MONDADORI

PRESS RELEASE

Disclosure pursuant to CONSOB resolution No. 11971 of May 14, 1999 and subsequent amendments

Approval of the consolidated financial statements and the parent company financial statements for the year ended as at December 31, 2012

- **ERNESTO MAURI APPOINTED NEW CEO**

MARINA BERLUSCONI: "CLEAR MISSION, THRUST ON INNOVATION AND RE-ORGANIZATION

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- **CONSOLIDATED REVENUES AT EURO 1,416.1 MILLION: -6% AGAINST EURO 1,507.2 MILLION IN 2011; -8.6% ON A LIKE FOR LIKE BASIS**

- **CONSOLIDATED EBITDA AT EURO 66.5 MILLION: -49% AGAINST EURO 130.4 MILLION IN 2011; -38.9% NET OF NON-RECURRING ITEMS AND RESTRUCTURING COSTS**

- **NET PROFIT BEFORE IMPAIRMENT: EURO +12 MILLION**

- **CONSOLIDATED NET PROFIT AT EURO -167.3 MILLION AGAINST EURO 49.6 MILLION IN 2011**

- **NET FINANCIAL POSITION AT EURO -267.6 MILLION, UP EURO 67.8 MILLION AGAINST END OF 2011**

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PROPOSAL FOR THE RENEWAL OF THE AUTHORIZATION TO PURCHASE TREASURY SHARES

Segrate, March 20, 2013 – The Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, met on today's date to examine and approve the consolidated financial statements and the parent company financial statements as at December 31, 2012. Following to Maurizio Costa's resignations from the post of Vice-President and CEO – as already disclosed to the market on last February 28 – the Board of Directors coopted Ernesto Mauri, appointing him CEO.
"Mr. Mauri has a complex but clear mission: giving further thrust to reorganize and improve our activities, and introduce strong elements of innovation and change", said the President Marina Berlusconi. "In the name of the entire Board, I extend to him my best wishes to continue the excellent job he has accomplished so far within Mondadori at the highest level of responsibility", she concluded.

THE MARKET SCENARIO

As we know, global economy and, in particular, the economy in the euro zone, continued to worsen also in the second half of 2012.
In Italy GDP posted a further drop (-2.4%) on an annual basis, unprecedented in the last twenty years. Also the unemployment rate, which rose from 8.4% to 10.7% in just one year, hit a peak since 1993, while consumer spending decreased by 3.8%.

Arnoldo Mondadori Editore S.p.A.
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Capitale sociale € 64.079.168,40

In France, where the economic situation seems less difficult though also showing a rising unemployment rate (from 9.4% in 2011 to 10.2%) and consumer spending and GDP equal to zero growth, the values of Mondadori activities in the markets of reference proved less negative.

GROUP PERFORMANCE FOR THE YEAR ENDED AT DECEMBER 31, 2012

The Mondadori Group closed 2012 with a 6% reduction in revenues and EBITDA 49% lower than in the previous year; impairment on assets equaled euro 194.3 million, thus showing a negative result in the income statement at euro -167.3 million, which net of impairment would have instead been positive for euro 12 million.

FINANCIAL HIGHLIGHTS (euro/millions)	FY11	**FY12**	**%**
Net revenues (*)	1,507.2	**1,416.1**	**-6.0**
Cost of personnel (**)	-270.7	-290.4	7.3
Cost of sales and management	-1,106.1	-1,059.2	-4.2
EBITDA	130.4	**66.5**	**-49.0**
Amortization, depreciation and impairment	-26.6	-218.1	**ns**
EBIT	103.8	**-151.6**	**ns**
Net financial income and sundry charges	-21.1	-22.2	5.2
PROFIT BEFORE TAX	82.7	**-173.8**	**ns**
Taxes	-33.2	8.7	**ns**
Minority interest	0.1	-2.2	**ns**
NET PROFIT	49.6	**-167.3**	**ns**

(*) -8.,6% on a like for like basis;
(**) -1.4% on a like for like basis and net of restructuring costs.

Net consolidated revenues amounted to **euro 1,416.1 million**, down 6% against euro 1,507.2 million of 2011. Net of the consolidation of the EMAS joint venture (Editions Mondadori Axel Springer S.n.c.) in Mondadori France, the revenue reduction would have been equal to 8.6%.

Consolidated EBITDA amounted to **euro 66.5 million**, down 49% against euro 130.4 million of the previous year.
Excluding non-recurring items and restructuring costs, the reduction in EBITDA would have been equal to 38.9%.

Consolidated EBIT was negative for **euro 151.6 million** (against euro +103.8 million in 2011) after impairments for euro 194.3 million, mainly attributable to the goodwill of Mondadori France (euro 140 million) and the *R101* radio station (euro 46.3 million). Amortizations and depreciations for the year totaled euro 25.1 million (euro 23.3 million in 2011).

Consolidated pre-tax profit was equal to **euro -173.8 million**, (euro 82.7 million in 2011) with financial charges amounting to euro 22.2 million (euro 20.5 million in 2011).

