
(Investments in) disposals of financial assets	43.4	45.7
(Investments in) disposals of securities and other non-current financial assets	(20.4)	(23.9)
Cash flow from (used in) investment activities	19.6	25.8
(Increase) decrease in payables to banks	(56.8)	62.6
(Purchase) sale of treasury stock	-	-
Net changes in other non-current financial assets/liabilities	(75.1)	(0.1)
Dividends paid	-	(83.8)
Cash flow from (used in) financial activities	(131.9)	(21.3)
Increase (decrease) in cash and cash equivalents	(61.8)	8.1
Cash and cash equivalents at beginning of period	113.0	96.0
Cash and cash equivalents at end of period	51.2	104.1
Composition of cash and cash equivalents at beginning of period		
Cash, cheques and valuables in hand	0.1	0.1
Bank and post office deposits	51.1	104.0
	51.2	104.1