

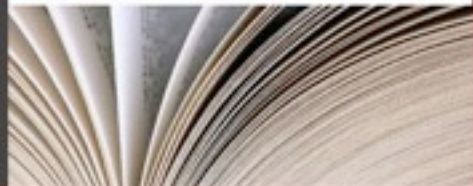
FY09 RESULTS

Analysts' Meeting

Segrate, 23rd March 2010

The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio

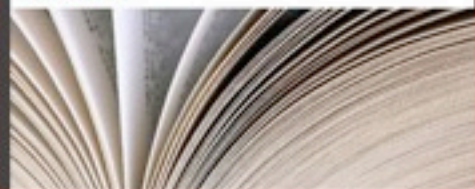


Digital



The activities of the Mondadori Group

Books



Trade

Leader in the Italian market with a **28.4%** share

Revenues of **€426m**

2,500 new titles published during the year

2nd player in the Spanish-language market, in a JV with Bertelsmann, with a market share of 9.4% and revenues of **€110m**

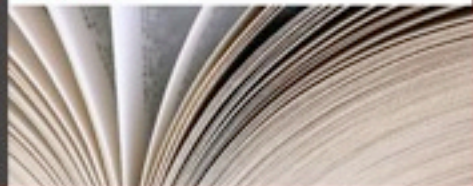
Educational

2nd player with a market share of 13.3% and a leadership position in primary schools

Revenues of **€82m**

The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio



Digital



The activities of the Mondadori Group

Italy:

The leading publisher in the market with **34%** share in circulation and **35%** in add-on sales

Total revenues of around **€500m**, **41 titles**



France:

The country's third biggest publisher with a market share of **26%*** in circulation

Total revenues of around **€350m**, **26 titles**

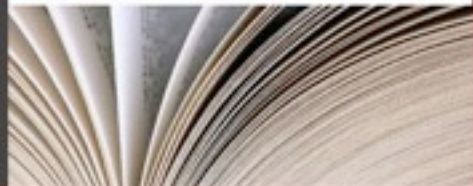
International

An international publisher with **27 titles** in **19 countries** and rapidly growing

* Source: OJD considering 5 players

The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio



Digital



The activities of the Mondadori Group

Advertising in Italy:

A dedicated sales company for Mondadori media (magazines, radio and the internet) and third-parties with revenues of **€250m** and **26.6%** a share in Magazines

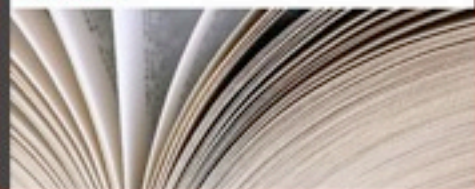


Advertising in France:

Exclusive sales for the company's titles with a **8.7% share** and revenues of **€81m**

The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio



Digital



The activities of the Mondadori Group



Sales of editorial products and consumer goods in rapid growth

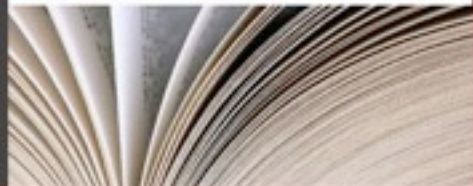
32 directly-owned outlets

452 in franchising

Direct and Retail revenues of **€215m**

The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio



Digital



The activities of the Mondadori Group

More than **6 million**
listeners over 7 days

Around **9 million**
listeners over 28 days

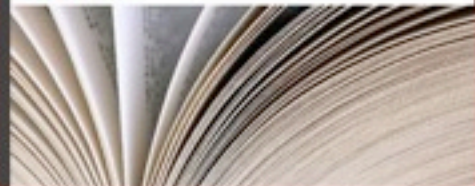


Ranked 7th among
Italian commercial
radio stations

Gross advertising
revenues of **€25.5m**

The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio



Digital



The activities of the Mondadori Group

The group's online presence includes 47 internet sites covering all of the group's activities

11 Books

30 Magazines

5 Direct & Retail

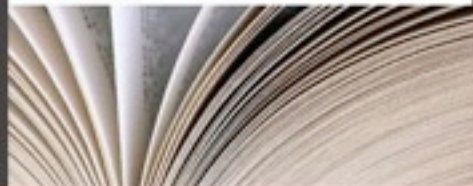
1 Radio

Digital



The activities of the Mondadori Group

Books



Magazines



Advertising



Retail



Radio



Digital



2009 - Publishing's most difficult year

Reference sectors in Italy

Sector (% change)	In terms of	Market	Mondadori
Trade Books	value	1.8*	-1.0*
Magazine Circulation	volume	-6.7	-6.7
Add-on sales	value	-22.1	-18.4
Magazine Advertising	value	-28.7	-27.1
Radio Advertising	value	-7.7	-6.8

Reference sectors in France

Sector (% change)	In terms of	Market	Mondadori
Magazine Circulation	volume	-3.5	-1.8
Magazine Advertising	volume	-13.0	-10.3**

(*) Excluding the sale of rights for add-ons

(**) Including Grazia France

Mondadori in 2009

Revenues by division

Revenues	FY08	FY09	%
Books	434.3	425.7	-2.0%
Magazines Italy	575.7	494.3	-14.1%
Magazines France	374.1	343.5	-8.2%
Advertising	331.0	250.4	-24.4%
Direct	22.3	20.9	-6.3%
Retail	194.5	194.0	-0.3%
Radio	14.8	13.8	-6.8%
Holding & other	333.6*	17.5	
Gross revenues	2,280.3	1,760.1	-22.8%
Intercompany	-461.1	-220.0	-52.3%
Net revenues	1,819.2	1,540.1	-15.3%

€m

Advertising: impact on the consolidated income statement of around €90m

On a like-for-like basis: -9.2%

(* Including the activities of Mondadori Printing)

**...but 2009 is behind us
and there were 3 significant results**

1.

Sale of Printing (Oct 08)

Debt reduction of €121m

Capital gains of €26.4m in 2008

Maintenance of quality and flexibility

Reduction in printing costs

**...but 2009 is behind us
and there were 3 significant results**

2.

Debt restructuring ('09)

**Improved financial flexibility
for the business**

Extension of terms

Broadening of covenants

**...but 2009 is behind us
and there were 3 significant results**

3.

