

Mondadori

1H10 RESULTS
Analysts' Meeting

Milan, 29 July 2010

1H10 reference sectors

Market: there has been a slight improvement in the markets of reference compared with the first quarter.

Reference sectors in Italy (May 2010)				
Sector (% change)	In terms of	FY09	1Q10	1H10
Trade Books	value	1.8	nd	1.8
Magazine Circulation	volume	(6.7)	(10.6)	(9.3)
Add-on sales	value	(22.1)	(32.5)	(30.8)
Magazine Advertising	value	(28.7)	(10.3)	(9.3)
Radio Advertising	value	(7.7)	12.6	14.6

Reference sectors in France (May 2010)				
Sector (% change)	In terms of	FY09	1Q10	1H10
Magazine Circulation	volume	(3.5)	nd	(3.0)
Magazine Advertising	volume	(13.0)	3.0	3.1

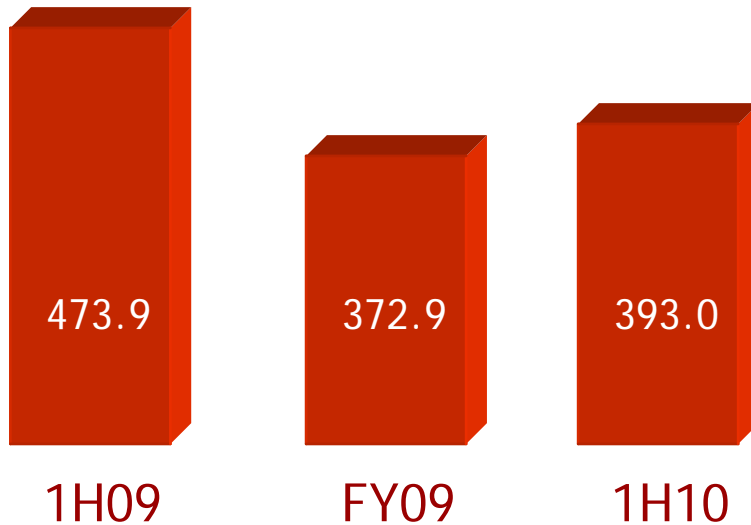
Mondadori is outperforming the market in almost all segments

P&L 1H10

P&L	1H09	1H10	(%) change
Revenues	730.7	726.8	-0.5%
EBITDA	40.2	54.6	35.8%
Amortisations	(12.3)	(11.8)	-4.1%
EBIT	27.9	42.8	53.4%
Financial charges	(10.3)	(12.0)	16.5%
Pre-tax	17.6	30.8	75.0%
Taxation & minority interest	(10.3)	(15.7)	52.4%
Net profit	7.3	15.1	106.8%

Net financial position

Net Debt



Cash Flow

Net Debt FY09	(372,9)
Net cash flow	26,9
Investments + share buybacks	(18,6)
Severance indemnities + restructuring	(17,1)
Extraordinary items	11,3
Working capital	
Other	(22,6)
Net Debt 1H10	(393,0)

€m

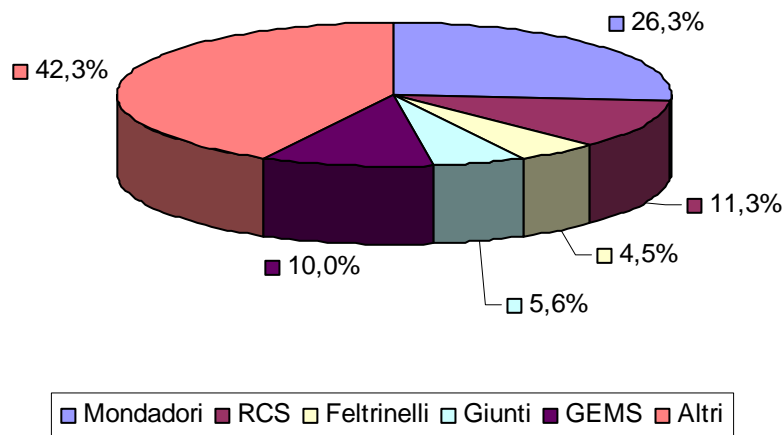
Net debt on rolling EBITDA of 3.26
vs Covenant of 5.0 in 2010