Consolidated net profit was negative at **euro -167.3 million** against euro + 49.6 million in 2011; net of impairments, 2012 would have closed with a consolidated net profit equal to euro 12 million.

As for balance sheet items, **consolidated net equity** equaled **euro 433.8 million** against euro 608.9 million of the previous year; the Group's **net financial position** posted **euro -267.6 million**, up euro 67.8 million against 2011 also as a result of the transfer, completed in November, of the 50% interest owned in Random House Mondandori to Bertelsmann for a price equal to euro 54.5 million.

Information on personnel

At December 31, 2012 the Group employees with a permanent or temporary employment contract amounted to 3,703 people and the cost of personnel amounted to euro 290.4 million.

On a like for like basis, that is, net of the integral consolidation of the French joint venture Editions Mondadori Axel Springer S.n.c., personnel values dropped by 1.3%.

In fact, the final cost of personnel takes into account the already mentioned transaction with Emas, the merger into Arnoldo Mondadori Editore S.p.A. of the former joint-venture Mondadori Rodale, and a higher fund allocation for the restructuring started in the year of reference and is lower than 1.4%.

In addition to the ongoing rationalization and efficiency actions constantly implemented since 2009 in all Group companies, the results obtained are mainly attributable to specific re-organization actions started in the Direct area and, specifically, to the approval of a new restructuring plan that is expected to be completed by April 2014 for 152 redundant graphic-publishing workers belonging to Arnoldo Mondadori Editore S.p.A., Mondadori Pubblicità S.p.A. and Press-Di Distribuzione Stampa e Multimedia S.r.l..
Since, for bureaucratic reasons, they were implemented only in the second half of the year, these actions had only a limited economic and quantitative impact on the financial year of reference.
These efficiency actions have been combined with company development and rationalization actions aimed at favoring the Group's growth strategy, with a view to enhancing the Group's presence in the digital segment and internationally. In this respect, the establishment of Mondadori International Business S.r.l. is particularly relevant.

In the Direct area, where a rationalization process was started long ago on all points of sale, a negotiation table was opened last December 2012 for the definition of job security agreements for the employees of the offices of Mondadori Direct S.p.A. in Milan, Brescia and Rimini, for a total of 239 people. A similar job security agreement was reached for Mondadori Iniziative Editoriali S.p.A..
For Cemit Interactive Media S.p.A., an agreement was reached to reduce the number of jobs through redundancy payments and mobility.

In addition, it should be noted that in December 2012, also in Arnoldo Mondadori Editore S.p.A. Magazines area, negotiations were opened with the trade unions representing the journalists, for the purpose of examining the consequences of the shutting down of five magazines and the re-organization of the publisher's remaining editorial staff. Negotiations are still underway.

RESULTS BY BUSINESS AREA

- ***BOOKS***

In 2012 the trade book market decreased both in terms of copies (-6.9%) and value (-7.8%) against 2011 (source Nielsen) with a lower improvement than expected in the last month of the year. This reduction hit all the channels cross-sectionally: bookstores, hypermarkets and e-commerce.

In this context, the Mondadori Group increased its market share in terms of value (27.6%), confirming its leadership in the trade book segment.

In 2012 revenues from the Mondadori Books segment amounted to **euro 370.6 million**, down 4.8% against euro 389.1 million in the previous year.

Among the Group's trade book publishers, in 2012 Edizioni Mondadori increased its market share in terms of value (14.1% against 13.3% in 2011), thanks to the excellent performance of a few publications: four titles ranked among the ten best sellers in 2012 and 43 were in the top 100.
Particularly important to Mondadori was the increase in foreign fiction, with the erotic trilogy by E.L. James, *Cinquanta sfumature di grigio, Cinquanta sfumature di nero* and *Cinquanta sfumature di rosso*, which exceeded 3,300,000 copies sold in Italy and 130,000 e-book downloads, the first, third and fourth, respectively, in the best seller lists for the year.
Mondadori also won the most prestigious Italian literary prizes, including the Strega Prize in July 2012 with *Inseparabili* by Alessandro Piperno, and the Campiello Prize, in September 2012, with *La collina del vento* by Carmine Abate.
Ken Follett's new book, *L'inverno del mondo*, posted an excellent performance, coming in sixth in the 2012 general ranking, with over 300,000 copies sold and over 40,000 e-book downloads, as did the long-awaited second book by Paolo Giordano, *Il corpo umano*, printed in 300,000 copies.

In the educational segment, in 2012 Mondadori maintained a significant position in the school text book segment with a 12.8% market share.
During the year of reference Mondadori Education made massive investments: from a publishing perspective to update text books, and from a technological standpoint to produce books in digital format.

<u>E-Book</u>
Mondadori is market leader in the e-book segment with a market share of approximately 40%. In 2012 1.2 million books of the Group's trade publishers were downloaded, with a 2% incidence on the net revenues of the hard copy product.
Among the most successful e-books, included in a catalogue of 4,000 titles in total, in addition to the trilogy *Cinquanta sfumature*, the following are worth noting: *L'inverno del mondo* by Ken Follett, *La Dieta*

Dukan by Pierre Dukan, *Steve Jobs* by Walter Isaacson, *1Q84* by Haruki Murakami, the *Hunger Games* trilogy and the first book of the Diabolik series.