Actions on costs (2008-11)

**Implementation of a structural plan
for cost reductions, without penalising product
quality**

**Implementation of an organisational restructuring
plan. On completion: a reduction of around 800
people between Italy and France (in addition to the
1,474 in Printing)**

Balance sheet

Net debt



Credit lines and covenants

	2008	2009	2010	2011	2012	2013	2014	2015
Covenants (PFN/EBITDA rolling 12 months)	2.75	3.50	5.00	4.50	3.75	3.50	3.50	3.50
Committed credit lines:								
Club deal (€470m)	[Bar from 2008 to 2014]							
New bilateral line (€130m)	[Bar from 2009 to 2015]							
Bilateral (€150m)	[Bar from 2008 to 2012]							

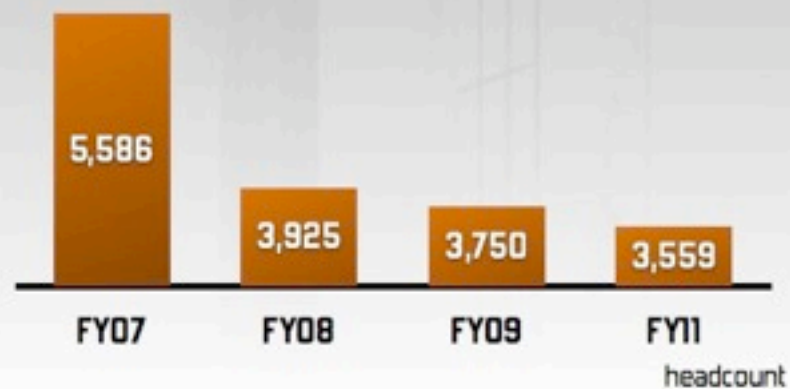
From 2009 covenants are calculated on the basis of average annual figures

- Lines already in operation on 1/1/2009
- New lines in 2009 or extensions

Personnel and costs

Personnel

of which
Printing 1,474



Cost savings

of which
personnel



P&L

	2008	2009	%
Revenues	1,819.2	1,540.1	-15.3%
Revenues (like-for-like)	1,695.3	1,540.1	-9.2%
EBITDA (normalized)	202.7	133.1	-34.3%
Extraordinary	38.2	7.9	
Printing	17.8	-0.1	
Restructuring	-9.5	-34.7	
EBITDA (reported)	249.2	106.2	-57.4%

P&L

	2008	2009	%
Revenues	1,819.2	1,540.1	-15.3%
Revenues (like-for-like)	1,695.3	1,540.1	-9.2%
EBITDA (normalized)	202.7	133.1	-34.3%
EBITDA (reported)	249.2	106.2	-57.4%
Amortizations	-45.7	-34.4	
EBIT	203.5	71.8	-64.7%
Financial charges	-52.1	-7.9	
Pre-tax	151.4	63.9	-57.8%
Taxation & minority interest	-54.3	-29.6	
Net profit	97.1	34.3	-64.7%

P&L

	2008	2009	%
Revenues	1,819.2	1,540.1	-15.3%
Revenues (like-for-like)	1,695.3	1,540.1	-9.2%
EBITDA (normalized)	202.7	133.1	-34.3%
EBITDA (reported)	249.2	106.2	-57.4%
Amortizations	-45.7	-34.4	
EBIT	203.5	71.8	-64.7%
Financial charges	-52.1	-7.9	
Pre-tax	151.4	63.9	-57.8%
Taxation & minority interest	-54.3	-29.6	
Net profit	97.1	34.3	-64.7%

	04 08	04 09	%
Revenues	451.1	425.8	-5.6%
Revenues (like-for-like)	437.2	425.8	-2.6%
EBITDA (normalized)	56.7	51.9	-8.5%



Books

Imprints



PIEMME



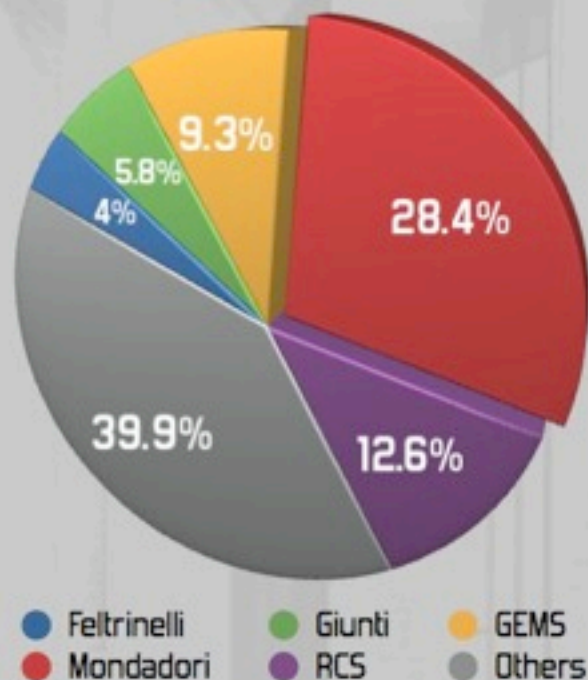
Electa



HARLEQUIN **hm** MONDADORI

The business and market share in Italy

The Book Market in 2009:
€1,171m (excl:LSR)



N° of new titles

2,449

Total n° of titles

5,137

Total n° of copies produced

51.6m

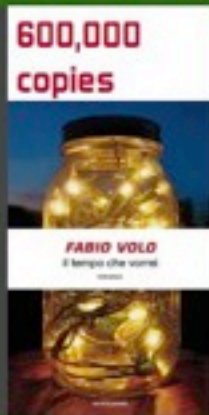
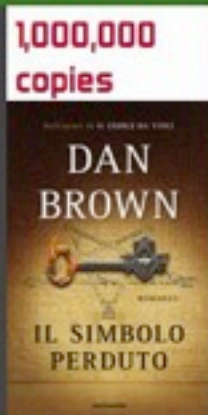
Production (in terms of value)

€700m

N° of copies handles
(distributed + returns)

63m

2009 top sellers in Hardcover in Italy



Literary Prizes

PREMIO
STREGA

TIZIANO SCARPA
STABAT MATER



140,000 copies



PREMIO CAMPIELLO
letteratura
CONFINDUSTRIA VENETO

margaret mazzantini
venuto al mondo



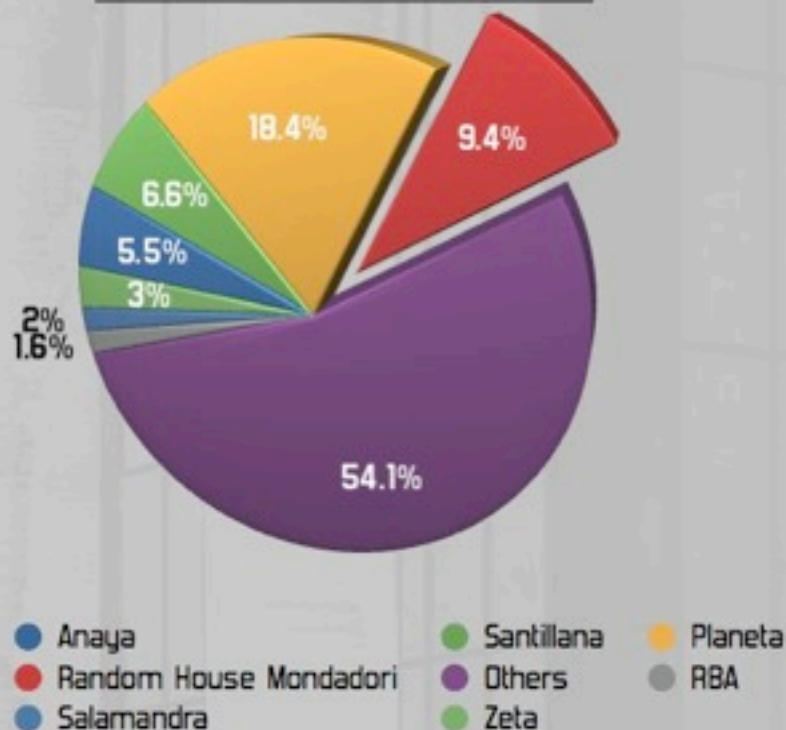
170,000 copies

Books: ex-Italy

Joint Venture 50% with Bertelsmann



Spanish market:
€1,396m



Titles published:

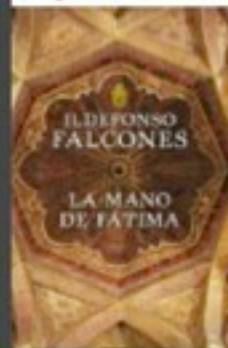
1,770

Revenues

€110m

Top sellers in Spain and South America

457,000
copies



140,000
copies



314,000
copies



140,000
copies



Mexico

140,000
copies

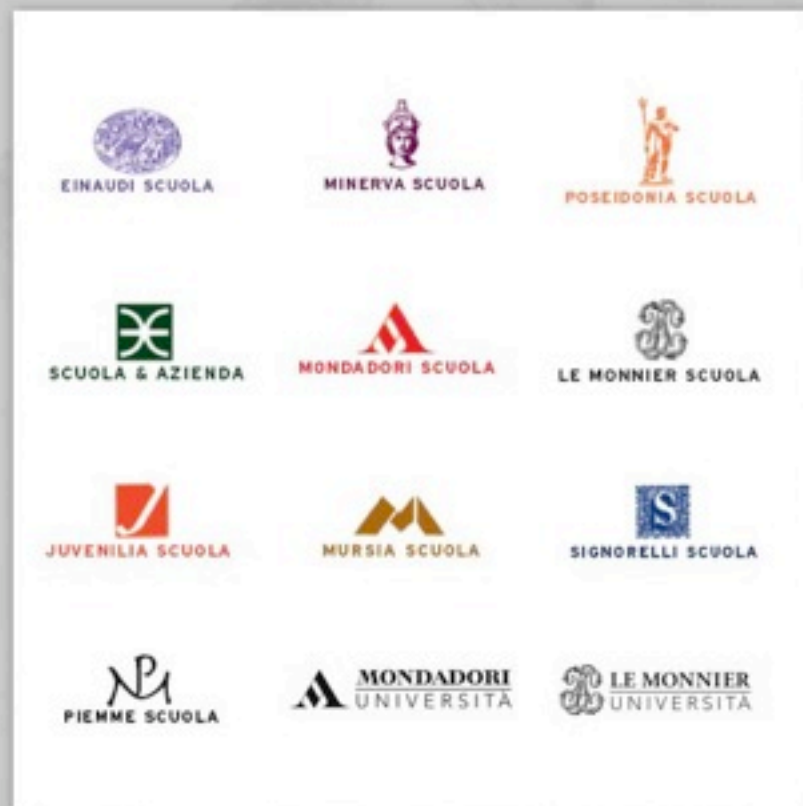


98,000
copies

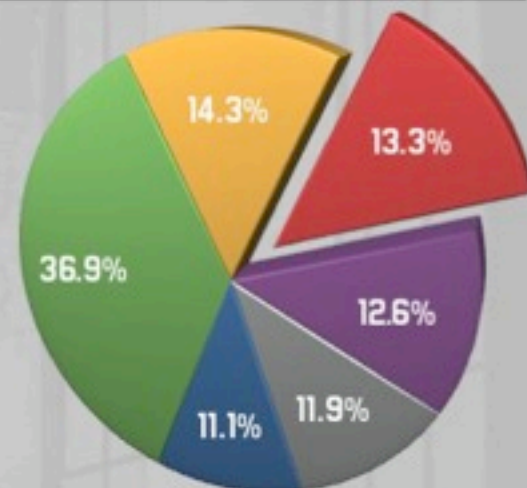


Argentina

Books: Education



Total adoption market in 2008: €676m

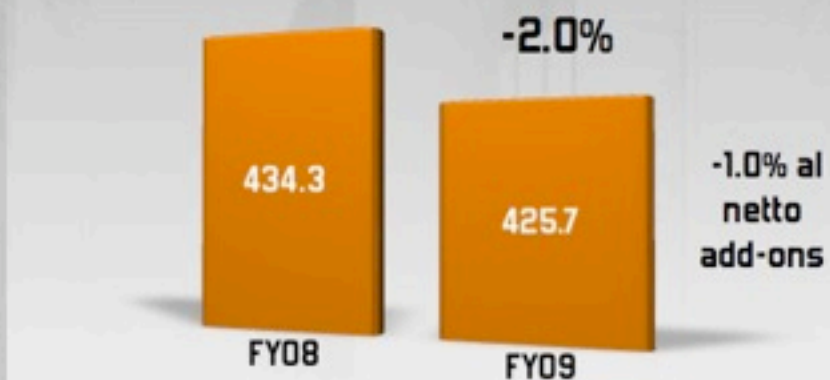


- De Agostini
- Mondadori
- Others
- RCS Scuola
- Zanichelli
- Paravia Pearson BM

N° of new titles	213
Total n° of titles	1,549
Revenues	€82m

Books in 2009

Revenues



Ebitda (normalized)	FY08	FY09
	19.1%	18.3%

€m

Revenue breakdown

Revenues	FY08	FY09	%	net of add-ons
Trade	265.2	259.8	-2.1%	-1.0%
Education	86.1	81.7	-5.1%	
Art books & exhibitions	42.6	40.3	-5.4%	-2.1%
Distribution & thrid party	40.3	43.9	8.8%	
Total	434.3	425.7	-2.0%	-1.0%

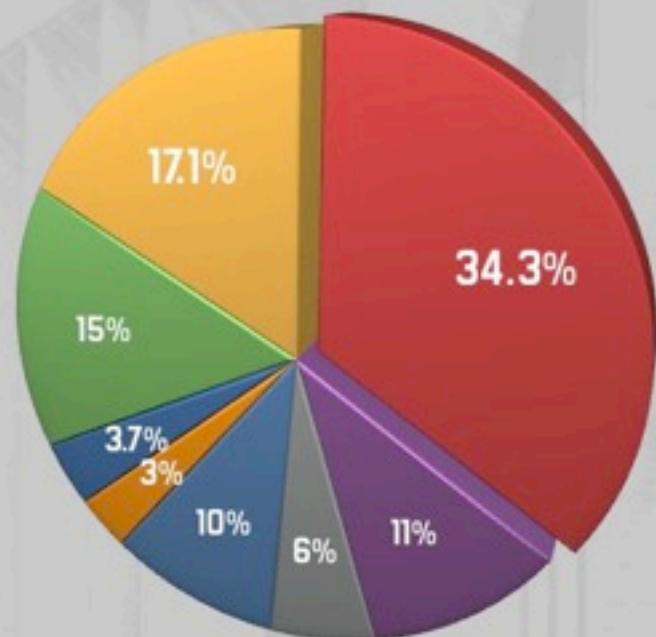
€m



Magazines

Circulation (copies) in 2009 in Italy

The Magazine Market in 2009:
601 million copies



- Condé Nast
- Gruppo A.M.E.
- Universo
- Cairo Editore
- RCS
- Rep. Espresso
- Others
- Hachette

Italian market
Circulation (copies)

-6.7%

Mondadori Group
Circulation (copies)

