

ARNOLDO MONDADORI EDITORE S.p.A.

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Head Offices in Milan

Administrative Offices in Segrate (Milan)

Interim Report on Operations at 31 March 2013

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Board of Directors' Report on Operations

Board of Directors' Report on Operations for the First Quarter of 2013

The first quarter of 2013 was characterised by a difficult global economic scenario threatened by uncertainty.

In Europe, in particular, while the risk of financial instability in the countries most exposed to the sovereign debt crisis remains high, the EU commission recently bearishly revised GDP projections down -0.4%.

In Italy, the recession continued throughout the quarter, with all the main macroeconomic indicators regarding manufacturing, consumer spending and employment still showing a downturn.

In France as well, the economic scenario is progressively deteriorating, with particular emphasis on GDP, which is expected to drop in the year, and unemployment, already significantly up in 2012.

The markets of reference for the Mondadori Group suffered from the crisis situation in the quarter, with further spikes for magazines and revenues from advertising, and also the book market in Italy dropped, though to a reduced extent.

In the context described above, consolidated sales at 31 March 2013 were 10.8% lower than the value posted in the same period of last year, while extraordinary costs linked to the operating and organizational restructuring process led to a negative EBITDA.

Here below are the financial highlights as at 31 March 2013:

Consolidated sales amounted to euro 292.7 million, down 10.8% against euro 328.1 million in 2012.

Consolidated EBITDA equalled euro -4.6 million, and were at breakeven net of the restructuring costs, against euro +15.2 million of the past year; excluding also the positive non-recurrent factors of 2012, the variation on a like-for-like basis would have been euro -5.2 million.

Consolidated EBIT totalled euro -10.6 million against euro +9.1 million in 2012, with amortisation and depreciation of intangible and tangible assets for euro 6.0 million (euro 6.1 million in 2012).

Consolidated profit before taxes amounted to euro -15.6 million against euro +4.7 million of the past year; in the quarter financial costs equalled euro -5.0 million against euro -4.4 million registered in 2012.

Consolidated net profit was negative for euro 15.3 million against a profit of euro 2.6 million in the same period of the past year.

Gross cash flow in the first quarter of 2013 equalled euro -9.3 million against euro +8.7 million of 2012.

The net financial position fell from euro -267.6 million at the end of 2012 to euro -310.6 million at 31 March 2013 (euro -301.8 at 31 March 2012).

Financial and non-financial indicators

For comparison purposes, 2012 cost of personnel was recalculated to align it to the value registered in 2013, which, as of 1 January 2013 was determined based on IAS 19 – Employee benefits; the positive effect on income statement is equal to euro 142,000 net of taxes.

Consolidated income statement (Euro/million)	31 March 2013	31 March 2012	Var. %
Revenues from sales and services	292.7	328.1	(10.8%)
Personnel (*)	71.2	73.0	(2.5%)
Cost of sales and management costs (**)	225.2	244.9	(8.0%)
Income (charges) from investments recognized at equity	(0.9)	5.0	(118.0%)
EBITDA	(4.6)	15.2	n.s.
<i>EBITDA incidence on revenues</i>	<i>(1.6%)</i>	<i>4.6%</i>	
Depreciation of properties, plant and equipment	2.8	2.8	-
Amortisation and impairment loss of intangible assets	3.2	3.3	(3.0%)
EBIT	(10.6)	9.1	n.s.
<i>EBIT incidence on revenues</i>	<i>(3.6%)</i>	<i>2.8%</i>	
Net financial revenues (costs)	(5.0)	(4.4)	13.6%
Revenues (costs) from other investments	-	-	-
Profit before taxes for the period	(15.6)	4.7	n.s.
Income tax	(0.6)	1.8	n.s.
Third party profits	(0.3)	(0.3)	-
Net result	(15.3)	2.6	n.s.

(*) On a like for like basis, net of restructuring costs, the cost of personnel is down 7.5%.

(**) This item includes the following sub-items: decrease (increase) in inventory; costs for raw, ancillary, consumption materials and goods; costs for services; other costs (revenues).