In relation to store performance, we should not overlook the sales results achieved by the Kobo platform in just a few months from its launch in the Italian market at the beginning of the last quarter of 2012.

- ***MAGAZINES ITALY***

In an extremely dire economic scenario (the market is showing a 13.6% drop in value on a like for like basis), Mondadori magazines in 2012 posted revenues equal to **euro 383.9 million** in Italy, down 16.3% against euro 458.8 million of the previous year.

This result does not only reflect the negative economic performance, but also the effects of the structural changes that the segment of periodic publications has gone through in recent years, mainly linked to the evolution of the digital media and the different use of information and content, especially by the younger target.
Investments in advertising, decreasing in all channels with the exception of Internet (+5.3%), posted heavier reductions in printed magazines and papers (-17.6% for newspapers, -18.4% magazines), despite the introduction of new magazines compared to the previous year (source Nielsen)..

The circulation market was characterized by the launch of low cost products, addressed to a mass target, with relevant effects on the estimated reduction of the overall value of sales of magazines at newsstands (-10.5%, -13.6% compared with an equal number of magazines, internal source).

The results obtained in the Magazines Italy Area show different performances:
- revenues from circulation (-13.5%) were penalized by a significant drop both in the newsstand segment and subscriptions, as well as a lower number of copies sold in on-pack activities;
- revenues from the sales of add-ons, including co-editions, (-18,3%) were penalized by a drop in the sales of home videos, publishing products and gadgets, though still maintaining a good margin and the market leadership (34%);
- revenues from advertising in Mondadori magazines registered a 21.2% decrease despite the ongoing growth of Internet (+37.4%) and international (+17.1%).

International activities

International activities, concentrated since October 31, 2012 in the newly established Mondadori International Business S.r.l., carrying out licensing, syndication and advertising activities.

Licensing: in 2012 the aggregate revenue result generated by *Grazia International Network*- with over 20 editions all over the world - rose 8% against 2011, with a further possible increase expected in 2013 following the launch of *Grazia* Korea (bi-monthly) and *Grazia* Spain (weekly) in February 2013. As to the other international editions of Mondadori magazines, the launch of the German edition of *Flair* is worth noting, published by the Klambt Group in August 2012.

Syndication and photorights: this activity includes the sale of images produced by Mondadori and/or third parties, for which Mondadori acts as an agent, to a hundred of different publishers in more than forty countries.

Advertising: revenues from advertising grew by 17.1% against 2011 thanks also to the expansion of the activities in the French and Swiss markets, extending the company's reach also to other product categories.

The Mondadori Group also owns interests in Greece, China and Russia:

- Attica Publications posted dropping revenues by 3% against 2011: considering the extremely difficult economic scenario, the performance was satisfactory and allowed the company to post a positive pre-tax result. The crisis in Greece and competitors' difficulties enabled Attica to considerably increase its market share, obtaining benefits deriving from its leadership position.
- Mondadori Seec Advertising Co Ltd, exclusive concessionaire for the collection of advertising for the Chinese edition of *Grazia*, launched in 2009, posted a 56% revenue growth in 2012 against the previous year. This result enabled it to close the financial year with profits one year ahead of schedule.
- Mondadori Independent Media LLC, publisher of *Grazia* in Russia, closed 2012 at break-even thanks to the good performance of investments in advertising, which registered a 21% growth against the previous year.

Revenues generated from the international network of the magazines under licensing agreement and investments amounted to more than euro 160 million, up 9% against 2011.

- ***ADVERTISING***

The continuing deterioration of the general economic situation has had a predictable impact on investment in advertising, which closed out the worst year in the past two decades (-14.3%). The market, in fact, dropped well below a value of euro 8 billion for the first time since 2003 at current prices and in real terms, down to the levels of 1991.

As already mentioned, the sharpest decline was seen in the print media, with newspapers (-17.6%) and magazines (-18.4%, reaching -21.4% if comparing the same number of publications to 2011), the sectors in which Mondadori Pubblicità S.p.A. mainly operates.
Advertising on the radio channel was also down considerably: after a positive start in 2012, advertising volumes dropped 10.2% compared to the previous year.
Internet was the only channel posting positive numbers (+5.3%), though showing signs of a sharp slowdown in the last months of the year.
In this scenario, every single segment has suffered a sharp cut in advertising investments.

Though facing increasingly aggressive competition in terms of prices, **Mondadori Pubblicità** paid close attention to pricing, in an attempt to reinforce the value of the publications it represents in concession.
In 2012, the company posted revenues at **euro 172.9 million,** down 21.4% against euro 219.9 million of 2011: all sectors were hit by the crisis, including Cosmetics, Interior Design and Automotive.