-6.7%

Mondadori leader in the most important segments

2009 market share in Italy

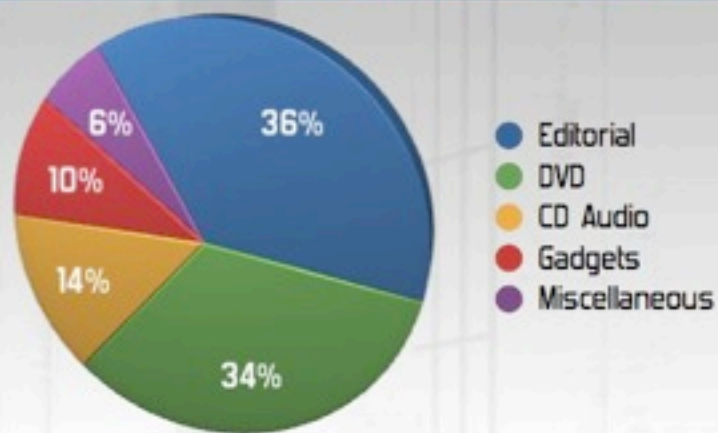
News	47%
Women	45%
TV guides	54%
Cookery	61%
Interiors	37%
Specialised male titles	25%
Kids/Teens	13%



The add-on sales market in Italy



2009: sales by product type



2009: trends by product type

Editorial



DVDs



CD Audio



Gadgets

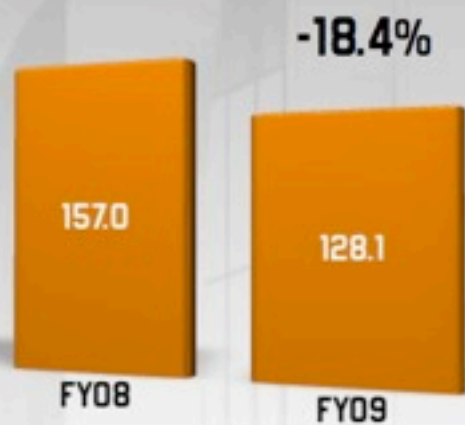


Miscellaneous



Add-on sales: Mondadori

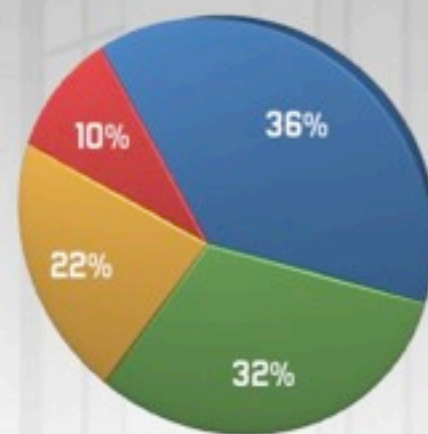
2009 Revenues



Margins	FY08	FY09
	22.3%	19.3%

€m

2009 sales by product type



● Editorial ● DVD ● CD Audio ● Gadgets

The advertising market in Italy

Total value: €8,500m

Nielsen revenues (value) 2009

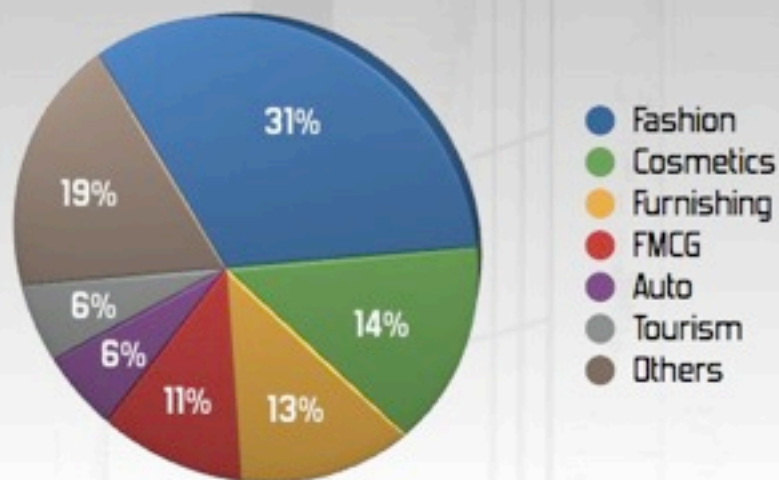
Total market	-13.4%
Television	-10.2%
Newspapers	-16.8%
Magazines	-28.7%
Radio	-7.7%
Internet	+5.1%

FCP (value) 2009

Print media	-21.4%
Newspapers	-16.4%
Magazines	-29.3%
Radio	-7.7%
Internet	+5.0%

Advertising market: by segment (Magazines)

Weightings by segment 2009



Results by segment 2009

Fashion	-30%
Cosmetics	-21%
Furnishing	-35%
FMCG	-18%
Auto	-38%
Tourism	-25%

Fashion, cosmetics, furnishing and FMCG account for around 70%

Advertising: Mondadori titles in 2009



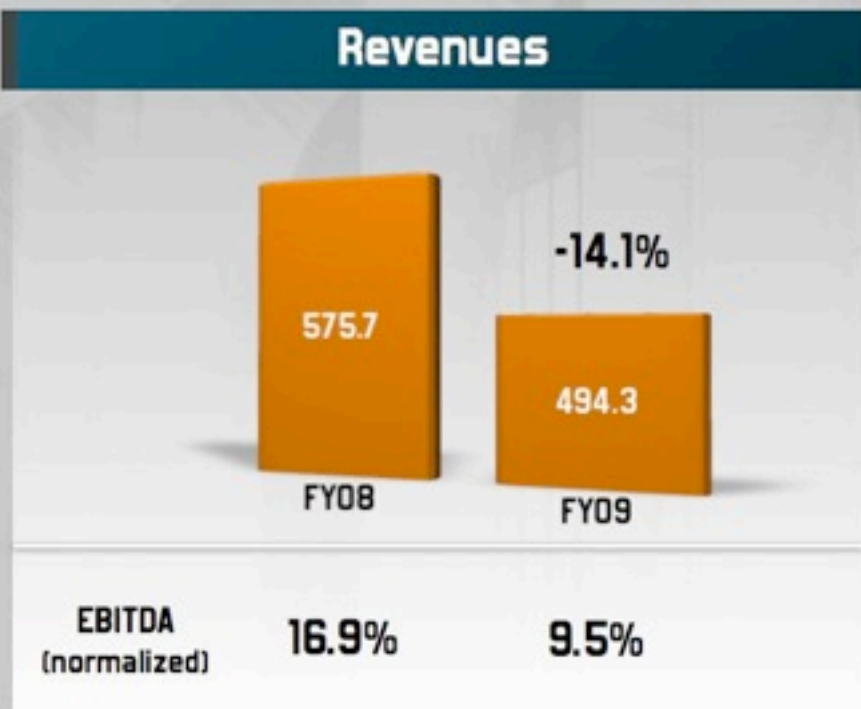
Mondadori weeklies in 2009

The 5 core titles, that account for 70% of the total sales for Mondadori Magazines, saw a fall of 25.7% compared with 2008

Advertising revenues down by 27.1%, but better than the market (-30% net of Mondadori)