Books



Trade: the business and market share in Italy

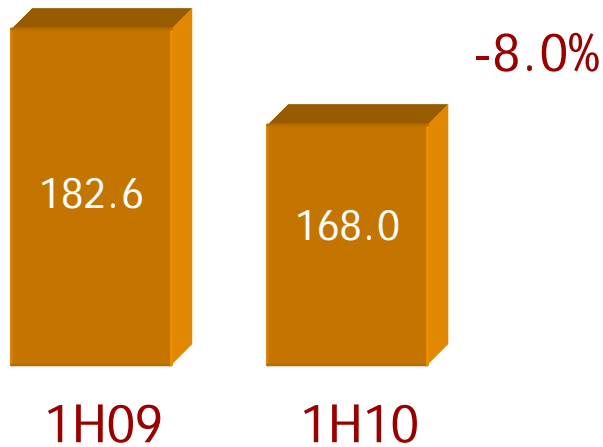
The Book Market in 1H10: excl LSR



Market data confirms the Mondadori Group's leadership in trade books, albeit at a slightly reduced level compared with 2009. This was due to different timing for the publication of important new titles, such as *La caduta dei giganti* by Ken Follett, and other milestones of the portfolio. We underline Pennacchi's award of Premio Strega which positively contributed to a good start of the second half

Books in 1H10

Revenues



Revenue Breakdown

Revenues	1H09	1H10	%	excl add-ons
Trade	127.0	117.4	-7.5%	-7.1%
Education	14.2	14.3	0.5%	-
Art & Exhibition	18.5	16.3	-11.6%	-7.1%
Distribution & Third-party	22.9	20.0	-12.9%	-
Total	182.6	168.0	-8.0%	-7.3%

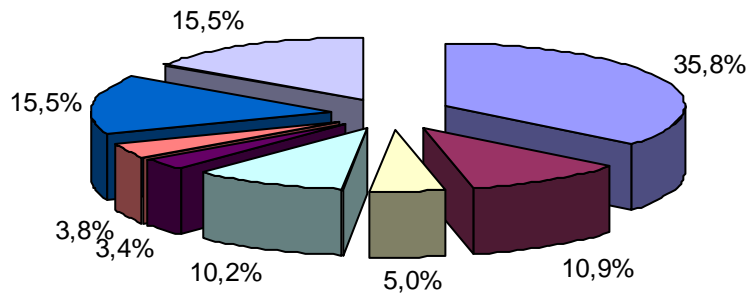


Magazines



Circulation (copies) in 1Q10 in Italy

The Magazine Market in 1H10:
229 million copies



Italian Market
Circulation (copies)

-9.3%

Mondadori
Circulation (copies)

-6.2%

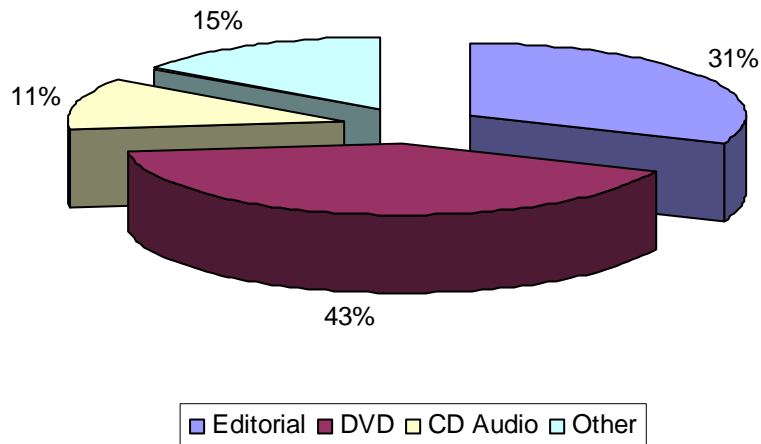
The add-on sales market in Italy

Italian Market
(in terms of value)