In particular:

- revenues from advertising for the Mondadori magazines were down 22.6% as a result of the negative performance of both monthlies and weeklies;
- revenues from advertising on the Radio channel dropped by 14.9%. This was largely due to cost containment policies on the part of clients from the sectors that had historically been the most important, such as Automotive, Consumer Goods and Telecommunications.
  Increases in both volume and revenues from clients in the Fashion and Design sectors were not enough to counterbalance the reduction in investments by the traditional radio advertisers.

In 2012, the Mediamond S.p.A. joint venture registered an overall increase in revenues equal to 63.4%; the main web sites of the Mondadori Group are in constant growth: www.donnamoderna.com (+22%), www.grazia.it (+43%) and www.panorama.it (+22%), while RTI, TgCom (+10.5%) and Sport Mediaset (+53%) are also growing. Advertising for the www.videomediaset.it web site, which was added to the portfolio in January 2012, also posted strong growth figures.

- ***MAGAZINES FRANCE***

The magazines market in France posted a reduction of 5.4% in value for circulation at newsstands (internal source) and lower investments from advertising by 4.9% in value (source: Kantar Media).

In this difficult scenario, Mondadori France obtained good results in 2012: revenues totaled **euro 381.6 million**, up 9.6% against euro 348.1 million in the previous year. On a like for like basis, excluding the integral consolidation of the Editions Mondadori Axel Springer S.n.c. joint venture, revenues would have shown a 2.2% drop in the period.

The ongoing improvement of products, combined with constant attention to cost containment policies, enabled the company to post a 16.5% increase in EBITDA against 2011, topping euro 38.9 million with a 10.2% incidence on revenues.

However, impairments amounting to a total of euro 140 million, including impairment on magazines and goodwill, had a strong impact on EBIT.

Revenues from advertising: from this standpoint, revenues on a like for like basis registered a 2.4% reduction against the previous year; in terms of volume, the decrease amounted to 1.4% in a market that showed a 5.7% overall drop (source: Kantar Media).
In the second half of the year, the advertising market showed a downturn against the first half, which had closed with results essentially in line with 2011.
In this context, Mondadori advertising revenues increased for the fourth consecutive year in terms of volume, consolidating its second position.

This excellent result reflects the growing trend of women's magazines, including *Grazia* (+7.2%), *Biba* (+10.8%) and *Pratique Modes & Traveaux* (+9.1%), and the steady performance of the other publications despite the definitely unfavourable market scenario.

Revenues from circulation: revenues from circulation (newsstands and subscriptions), making for approximately 70% of the total revenues of Mondadori France, registered a reduction (-2.2% on a like for like basis).
Based on circulation audits DSH, the circulation of magazines in 2012 decreased by 4.3% in terms of copies. Mondadori registered a 3.6% reduction. For the third consecutive year Mondadori France outperformed the market.

In terms of value, sales at newsstands dropped 5% in the period. This reduction is in line with the market trend (-5.4% in the period; internal source).
Subscriptions, which rose by 0.5% against 2011, have increased by 10% over the last five years, making for 33.6% of Mondadori France revenues with over three million subscribers.

The key factors underlying the good performance of magazine circulation are ongoing innovation and publishing quality including product restyling and the launch of brand extension initiatives on the magazines.

Digital: in 2012, Mondadori France accelerated its investments in this area, targeting a 28% increase in revenues and a 67% increase in the audience, reaching 4.5 million single hits in 2012, against 2.7 million hits of 2011 (source: Nielsen).

It should be noted that at the end of August 2012, Mondadori France acquired a 60% interest in Naturabuy.fr, a leading web site for classifieds and personals, auction sales and a *boutique* for products associated with free time and, specifically, hunting and fishing. Last year Mondadori France also acquired the majority stake in AutoReflex.com, a web site featuring car ads.

- ***DIRECT***

In 2012 the main products offered by the Mondadori Direct S.p.A. network registered sharp drops in revenues: books (-8%), dvd-films (-18%) and music (-14%) were all down, with the exception of gift boxes and consumer electronics, which grew respectively by 6.5% and 6% (source: GFK).
Advertising investments by companies in the traditional direct marketing channels, like door to door, mailings, inserts and telemarketing, have been in decline for several years, a logical consequence of technological innovation and the progressive replacement of these channels with web-based communication, mainly e-mail marketing and social media.

In this context, the revenues of the Direct area dropped by 5.8% to **euro 261.8 million** against euro 278 million of 2011.

In 2012 the top management concentrated on the following areas:
- activities related to the rationalization of sale points, which diminished by 31 units to a total of 597 sale points, in line with company policies targeting the integration of the various formats;
- further development of customer loyalty initiatives using the Mondadori Card, whose numbers have more than doubled in a year (units 700,000);
- redefinition of the strategies for retail, both hard copy and digital, with the creation of the *inMondadori* trademark as an umbrella brand, comprising all product and service sale formats offered, including e-commerce;
- signing of a partnership agreement with Kobo Inc. for the exclusive Italian distribution rights to the new Kobo e-reader, in various versions and formats.