Magazines Italy in 2009

Revenues



€m

Revenue breakdown

Revenues	FY08	FY09	%
Circulation	196.6	189.6	-3.6%
Add-on sales	157.0	128.1	-18.4%
Total circulation	353.6	317.7	-10.2%
Advertising	201.2	146.8	-27.1%
Other	20.9	29.8	42.6%
Total	575.7	494.3	-14.1%

€m



Circulation (copies) in 2009 in France

**2009 Magazine Market:
767 million copies**

Mondadori France: market share by segment

TV guides	23%
People	32%
Auto	45%
Popular women's titles	19%
Seniors	33%
Upscale women's titles	20%
Circulation (French Market)	-3.5%
Mondadori France (copies)*	-1.8%

(*) Including Grazia France

Source: OJD (copies) - 2009

France: Advertising 2009

2009 Advertising Market:
176,650 pages

**French market (in terms
of pages)**

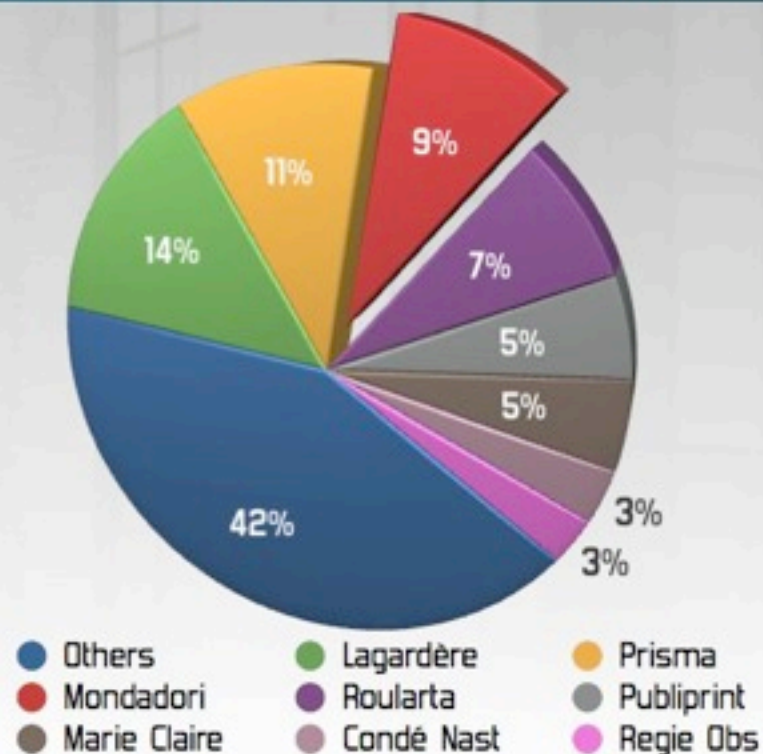
-13.0%

**Mondadori France*
(in terms of pages)**

-10.3%

(* Including Grazia France)

The French Market (volume)



Source: TNS - 2009 (pages)

The launch of Grazia France



29 August 2009

Average circulation (copies) 180,000

Total revenues €7.2m

Result (12 months) -€12.2m

Magazines France in 2009

Revenues



EBITDA (normalized)	FY08	FY09
	9.9%	7.2%

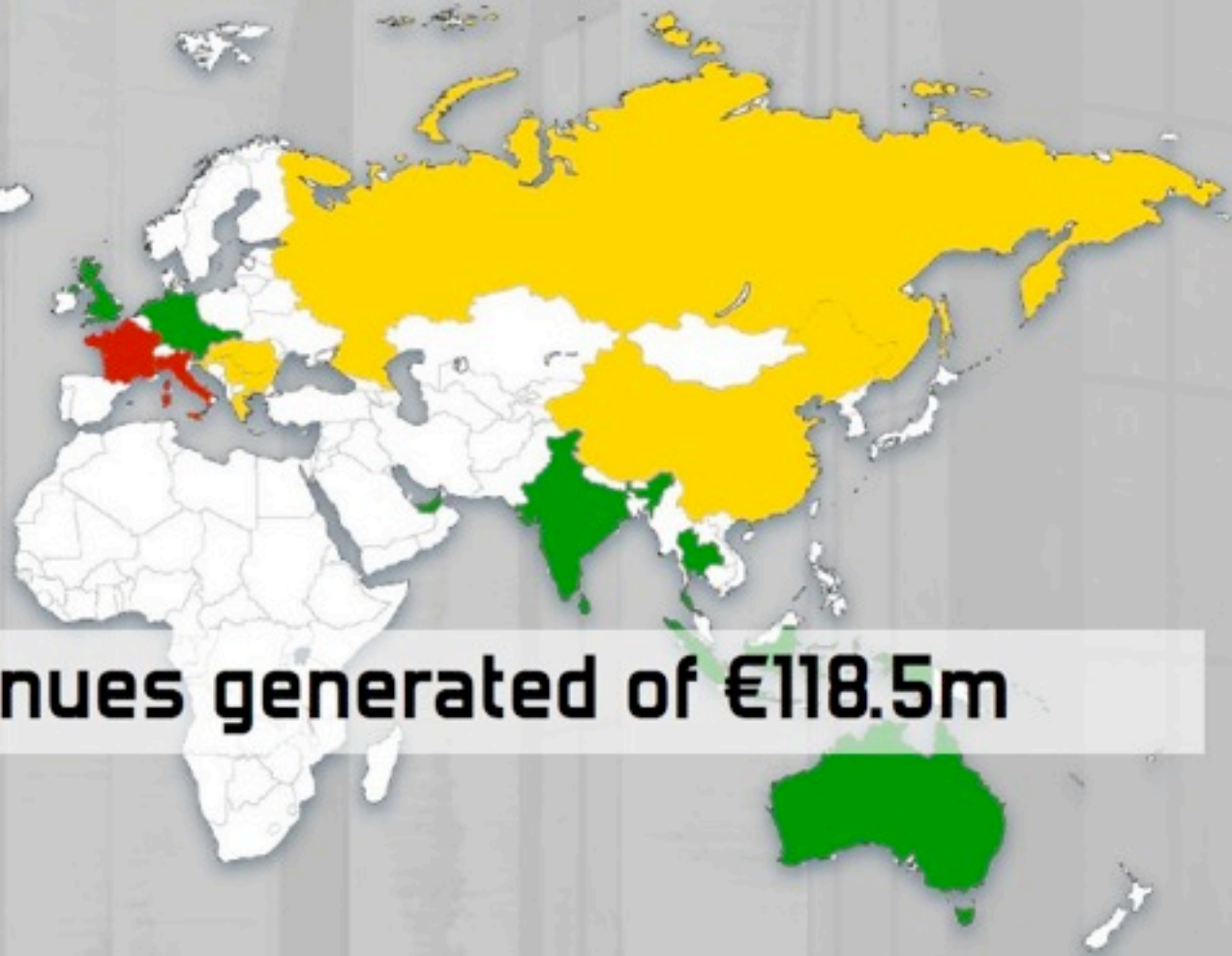
€m

Revenue breakdown

Revenues	FY08	FY09	%	like-for-like
Circulation	255.0	239.7	-6.0%	-4.9%
Add-ons	15.3	13.0	-15.0%	-
Advertising	94.7	81.6	-13.8%	-11.1%
Other	9.1	9.2	1.1%	-
Total	374.1	343.5	-8.2%	-6.6%