Consolidated revenues were equal to euro 292.7 million, down 10.8%; here below is a breakdown of revenues by business area.

Sales by sector of activity (Euro/million)	31 March 2013	31 March 2012	Var. %
Books	63.2	64.2	(1.6%)
Magazines Italy	88.8	104.3	(14.9%)
Magazines France	83.0	94.3	(12.0%)
Advertising services	29.9	42.4	(29.5%)
Direct	55.8	58.4	(4.5%)
Radio	2.6	3.2	(18.8%)
Corporate and other business	4.8	5.7	(15.8%)
Total aggregate revenues	328.1	372.5	(11.9%)
Intercompany revenues	(35.4)	(44.4)	(20.3%)
Total consolidated revenues	292.7	328.1	(10.8%)

Consolidated revenues by geographic area are broken down in the table below.

Sales by geographic area (Euro/million)	31 March 2013	31 March 2012	Var. %
Italy	204.8	229.2	(10.6%)
France	77.9	88.5	(12.0%)
Other EU countries	7.8	7.5	4.0%
USA	0.1	0.1	-
Other countries	2.1	2.8	(25.0%)
Total consolidated revenues	292.7	328.1	(10.8%)

Books

In the first quarter of 2013, the Trade Book market dropped both in terms of copies and value against the first quarter of 2012, -3.1% and -4.1%, respectively (source: Nielsen).

In this context the Mondadori Group confirmed its leadership in the Trade Book market with a 25.7% market share in terms of value (source: Nielsen).

(Euro/million)	31 March 2013	31 March 2012
Revenues from books	61.8	63.0
Other revenues	1.4	1.2
	63.2	64.2
Operating costs	(59.5)	(58.5)
EBITDA	3.7	5.7
Amortisation and impairment	(0.4)	(0.3)
EBIT	3.3	5.4

Below is a breakdown of revenues by publisher:

Books (Euro/million)	31 March 2013	31 March 2012	Var. %
Edizioni Mondadori	20.1	22.3	(9.9%)
Einaudi	12.2	11.6	5.2%
Sperling & Kupfer	5.5	6.8	(19.1%)
Edizioni Piemme	7.9	9.0	(12.2%)
Mondadori Electa	6.6	5.3	24.5%
Mondadori Education	2.1	2.5	(16.0%)
Distribuzione Libri	6.7	5.2	28.8%
Other revenues	2.1	1.5	40.0%
Total consolidated revenues	63.2	64.2	(1.6%)

Edizioni Mondadori

In the first quarter of 2013 Edizioni Mondadori posted a 12.2% market share in value over the total of the trade book market, down 0.8% against the same period of 2012 (source: Nielsen), due to a different publishing schedule, which envisages the release of the most promising books in the second and fourth quarters of the year.

Revenues totalled euro 20.1 million, down 9.9% against the same period of 2012.

In the first quarter of 2013, the success of the erotic trilogy *Cinquanta sfumature* (90,000 copies sold) continued along with the new novel by Andrea Camilleri, *Il Tuttomio*, which ranked fifth in the general best seller list, with a launch of over 100,000 copies.

Sixth in the top ten ranking in the first quarter was *L'ex avvocato*, a new US story by John Grisham, the undisputed king of legal thrillers. The book revolves around an investigation, reflecting the same atmosphere as the author's early successes, like *Il Socio* and *Il momento di uccidere*, and the first launch included 150,000 copies.

As for mainstream/popular fiction, worth mentioning are Patricia Cornwell and her famous female investigator Key Scarpetta, with her new novel *Letto di ossa*, and Madeleine Wickham, who writes as Sophie Kinsella, with an entertaining and pleasant novel *A che gioco giochiamo?*

Io prima di te by Jojo Moyes received positive reviews and was also well received by the public, with five editions in just two months on the shelves and 20,000 copies sold.

As for mainstream erotic fiction, the eagerly awaited second book of the new trilogy by Sylvia Day, *Riflessi di te*, was released in February with two editions in just one month of sales, and Vina Jackson's new trilogy *Eighty Days*, with 80,000 and 120,000 copies sold on launch, respectively.