- ***RADIO***

In 2012, advertising revenues from the Radio channel, certified by Nielsen, decreased by 10.2%, with a downward trend that worsened over the course of the year (in June -5.5%, in September -8.1%, in December -10.2%).

In this context, **R101** closed 2012 with a drop in advertising revenues of -13.7% compared to 2011, ascribable to a significant cut in investments by the key clients in the Automotive, Consumer Goods and Telecommunications sectors, which together accounted for more than 50% of its total revenues. Including revenues from the web site and other initiatives launched during the course of the year, total revenues were down 14.7% from euro 16.3 million in 2011 to **euro 13.9 million** in 2012.

EBIT reflected the effects of the reduced value of the frequencies assigned for a total of euro 46.3 million as a result of the impairment process and based on the opinion drafted by an independent professional consultant.
In terms of listeners, R101 is one of the leading commercial radio stations in Italy, with about 2.1 million listeners on an average day (source: Eurisko Radio Monitor, January-December panel) and more than 11.3 million per week (source: Eurisko Radio Monitor, February-December panel); the data on the average fifteen-minute segment for the last quarter were also very positive, posting an 18% increase over the first half of 2012 (source: Eurisko Radio Monitor).
The digital growth of R101 in 2012 was also significant: the web site reached an average of 200,000 single users per month and averaged more than 1.4 million page views per month.

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RESULTS OF PARENT COMPANY ARNOLDO MONDADORI EDITORE S.P.A.
The Annual Report of the parent company, Arnoldo Mondadori Editore SpA, for the year ended at December 31, 2012 shows a net loss of euro 39.6 million against net profits of euro 55.3 million in 2011.
The decrease was due to dropping revenues from publishing activities, particularly in the magazines area, where revenues plummeted, both in terms of number of copies sold and the sale of add-ons, as well as in the sale of advertising space.
EBITDA reflected the business trend, down from euro 48.5 million in 2011 to euro 3.9 million in 2012.
This reduction aggregates trademark depreciation for euro 1.4 million and the depreciation of Monradio (R101 frequency) for euro 46.3 million. The net balance of profits and losses from investments, including dividends received and impairments in 2011 was equal to a positive euro 35.4 million and a negative euro 30.8 million in 2012.

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PROPOSAL TO COVER THE LOSSES FROM THE FISCAL YEAR BY UTILIZING A PORTION OF THE SHARE PREMIUM RESERVE
The Board of Directors will submit to the Shareholders' Meeting, called on April 23, 2013 on first call (April 24 on second call) a proposal to entirely cover the losses of the 2012 fiscal year, equal to euro 39,574,943.13, through the utilization of the share premium reserve for the corresponding amount.

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PREDICTABLE EVOLUTION
The trend in the first months of 2013 continues to be strongly negative, with an impact on the company's main sectors of activity.
Cost reduction measures implemented in recent years have allowed Mondadori to post positive results in 2012, before impairments. However, given the difficult scenario in which the Group is currently operating in all sectors of activity, for the purpose of recovering profitability in the medium term, the Group intends to implement the following measures with even greater emphasis:
- rationalization of the structure and reduction of industrial costs, resulting in greater flexibility in responding to the changing levels of demand;
- actions necessary to consolidate high value added business lines and the recovery of profitability in the area of Italian Magazines, with the ultimate aim of further reinforcing the Group's competitive position and make the most of any new opportunities, also in the digital area.

Realization of the above objectives will require massive financial and economic investments; for 2013 a lower EBITDA than in 2012 is expected.

RENEWAL OF THE AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES
Following expiry of the previous authorization resolved by the Shareholders' Meeting on April 19, 2012, upon the approval of the financial statements at December 31, 2012, the Board of Directors will submit to the next Shareholders' Meeting the proposal for the renewal of the authorization to purchase Treasury Shares for the purpose of maintaining the legal requirement for possible buyback plans applicable and, consequently, the possibility of taking advantage of investment opportunities on its Treasury Shares.

It should be noted that the Shareholders' Meeting of April 19, 2012 had authorized purchases, also taking the shares already in portfolio into account, up to a cap equal to 10% of the company's share capital, represented by n. 24,645,834 ordinary shares.
Considering the total of n. 13,555,209 shares already directly or indirectly owned as at the date of the Shareholders' Meeting, the authorization provided for the possibility of purchasing max. another n. 11,090,625 Treasury Shares.

In relation to the authorization of April 19, 2012 Arnoldo Mondadori Editore S.p.A. purchased a total of n. 1,398,291 Treasury Shares, corresponding to 0.56% of the company's share capital on the Mercato Telematico Azionario (screen-based stock exchange).
Following completion of the aforementioned transactions, the total number of Treasury Shares comprehensively owned by the company, either directly or indirectly, is equal to n. 14,953,500 corresponding to 6.067% of the company's share capital, of which n. 10,436,014 directly in Arnoldo Mondadori Editore S.p.A.'s portfolio and n. 4,517,486 owned by its subsidiary Mondadori International S.p.A.