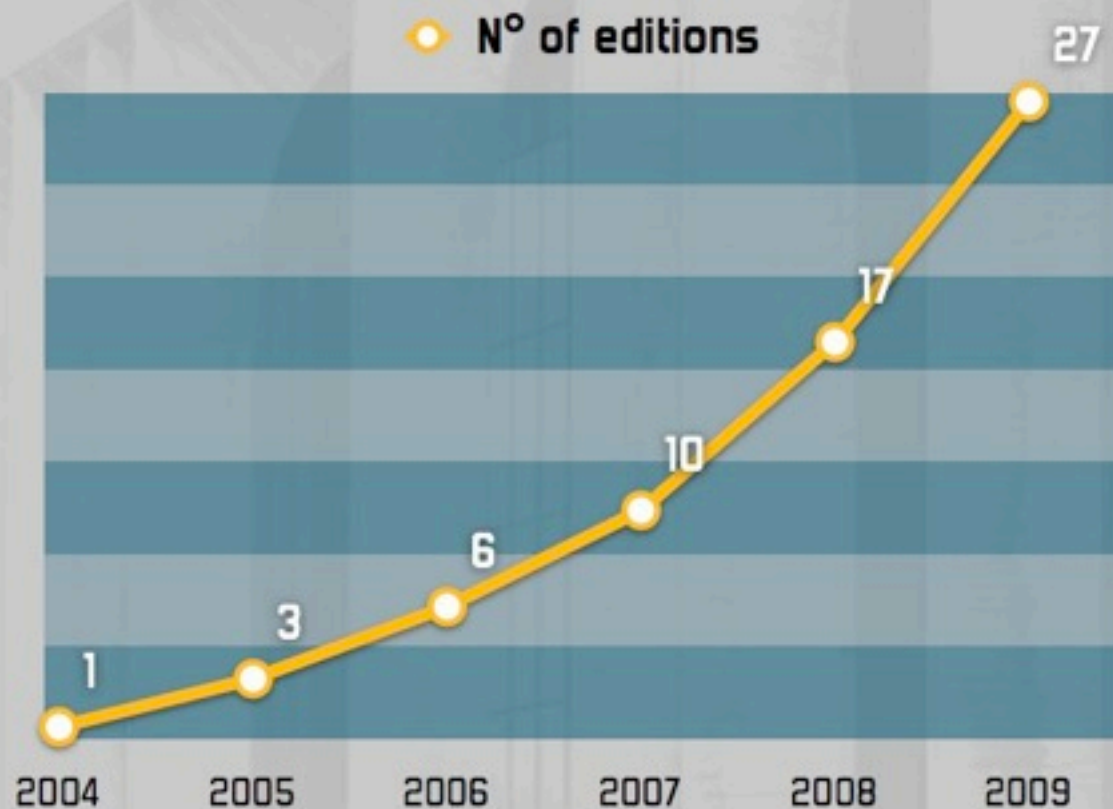
€m

Magazines International



With revenues generated of €118.5m

The growth of Mondadori Magazines around the world



N° of editions to date

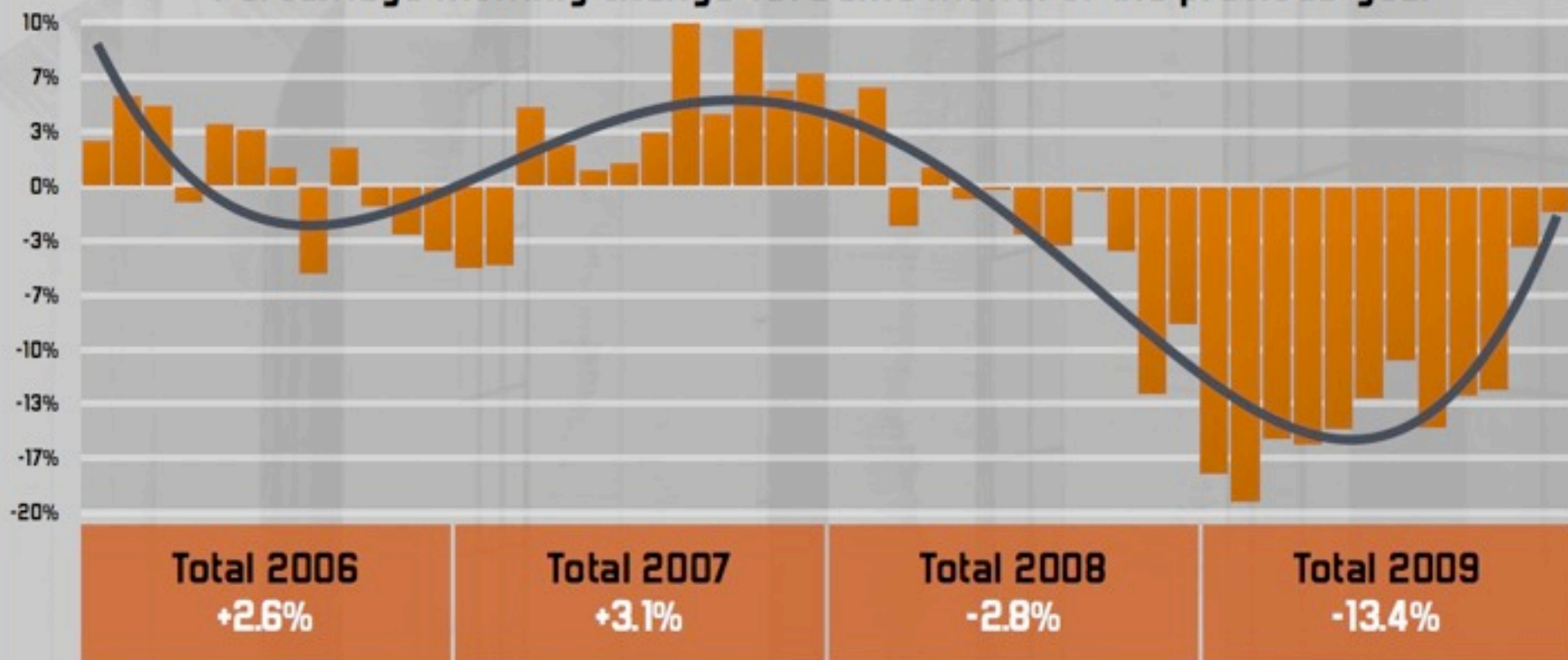
GRAZIA	14
flair	5
casaviva	5
INTERNI	1
GRAZIA.casa	1
SALE & PEPE	1
Totale	27



The Advertising sales company

The Advertising Market (monthly trends 2006-2009)

Percentage monthly change vs. same month of the previous year



The Advertising Sales company: 2009 results

Revenues



EBITDA (normalized)	FY08	FY09
	1.3%	-1.5%

€m

Revenue breakdown

Revenues	FY08	FY09	%
Magazines	2377	172.2	-276%
Radio	18.7	25.5*	36.4%
Newspapers	16.9	11.1	-34.3%
Other & third-party	577	41.6	-27.9%
Total	331.0	250.4	-24.4%