-30.8%

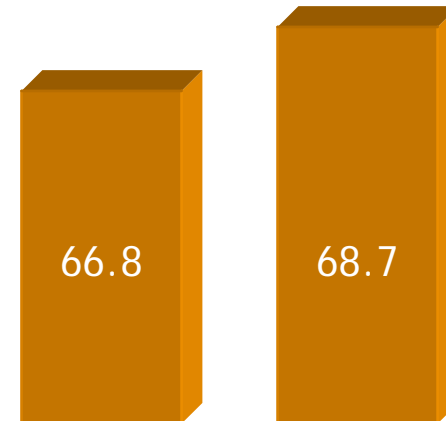
Mondadori Group

1H10 Sales by product type:
In terms of value



Revenues

+2.8%



1H09

1H10

€m

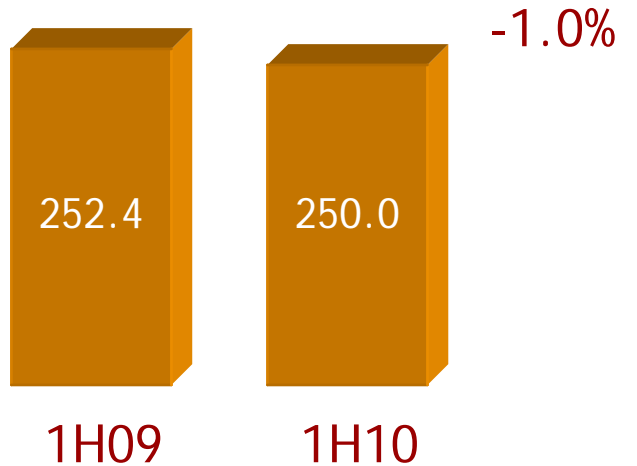
The ADV Market in Italy

Nielsen revenues (value)

Nielsen (May 2010)		
Sector (% change)	In terms of	Market
Television	value	6.0
Newspapers	value	(0.7)
Magazines	value	(9.3)
Radio	value	14.6
Internet	value	11.6
Total market	value	3.8

Magazine Italy 1H10

Revenues



Revenue Breakdown

Revenues	1H09	1H10	%
Net circulation	95.8	92.0	-4.0%
Add-on sales	66.8	68.7	2.8%
Total circulation	162.6	160.7	-1.2%
Advertising	75.0	73.7	-1.7%
Other	14.8	15.6	5.4%
Total	252.4	250.0	-1.0%

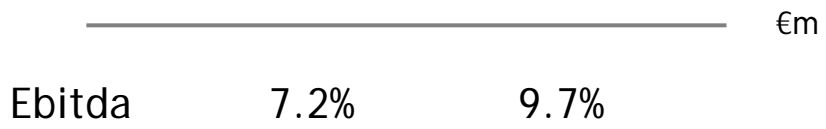
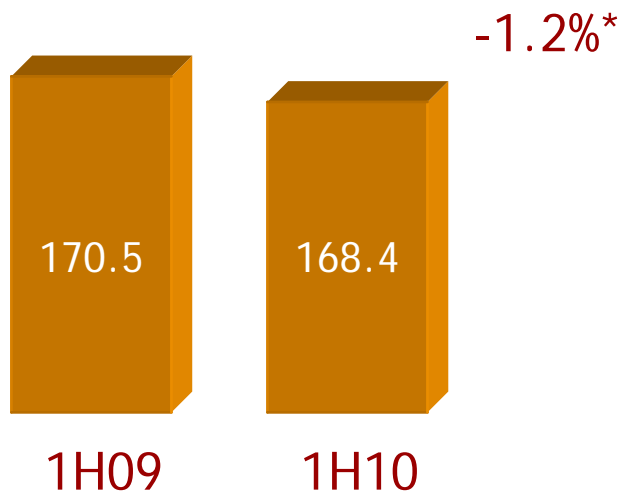
The Italian Magazine Market