Pursuant to article 2357 ter of the Italian Civil Code, the Shareholders' Meeting will also be submitted an authorization to dispose of Treasury Shares purchased or already in the Company's portfolio.

Here below are the main items underlying the proposal made by the Board of Directors:

- **Reasons**

The reasons underlying the request for the authorization to purchase and dispose of Treasury Shares make direct reference to the opportunity of giving the Board of Directors the power to:

- use the Treasury Shares purchased or already in the Company's portfolio in relation to the exercise of rights, including conversion rights, deriving from financial instruments issued by the Company, its subsidiaries and third parties;
- use the Treasury Shares purchased or already in the Company's portfolio to pay for the acquisition of interests within the framework of the Company's investment policy;
- possibly dispose, if considered strategic for the Company, of investment opportunities also in relation to the Company's available liquidity;
- dispose of Treasury Shares in relation to the exercise of options for the purchase of the same shares attributed to the beneficiaries of the Stock Option Plans established by the Shareholders' Meeting;

- **Duration**

Until the approval of the 2013 financial statements.

- **Maximum number of repurchasable shares**

The renewed authorization refers to the purchase of max. another n. 9,692,334 shares (3.933% of the Company's share capital) which, taking into account the Treasury Shares already owned either directly or indirectly by the Company as above indicated, would enable the Company to reach the cap of 10% of the Company's share capital, in line with the previous authorization coming to expiry.

- **Criteria for purchasing Treasury Shares and indication of the minimum and maximum purchasing cap**

Purchases shall be made on the regulated markets pursuant to article 132 of Italian Legislative Law n. 58 of February 24, 1998 and article 144 bis, paragraph 1, letter B of Consob Regulation n. 11971/99 according to the operating criteria established in the organization and management regulations of the same markets, which do not allow the direct combination of the purchase negotiation proposals with pre-determined sale negotiation proposals.
The minimum and maximum purchase amount would be determined under the same conditions established in the previous Shareholders' Meetings and, therefore, at a unit price not lower than the official Stock Exchange price of the day preceding the purchase transactions, decreased by 20%, and not higher than the Stock Exchange price of the day preceding the purchase transactions, increased by 10%.
In terms of prices and daily volumes, the purchase transactions would in any case be completed in compliance with the conditions established in EC regulation n. 2273/2003.

Today at 3pm, at the Company's headquarters in Segrate, the Mondadori Group top management will present the results for 2012, approved on today's date by the Board of Directors, to the financial community.
The entire documentation is available on the web site www.mondadori.it (Investor Relations Section) and from Borsa Italiana S.p.A..

The CV of Mr Ernesto Mauri is available in the Governance section of our website www.mondadori.it.

The executive manager responsible for the preparation of the company's accounts, Carlo Maria Vismara, declares that, pursuant to aricle. 2, 154 bis of the Finance Consolidation Act, the accounting information contained in this release corresponds to that contained in the company's formal accounts.

Annexes:
1. *consolidated balance sheet*
2. *consolidated income statement*
3. *consolidated cash flow statement*
4. *balance sheet of Arnoldo Mondatori Editore S.p.A*
5. *income statement of Arnoldo Mondadori Editore S.p.A.*
6. *cash flow statement of Arnoldo Mondatori Editore S.p.A.*

(it should be noted that the independent audit process has not yet been completed on the figures presented)

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Annex 1
Consolidated balance sheet

Assets	**Euro/million December 31, 2012**	**Euro/million December 31, 2011**
Intangible assets	**746.0**	**947.3**
Fixed assets	**3.2**	**2.8**
Land and buildings	9.3	10.2
Plant and machinery	14.2	12.4
Other assets	26.3	30.7
Property, plant and machinery	**49.8**	**53.3**
Investments valued at equity	59.1	126.1
Other investments	1.4	1.0
Total investments	**60.5**	**127.1**
Non-current financial assets	**5.6**	**6.9**
Advanced taxes	**50.6**	**48.1**
Other non-current assets	**2.0**	**1.1**
Total non-current assets	**917.7**	**1,186.6**
Tax credits	**61.9**	**40.8**
Other current assets	**85.2**	**80.2**
Inventory	**129.6**	**137.1**
Trade receivables	**335.4**	**360.4**
Stocks and other current financial assets	**32.1**	**24.6**
Cash and equivalent	**166.8**	**82.9**
Total current assets	**811.0**	**726.0**
Assets held for sale or closed	**-**	**-**
Total assets	**1,728.7**	**1,912.6**