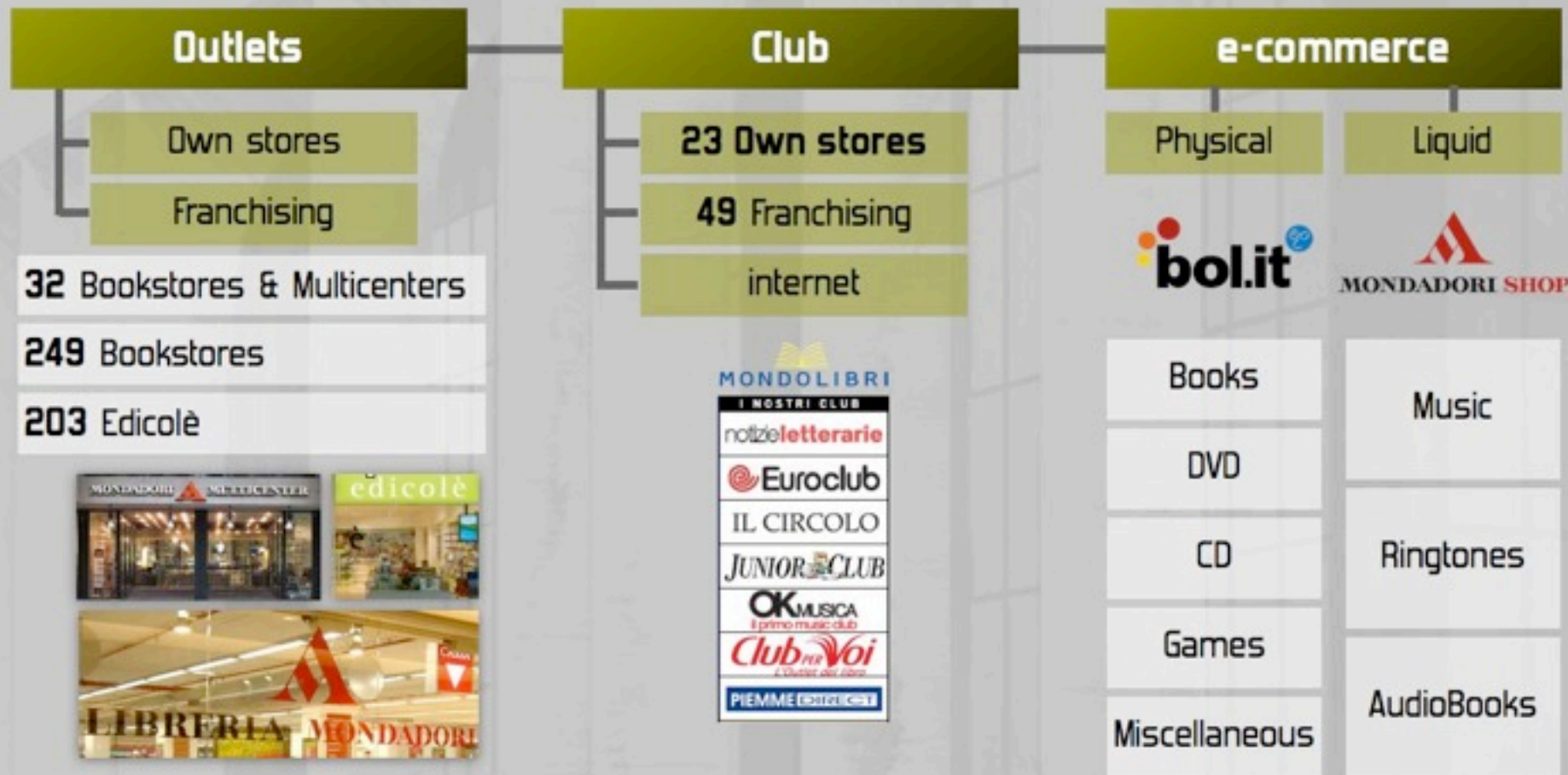
€m

(* Including advertising sales for Kiss Kiss radio in the first 8 months of the year)



Direct & Retail

Mondadori Retail



Acquisition: Mondolibri

Mondolibri is a 50-50 joint venture between Mondadori and Bertelsmann. The company operates through 2 business units: Book Club and BOL. On 8 February, Mondadori signed a preliminary agreement for the acquisition of a further 50% stake in Mondolibri.

Book Club

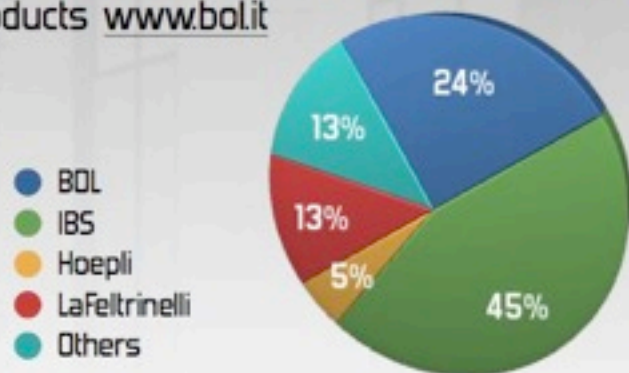
Mail order sales of editorial and multimedia products through the club formula. Member recruitment is done through:

- ▶ An online platform (www.mondolibri.it)
- ▶ A network of agents
- ▶ A direct mailing system

Members are served by 70 sales outlets (**23** directly owned and **49** in franchising)

BOL

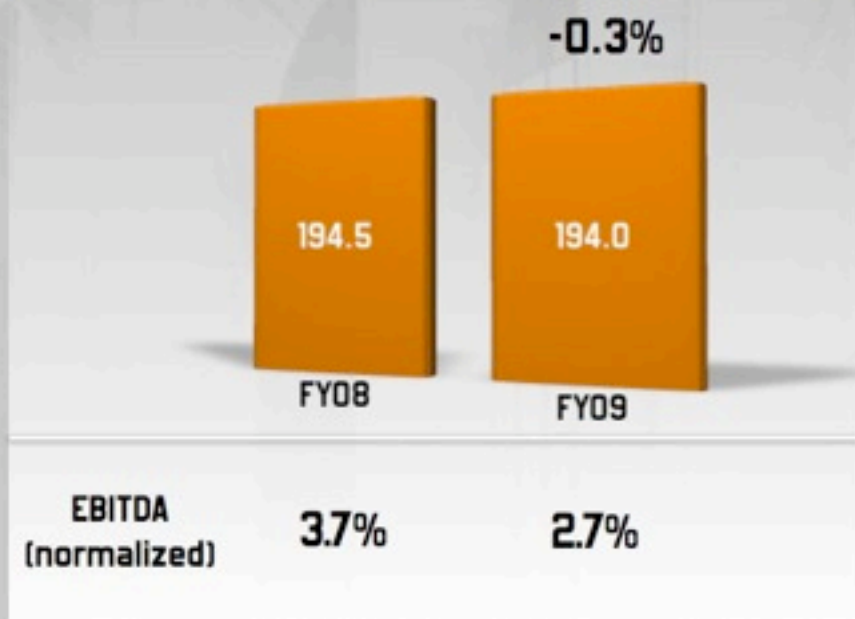
An e-commerce site for editorial and multimedia products www.bol.it



Market share in online book sales in the Italian market in 2009 - Source: Nielsen (in terms of value)

Retail: 2009 results

Revenues



€m

Revenue breakdown

Revenues	FY08	FY09	%
Own stores	128.0	119.8	-6.4%
<i>editorial</i>			<i>no change</i>
<i>IT</i>			<i>-11.6%</i>
<i>audiovideo</i>			<i>-13.1%</i>
<i>stationery and gifts</i>			<i>7.7%</i>
Franchising	66.5	74.2	11.6%
Total	194.5	194.0	-0.3%

€m

Direct Marketing

Cemit, the mission: to support companies in the development of projects aimed at the acquisition, maintenance and growth of the client base (consulting services for relational strategy, database marketing, intelligence, communication).