Circulation (volume): -9.3%

Advertising (value): -9.3%

Magazine France 1H10

Revenues



Revenue Breakdown

Revenues	1H09	1H10	%
Advertising underlying	33.0	40.0	21.2%
Advertising titles closed /JV	(4.8)		
Total ADV	37.8	40.0	5.8%
Net - circulation	118.5	116.8	-1.4%
Add-ons sales	6.7	5.0	-25.4%
Other	7.5	6.6	-12.2%
Total	170.5	168.4	-1.2%

The French Magazine Market

Circulation (volume): -3.0%
 Advertising (volume): +3.1%

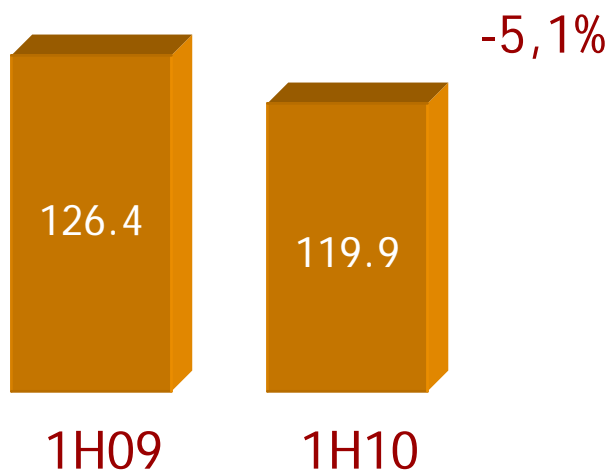
* Excluding closed/JV titles: +6.6% thanks to Grazia France

The Advertising sales company



The Advertising Sales Company 1H10

Revenues



€m

Revenue Breakdown

Revenues	1H09	1H10	%
Magazine AME	87.4	86.0	-1.6%
Third Parties Magazine	16.4	14.0	-14.5%
Total Magazine	103.8	100.0	-3.6%
Radio (R101 + Kiss kiss)	11.0	15.0	36.5%
Other (not comparable)	11.6	4.9	-58.4%
Total	126.4	119.9	-5.1%

Mondadori weeklies +2.7%

The Italian Magazine Market

Advertising (value): -9.3%

Retail & Direct Marketing



Mondadori Retail 1H10

Outlets

Club

E-commerce

Own stores

Franchising

Bookstores & Multicenter

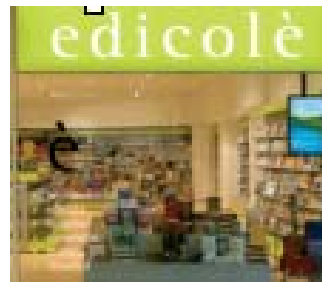
Bookstores

Edicolè

33

250

206



Own stores

23

Franchising

52

internet



Physical

Liquid



Libri

DVD

CD

Games

Idee



Musica Digitale

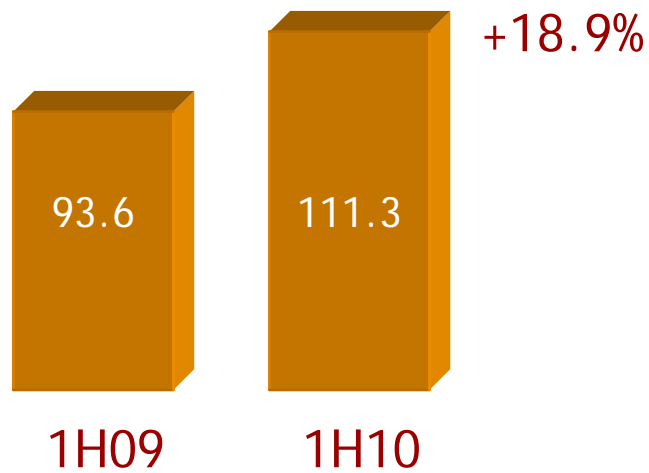
Suonerie

Audiolibri

An increase of 40 outlets vs June 2009 (excluding Mondolibri)