Liabilities	**Euro/million December 31, 2012**	**Euro/million December 31, 2011**
Share capital	**64.1**	**64.1**
Share premium reserve	**210.2**	**210.2**
Other reserves and results carried forward	**293.5**	**249.9**
Profit (loss) for the period	**(167.3)**	**49.6**
Total Group shareholders' equity	**400.5**	**573.8**
Minority capital and reserves	**33.3**	**35.1**
Total shareholders' equity	**433.8**	**608.9**
Reserves	**61.8**	**47.4**
Post-employment benefits	**53.9**	**53.5**
Non-current financial liabilities	**387.3**	**412.8**
Deferred tax liabilities	**89.4**	**103.3**
Other non-current liabilities	**-**	**-**
Total non-current liabilities	**592.4**	**617.0**
Income taxes payable	**2.7**	**22.9**
Other current liabilities	**248.2**	**259.9**
Trade liabilities	**366.8**	**366.9**
Bank debts and other financial liabilities	**84.8**	**37.0**
Total current liabilities	**702.5**	**686.7**
Liabilities deriving from sales or closures	**-**	**-**
Total liabilities	**1,728.7**	**1,912.6**

Annex 2
Consolidated income statement

Consolidated income statement (Euro/million)	**FY 2012**	**FY 2011**	**Delta %**
Income from sales of goods and services (*)	1,416.1	1,507.2	(6.0%)
Cost of personnel (**)	290.4	270.7	7.3%
Cost of sales and management (***)	1,067.1	1,121.0	(4.8%)
Income (charges) from investments valued at equity	7.9	14.9	(47.0%)
EBITDA	**66.5**	**130.4**	**(49.0%)**
EBITDA incidence on revenues	*4.7%*	*8.7%*	
Depreciation of property, plant and machinery	11.8	12.1	(2.5%)
Amortization of intangible assets	206.3	14.5	n.s.
EBIT	**(151.6)**	**103.8**	**n.s.**
EBIT incidence on revenues	*(10.7%)*	*6.9%*	
Net financial income (charges)	(22.2)	(20.5)	8.3%
Other financial income (charges)	-	(0.6)	n.s.
Pre-tax profit for the period	**(173.8)**	**82.7**	**n.s.**
Income tax	(8.7)	33.2	n.s.
Minority shareholders' profit	(2.2)	0.1	n.s.
Net profit	**(167.3)**	**49.6**	**n.s.**

(*) -8.,6% on a like for like basis;
(**) -1.4% on a like for like basis and net of restructuring costs.
(**)Includes the following items: decrease (increase) in inventories; cost of raw, ancillary and consumable materials and goods; cost of services; various charges (income).

Annex 3
Consolidated cash flow statement

Cash flow statement	**Euro/million December 31, 2012**	**Euro/million December 31, 2011**
Net profit for the period	(167.3)	49.6
Adjustments		
Depreciations, amortization and impairment	218.1	26.6
Tax charges	(8.7)	33.2
Stock options	0.1	0.7
Charges to provisions and post-employment benefits	2.9	9.8
Capital losses (gains) on disposals of tangible assets, property, plant and equipment	(7.4)	(2.8)
Capital losses (gains) on valuations of financial assets	(0.2)	0.6
(Income) charges from companies valued at equity	(0.6)	(14.9)
Net financial charges on loans and derivative operations	13.9	15.8
Adjusted net profit from operating activities	**50.8**	**118.6**
(Increase) decrease in trade receivables	25.7	33.2
(Increase) decrease in inventory	6.9	(4.8)
Increase (decrease) in trade payables	(3.6)	(14.7)
Income tax payments	(43.6)	(33.1)
Payment of advances and post-employment benefits	(5.2)	(4.7)
Net changes in other current assets/liabilities	(4.4)	(11.4)
Cash flow from (used in) operating activities	**26.6**	**83.1**
Payment of business combination net of cash acquired/transferred	(1.9)	1.0
(Investments in) disposals of intangible assets	(2.4)	0.8
(Investments in) disposals of property, plant and equipment	(5.1)	(16.8)
(Investments in) disposals of equity investments	71.5	8.6
(Investments in) disposals of financial assets	(6.1)	(3.9)
Cash flow from (used in) investment activities	**56.0**	**(10.3)**
Net changes in financial liabilities	19.1	(15.6)
Net financial charges on loans and derivative operations	(14.8)	(13.4)
(Purchase) disposal of treasury stock	(3.0)	(5.5)
Dividends paid	-	(40.3)
Cash flow from (used in) financial activities	**1.3**	**(74.8)**
Increase (decrease) in cash and cash equivalent	**83.9**	**(2.0)**
Cash and cash equivalent at beginning of period	**82.9**	**84.9**
Cash and cash equivalent at end of period	**166.8**	**82.9**

Composition of cash and cash equivalents		
Cash, cheques and valuables in hand	2.0	2.1
Bank and post office deposits	164.8	80.8
	166.8	**82.9**

Annex 4

Arnoldo Mondadori Editore S.p.A. –Balance sheet-

ASSETS	EURO MILLIONS DECEMBER 31, 2012	EURO MILLIONS DECEMBER 31, 2011
INTANGIBLE ASSETS	88.6	90.6
FIXED ASSETS	3.2	2.8
Land and buildings	7.4	8.0
Plant and machinery	4.0	4.5
Other assets	3.5	3.9
PROPERTY, PLANTS AND MACHINERY	**14.9**	**16.4**
INVESTMENTS	563.7	638.9
NON-CURRENT FINANCIAL ASSETS	50.0	50.0
ADVANCED TAXES	19.7	19.8
OTHER NON-CURRENT ASSETS	0.5	0.4
Total non-current assets	**740.6**	**818.9**
TAX CREDITS	43.9	25.2
OTHER CURRENT ASSETS	42.6	40.4
INVENTORY	30.7	30.6
TRADE RECEIVABLES	174.9	195.1
STOCKS AND OTHER CURRENT FINANCIAL ASSETS	108.7	100.2
CASH AND EQUIVALENTS	161.5	62.0
Total current assets	**562.3**	**453.5**
Assets held for sale or closed	-	-
Total assets	**1,302.9**	**1,272.4**