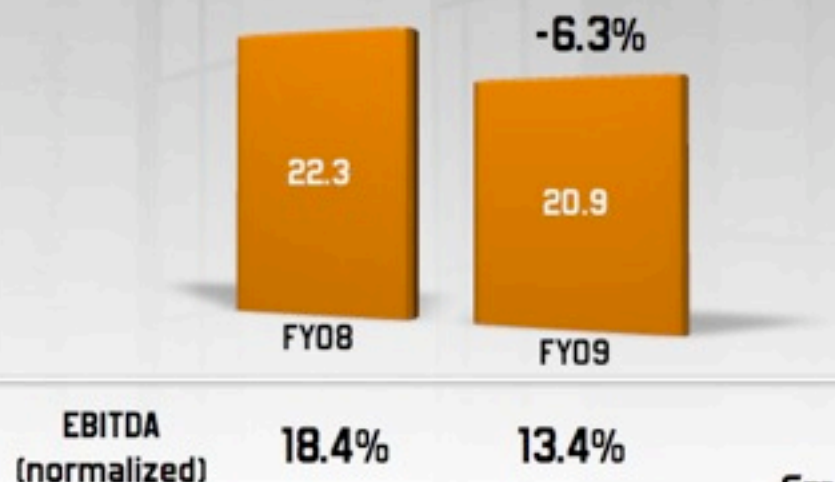
The market in 2009



Source: Nielsen, 2009 (in terms of value)

€m

Cemit revenues in 2009



EBITDA
(normalized)

18.4%

13.4%

€m



Radio

Radio

Revenues



€m

R101	
Q1 09	-15.6%
Q2 09	-13.7%
Q3 09	-8.3%
Q4 09	+10.2%

Listeners

	Telephone	Panel log	
	Daily average	7 days	28 days
Rtl 102,5	5,391	12,714	16,888
RDS	5,106	12,236	15,962
Deejay	4,937	15,203	16,720
105	4,540	13,163	13,354
Radio Italia	3,766		
Radio Kiss Kiss	2,231		
R101	1,965	6,234	8,942
Virgin	1,872	3,362	4,377
Sole 24 ore	1,856	4,855	6,142
Montecarlo	1,657	5,372	8,041
Capital	1,622	5,150	7,232

Source: Audiradio 4th bi-monthly 2009



2010: Priorities

2010: Priorities

Trade books

**Confirmation of the excellent performance
in the traditional market and launch of the
e-book business**

2010: Priorities

Educational Books

Management of the shift towards new norms in the schools and cultural heritage sectors

2010: Priorities

Magazines Italy

**Constant product renewal, defence of
profitability in add-ons and marked
acceleration in Digital**

2010: Priorities

Magazines France

**Further consolidation of the core business,
strengthening in the up-market segment
and expansion in Digital**

2010: Priorities

Magazines International

**Significant programme of further
development**

2010: Priorities

Retail

Continued development of franchising, integration of Mondolibri and development of bol.it as an e-commerce platform

2010: Priorities

Radio

**Rienforcement of the competitive position
and an evaluation of expansion**

2010: Priorities

Trade books

Confirmation of the excellent performance in the traditional market and launch of the e-book business

Magazines France

Further consolidation of the core business, strengthening in the up-market segment and expansion in Digital

Educational Books

Management of the shift towards new norms in the schools and cultural heritage sectors

Magazines International

Significant programme of further development

Retail

Continued development of franchising, integration of Mondolibri and development of bol.it as an e-commerce platform

Magazines Italy

Constant product renewal, defence of profitability in add-ons and marked acceleration in Digital

Radio

Rienforcement of the competitive position and an evaluation of expansion

DIVIDEND

The Board of Directors will propose not to pay out a dividend for 2009, also to allow the company to successfully complete the ongoing process of reorganisation and to pursue the activities indicated above.

EXPECTATIONS FOR THE YEAR

Over the short term it remains difficult to make detailed forecasts for the markets in which Mondadori operates. It is, however, possible to estimate that, unless there is a downturn in the current trends in advertising investments, the company will be able to improve the level of operating profitability compared with last year.

Financials

EBITDA by division

EBITDA reported

EBITDA	FY08	FY09	
Books	829.0	841.0	1.2
Magazines Italy	93.5	28.4	-65.1
Magazines France	39.3	13.0	-26.2
Advertising	2.6	-4.7	-7.3
Direct	4.1	2.8	-1.3
Retail	12.3	5.1	-7.2
Radio	-0.9	-2.1	-1.2
Holding and other	15.4	-20.4	-35.8
EBITDA	249.2	106.2	-143

EBITDA normalized

EBITDA Normalized	FY08	FY09	
Books	82.9	77.9	-5.0
Magazines Italy	97.3	46.8	-50.5
Magazines France	37.1	24.6	-12.5
Advertising	4.4	-3.7	-8.1
Direct	4.1	2.8	-1.3
Retail	7.1	5.2	-1.9
Radio	-3.2	-3.3	-0.1
SEE	-9.6	-6.2	3.4
Holding and other	-17.4	-11.0	6.4
EBITDA	202.7	133.1	-69.6

€m

Changes in EBITDA

Ebitda FY08	249.2
Business	-51.1
Add-ons	-9.4
Development	-9.1
	-69.6
Non-recurring	-30.3
Printing	-17.9
Restructuring	-25.2
	-73.4
Ebitda FY09	106.2

€m

Balance Sheet FY09

	FY08	FY09
Net working capital	184.4	144.6
As a % of revenues	10.1%	9.4%
Net capital employed	999.4	919.2
Net debt	-490.3	-372.9
Net assets	509.1	546.3

€m

Net financial position

Net debt FY08	-490.3
Gross cash flow	98.3
Taxation	-42.1
CAPEX + extraordinary items	9.6
Severance indemnities	-4.5
Reserves	25.7
Current & other	30.4
Net debt FY09	-372.9

€m

Operating costs

On a like-for-like basis (excluding Printing from 2008)	2009	Change	% Change
Labour costs (1)	273.0	-24.0	-8%
Paper, printing & other production costs	385.0	-47.0	-11%
Rights, royalties & commissions	181	-12	-6%
Advertising services & subscription management	116	2	2%
Third-party consultancy & collaboration	72	-2	-3%
Transport & shipping	47	-3	-5%
Rent & data processing costs	48	1	1%
Travel, telephone, canteen, cleaning, stationery etc expenses	43	-7	-13%
Energy & maintenance	13	-3	-21%
Sub-total (2)	1,178	-96	-8%
Sub-total (2) excluding Grazia	1,160	-111	-9%

(1) Excluding restructuring, including carry forward

(2) Excluding goods for sale and third-party services