Retail & Direct: 1H10 Results

Revenues



€m

Revenue Breakdown

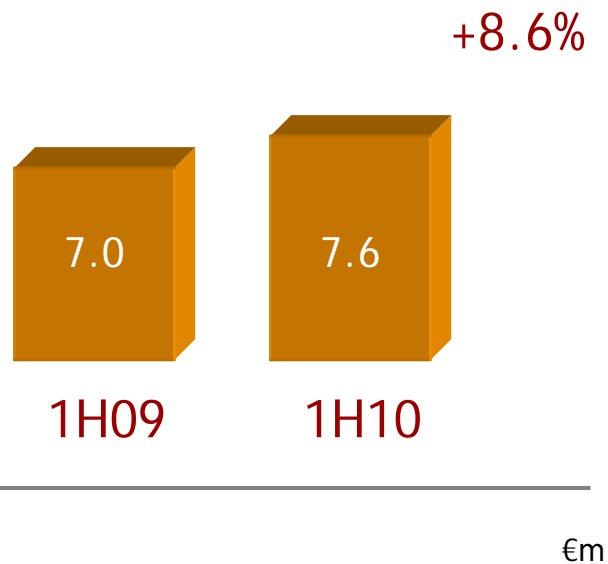
Revenues	1H09	1H10	%
Own stores	52.1	53.4	2.4%
Franchising	31.0	33.1	6.8%
Other revenues	0.0	1.9	ns
Retail	83.1	88.4	6.4%
Direct (Cemit + Mondolibri)	10.5	22.4	ns
Other		0.5	ns
Total	93.6	111.3	19.0%

Radio



Radio R101: 1H10 Results

Revenues



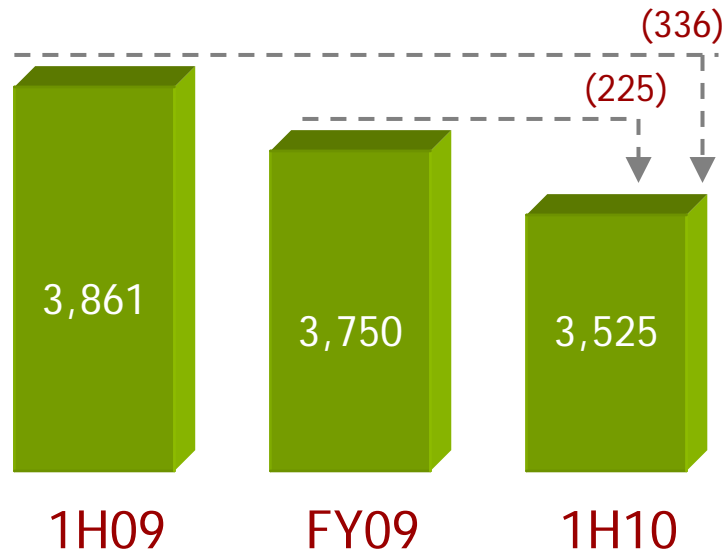
Listeners

Average Day Listeners 1Q10			
STATION	2009	1Q10	% change
Deejay	5.037	6.276	24,6%
RTL 102.5	5.291	5.533	4,6%
RDS	5.034	4.658	-7,5%
Radio 105	4.507	4.764	5,7%
Radio Italia	3.662	3.902	6,6%
R101	1.990	2.491	25,2%
Kiss Kiss	2.290	2.494	8,9%
Radio 24	1.885	2.371	25,8%
RMC	1.571	1.731	10,2%
Radio Capital	1.520	2.251	48,1%
Virgin Radio	1.786	1.605	-10,1%
M20	1.292	1.031	-20,2%
Rai 1	6.250	7.634	22,1%
Rai 2	3.781	5.280	39,6%
Rai 3	1.868	2.978	59,4%