In anticipation of the worldwide simultaneous release of Dan Brown's *Inferno*, scheduled for 14 May, Mondadori published *Il Codice Da Vinci* in a deluxe edition on the occasion of the tenth anniversary of the first edition.

Edizioni Mondadori celebrates sixty years of publication of its literary magazine *Nuovi Argomenti*, with a restyling and the launch of the www.nuoviargomenti.net blog; the inaugural volume, *Supernova*, included a selection of previously unpublished contributions by very young writers.

As for Fiction, the launch of the new novel *Quattro etti d'amore, grazie* by Chiara Gamberale, posted good results in the quarter with over 30,000 copies sold.

As for Non Fiction - Essays, the 150th anniversary of Gabriele D'Annunzio's birth, to whom the Turin Book Trade Show will be dedicated this year, were celebrated with a dedicated book by Giordano Bruno Guerri, *La mia vita carnale*, published on 12 March, unveiling the poet's secret habits.

Massimo Franco, with his *La crisi dell'Impero Vaticano*, offers an analysis of the deep crisis of today's Catholic church, while Gianfranco Ravasi suggests spiritual exercises in his latest book *L'Incontro*. Both volumes reached three editions in less than a month.

On 13 March 2013, the new Pope, Francesco, was elected, and on 29 March Mondadori published *Il cielo e la terra*, a book in which Jorge Mario Bergoglio expresses his views on the most important theological questions of the day for the Church, in a conversation with Rabbi Abraham Skorka. The launch included 50,000 copies and a co-branding activity with the daily *La Repubblica*, and sold 60,000 copies in the newsstand channel alone.

Among the new books for the quarter, a highlight was Umberto Veronesi's return, with *La dieta del digiuno*, which offers a series of recipes targeting wellbeing and disease prevention.

Under the Strade Blu brand, two autobiographies stood out: Gianluca Nicoletti tells his extraordinary and moving story as a father of an autistic son in *Una notte ho sognato che parlavi*; Giovanni Tizian in *La nostra guerra non è mai finita* tells the story of his life, always accompanied by bodyguards because threatened by *'ndrangheta*.

As for Non Fiction, in various segments, the Gaber Foundation's official book, *G. vi racconto Gaber*, written by Sandro Luporini, the famous co-writer of Gaber's innumerable and unforgettable songs, was published to commemorate the tenth anniversary of Giorgio Gaber's demise (15,000 copies sold).

In the Children's category, Rick Jordan's Percy Jackson saga, *Percy Jackson e gli Dei dell'Olimpo*, *Eroi dell'Olimpo* and *The Kane Chronicles*, continued to be successful for the 10-14 year target, with 600,000 copies sold.

Among the new entries for the first quarter 2013, in January Edizioni Mondadori published *Gregor. La prima profezia* (27,000 copies sold), the first book of a fantasy trilogy dedicated to a younger target (10-14 years) by Suzanne Collins, the author of the worldwide best-selling trilogy, *Hunger Games*.

In the children's segment, at the Book Trade Show, the ninetieth anniversary of Italo Calvino's birth was celebrated with the publication of *Fiabe Italiane* in individual, beautifully illustrated volumes.

In the Children's category, for the younger target, after the success of *I Gormiti*, *Ben 10* and *Cuccioli cerca amici*, Mondadori is betting on a new property, *Skylanders*, with the publication of the first books derived from the multiplatform videogame at the top of all international rankings, based on the innovative concept of interaction between toy and videogame.

In the first months of 2013, the standouts were Alessandro D'Avenia and Margaret Mazzantini. The tie-in editions of *Bianca come il latte, rossa come il sangue* (100,000 copies in the quarter) and *Venuto al mondo* (over 30,000 copies in the quarter) benefited from the release of the corresponding movies in the cinemas.

Giulio Einaudi Editore

Einaudi closed the first quarter of 2013 with revenues at euro 12.2 million, up against euro 11.6 million of the previous year. The market share for Einaudi in bookshops accounted for 6%, up 1.2%.