LIABILITIES	EURO MILLIONS DECEMBER 31, 2012	EURO MILLIONS DECEMBER 31, 2011
Share capital	64.1	64.1
Share premium reserve	210.2	210.2
Treasury stock	(38.7)	(35.6)
Other reserves and results carried forward	284.1	230.4
Profit (loss) for the period	(39.6)	55.3
Total shareholders' equity	**480.1**	**524.4**
Reserves	39.7	29.3
Post-employment benefits	24.0	24.5
Non-current financial liabilities	225.5	253.9
Deferred tax liabilities	23.2	21.2
Other non-current liabilities	-	-
Total non-current liabilities	**312.4**	**328.9**
INCOME TAXES PAYABLE	1.2	10.1
OTHER CURRENT LIABILITIES	69.9	71.3
TRADE PAYABLES	178.0	182.2
PAYABLES VS. BANKS AND OTHER FINANCIAL LIABILITIES	261.3	155.5
Total current liabilities	**510.4**	**419.1**
LIABILITIES DERIVING FROM SALES OR CLOSURES	-	-
Total liabilities	**1,302.9**	**1,272.4**

Annex 5

Arnoldo Mondadori Editore S.p.A. –Income statement -

	EURO MILLIONS FY 2012	**EURO MILLIONS FY 2011**
Income from sales of goods and services	**626.2**	**720.9**
Decrease (increase) in inventories	-	1.3
Cost of raw, ancillary and consumable materials and goods	141.9	161.2
Cost of services	357.3	392.2
Personnel costs	122.8	113.6
Various charges (income)	0.3	4.1
Margine operativo lordo	**3.9**	**48.5**
DEPRECIATION OF PROPERTY, PLANTS AND MACHINERY	3.5	3.5
AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS	2.0	1.2
EBIT	**(1.6)**	**43.8**
FINANCIAL INCOME (CHARGES)	(11.6)	(7.5)
INCOME (CHARGES) FROM INVESTMENTS	(30.8)	35.4
Profit before taxes	**(44.0)**	**71.7**
INCOME TAX	(4.4)	16.4
Net profit	**(39.6)**	**55.3**

Annex 6

Cash flow statement

	Euro/million December 31, 2012	Euro/million December 31, 2011
Net profit for the period	(39.6)	55.3
Adjustments		
Depreciations, amortization and impairment	63.7	17.3
Tax charges for the period	(4.4)	16.4
Stock options	0.1	0.6
Charges to provisions and post-employment benefits	6.5	3.7
Capital losses (gains) on disposals of tangible assets, property, plant and equipment	0.9	(10.1)
Income from investments – dividends	(28.3)	(37.9)
Financial charges on loans and derivative operations	7.5	9.6
Adjusted net profit from operating activities	**6.4**	**54.9**
(Increase) decrease in trade receivables	17.6	30.7
(Increase) decrease in inventory	3.2	1.1
Increase (decrease) trade payables	(3.2)	8.7
Income tax payments	(14.0)	(17.7)
Increase (decrease) in provisions and post-employment benefits	(5.9)	(5.8)
Net changes in other assets/liabilities	(4.9)	(8.9)
Cash flow from (used in) operating activities	**(0.8)**	**63.0**
(Investments in) disposals of intangible assets	(0.9)	(1.0)
(Investments in) disposals of property, plant and equipment	(1.5)	(4.2)
(Investments in) disposals of equity investments	18.9	0.9
Income from investments – dividends	28.3	37.9
(Investments in) disposals of securities and other non-current financial assets	(9.5)	(6.5)
Cash flow from (used in) investment activities	**35.3**	**27.1**
(Increase) decrease in payables to banks	(74.5)	(31.9)
(Purchase) sale of treasury shares	(3.0)	(5.5)
Net changes in other non-current financial assets/liabilities	150.2	(15.9)
Financial income (charges) on loans and derivatives operations	(6.9)	(7.9)
Dividends paid	(0.8)	(40.3)
Cash flow from (used in) financial activities	**65.0**	**(101.5)**
Increase (decrease) in cash and cash equivalents	**99.5**	**(11.4)**
Cash and cash equivalents at beginning of period	**62.0**	**73.4**
Cash and cash equivalents at end of period	**161.5**	**62.0**

Composition of cash and cash equivalents		
Cash, cheques and valuables in hand	-	-
Bank and post office deposits	161.5	62.0
	161.5	**62.0**