Source: Audiradio 2010

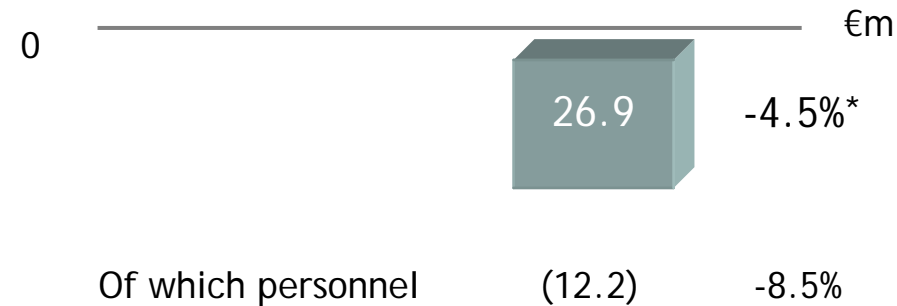
Personnel and costs

Personnel



Headcount (like for like perimeter)

1H10 Cost savings



....against substantially stable revenues

* -4.1% including postal charges increase

Forecast for the full year

The revenues of the Mondadori Group in the first half of the year were essentially in line with those of the previous year. There was also a significant increase in profitability, despite ongoing investments in network development as well as in digital content for both books and magazines.

In addition to good sales performances by all businesses, the company also benefited from ongoing reductions in operating and structural costs. The only major negative impact came from abnormal increase in postal charges caused by the elimination of government subsidies for subscriptions.

Mondadori is confident that, in the absence of unforeseen circumstances and with stable market trends, for the full year 2010 the company will be able to improve on the already healthy levels of operating profitability recorded in the first half of the year.

Financials



Revenues by division

Revenues	1H09	1H10	%
Books	182,6	168,0	-8,0%
Magazine Italy	252,4	250,0	-1,0%
Magazine France	170,5	168,4	-1,2%
Advertising	126,4	119,9	-5,1%
Direct + Retail	93,6	111,3	18,9%
Radio	7,0	7,6	8,6%
Other	8,7	9,5	9,2%
Gross revenues	841,3	834,7	-0,8%
Intercompany	(110,5)	(107,9)	-2,4%
Net revenues	730,7	726,8	-0,5%

Ebitda by division

€m

Ebitda reported

EBITDA	1H09	1H10	%
Books	20.0	14.5	(5.5)
Magazine Italy	23.8	32.2	8.4
Magazine France	12.2	16.4	4.2
Advertising	(2.5)	(2.5)	(0.0)
Direct + Retail	(1.3)	1.2	2.5
Radio	(2.8)	(0.6)	2.2
Holding & other	(9.2)	(6.7)	2.6
Totale	40.2	54.6	14.4

Ebitda *margin*

EBITDA margin	1H09	1H10
Books	10.9%	8.6%
Magazine Italy	9.4%	12.9%
Magazine France	7.2%	9.7%
Advertising		
Direct + Retail		
Radio		
Holding & other		
Totale	5.5%	7.5%

Balance Sheet 1H10

€m

	FY09	1H10
Net working capital	(144.6)	(144.7)
As a % of revenues	9.4%	9.4%
Net Capital employed	919.2	941.7
Net Debt	(372.9)	(393.0)
Net Assets	546.3	548.7

Cost saving details 1H10

€m

Cost saving details	1H10	Change vs 09	%
Labour costs (1)	130.6	(12.2)	-8.5%
Paper, printing & other production costs	190.2	(10.0)	-5.0%
Rights, royalties & commissions	74.3	(4.1)	-5.3%
Advertising services & subscription management	59.1	1.3	2.3%
Third party consultancy & collaboration	37.9	0.5	1.4%
Transport & shipping	23.2	0.9	4.1%
Rent & data processing costs	24.1	0.0	0.2%
Travel, telephone, ...	20.7	(2.5)	-10.7%
Energy & maintenance	7.0	(0.8)	-10.6%
Total (2)	567.1	(26.9)	-4.5%

(1) Excluding restructuring, including carry forward

(2) Excluding good for sale and third-party service