Paperbacks is the publishing line posting the greatest growth; Foreign Fiction also performed well, both for the titles of the previous year, including *Gli innamoramenti* by Javier Marías, *IQ84* by Haruki Murakami, and *Il senso di una fine* by Julian Barnes, and for the new releases.

As for 2013 titles, the best seller with 30,000 copies sold, was *A sud del confine, a ovest del sole* by Haruki Murakami, published simultaneously with the six backlist books proposed in uniform edition in paperback format. Good sales performance also for *Il posto dei miracoli* by Grace McCleen, a new entry for Einaudi, and *I fatti* by Philip Roth.

As for Italian Fiction, good performance results were registered for a few 2012 titles, including *Mancarsi* by Diego De Silva (14,000 copies sold) and the new books *Non so niente di te* by Paola Mastrocola, one of the new entries in 2013 (37,400 copies) and *Geologia di un padre* by Valerio Magrelli.

Stile Libero increased revenues by almost 30% thanks to the good performance of the new titles like *Cocaina* by Massimo Carlotto, Gianrico Carofiglio and Giancarlo De Cataldo, which with more than 81,000 copies sold in the period, proved the publisher's best seller; *Il cacciatore di teste* by Jo Nesbø, and *Io vi maledico* by Concita De Gregorio.

Among the latest authors to join the stable, the standouts were Kevin Powers with his novel *Yellow Bird*, and Riccardo Gazzaniga with *A viso coperto* (winner of the Italo Calvino prize).

It should be noted that Maurizio De Giovanni is one of the finalists for the Bancarella prize with his novel *Vipera*, published in 2012.

As for Non Fiction, good performances were posted by *Il prezzo della disuguaglianza* by Joseph E. Stiglitz and *Finale di partito* by Marco Revelli.

In February James Joyce's *Ulisse* was published for the classics in the long-awaited translation by Gianni Celati. The volume received good reviews and was appreciated by the public as well, with over 3,300 copies sold.

e-book revenues were up sharply against 2012 thanks to the success of the following titles: *Nessuno è indispensabile* by Peppe Fiore (2,000 downloads), *Winesburg, Ohio* by Sherwood

Anderson, *Dentro* by Sandro Bonvissuto, *Gibuti* by Elmore Leonard, (all exceeding 1,900 downloads).

Sperling & Kupfer

Sperling & Kupfer is the Group Publishing House that controls the Sperling & Kupfer, Frassinelli and Mondadori Informatica trademarks, focusing on the Fiction book offering for women readers, Non-Fiction books and books intended mainly for professional use.

The market share registered by Nielsen in the quarter of reference was equal to 2.4% against 2.8% of the past year and net revenues totalled euro 5.5 million, down 19.1% against the same period of the previous year (euro 6.8 million in 2012).

In Fiction noteworthy is the great success, among the new titles of the beginning of the year, of two books released a short time after the corresponding films were in the cinemas: *Noi siamo infinito* by Stephen Chbosky, published in January, which has sold 45,500 copies to date, and *Cloud atlas. L'atlante delle nuvole* by David Mitchell, published at the end of December, with 17,100 copies sold in the first three months of 2013.

The good performance of other established authors in the Publisher's stable should also not be overlooked, including Guillaume Musso and Danielle Steel.

As for Non Fiction, Pierre Dukan's excellent result, with a total of 86,000 copies sold at March 2013 thanks also to the repositioning of the book concurrently with the publication of the new edition of *La Dieta Dukan* at the end of March, is remarkable.

Excellent performance was also achieved by the Music and Entertainment segment thanks to the publication of the book on the boy band One Direction, with 23,500 copies sold, and Justin Bieber, with 21,500 copies sold.

Edizioni Piemme

Piemme is the publisher characterised by undisputed leadership in children's books, holder of the Stilton and Il Battello a Vapore trademarks in Italy, along with a consolidated and recognizable offering of mainstream books in all the main Trade segments.

Revenues in the first quarter of 2013 were equal to euro 7.9 million, down 12.2% against the euro 9 million of the previous year; the market share in book stores was equal to 3.9% in value, down slightly from the 4% of the previous year (source: Nielsen).

In Fiction the novelties of the beginning of the year are *Il gioco segreto del tempo* by Paloma Sánchez-Garnica (22,000 copies) and *La porta del paradiso* by Alfredo Colitto (19,300 copies). Published at the end of 2012, *Vita di Pi* by Yann Martel continued its excellent performance in 2013 with 17,300 copies sold, for a combined total of 59,200.

Also worthy of note is Alessandro Perissinotto's nomination for the Strega 2013 prize with *Le colpe dei padri*.

In Non Fiction, the best seller is *Illuminati* by Adam Kadmon (45,000 copies), followed by some religious books: *Jorge Mario Bergoglio. Francesco. Insieme* by Andrea Tornielli, published on the occasion of the election of the new Pope (26,000 copies sold in Italy), whose rights have been transferred to over twenty countries; *L'eredità dell'amore* by Joseph Ratzinger (23,000 copies sold) and *Il segno dell'esorcista* by Padre Amorth (22,500 copies sold).

The Junior category posted great results with the Stilton brand, both in the high-price series, (a standout was *Viaggio nel tempo 6*, published in March, with 62,000 copies sold), and in the medium-price novelty series, including "I Cosmotopi" (with two titles exceeding 22,000 copies) and "Storie da ridere" (among the titles of the beginning of the year is *Lo strano caso dei brufoli blu* with 22,000 copies).

"Il Battello a Vapore" confirmed the success of Luigi Garlando's "GOL!" series (two new books for a total of 26,000 copies sold).

Art books and exhibitions

In the first three months of 2013 Mondadori Electa posted sales for euro 6.6 million, up against euro 5.3 million in 2012.

The main reasons for this growth were the great success of the exhibition dedicated to the Emperor Constantine in Milan and the excellent sales performance in the bookshops.

The exhibition dedicated to Constantine, which closed on 24 March 2013, was an extraordinary success in terms of both reviews and ticket sales, and confirmed Electa's comeback as organizer of great exhibitions also in Milan, on the heels of the excellent results achieved in Rome in recent years.

The museum bookshops benefited from the performance of the new bookshop opened at the Colosseum, entirely re-styled and inaugurated on 4 February 2013.

Books confirmed the sales volume of last year, especially thanks to the excellent performance of Andrea Vitali's latest book, *Le tre minestre* (almost 70,000 copies), which remained in the top twenty bestselling books in the Nielsen list for several weeks.

Mondadori Education

At 31 March 2013 Mondadori Education posted revenues of euro 2.1 million against euro 2.5 million registered in the same period of last year, in a season which, as usual, has little impact on the overall yearly sales volume.

Mondadori Education has already completed the publishing schedule which, given the uncertain regulatory framework, led to a sharp decrease in the offering of new texts (166 against 245 of the first quarter of 2012). Conversely, production for junior high schools increased, also thanks to a new fiction series focused on the development of reading skills.

The third volumes of courses for the last three years of high school were published, following the publication of the first volumes last year; the proposal for the first two years of high school is also broad.

As for dictionaries, the release of Devoto's *Dizionario dei Sinonimi e Contrari* and the imminent release of Devoto Oli Minore complete the offering.

From the publishing configuration and commercial offering perspective, almost all the new textbooks are offered in a hard and a digital copy, which can be downloaded for free by simply entering the univocal codes printed on the SIAE stamp, and supplementary digital contents.

The digital editions of textbooks feature important new aspects: the simple PDF version including limited functionalities has been replaced by an evolved cloud model (called ME-book) of digital interactive book and multi-device, integrating all tools and resources of the Book+Web platform. The cloud technology allows synchronization of contents and personalization of the digital book.

E-Book

Revenues doubled against last year. The new e-books include the launch of Einaudi's "Quanti" series and the digitalization of D'Annunzio's work to celebrate the anniversary of his birth. In terms of results, the excellent performance of the women's *romance* category and John Grisham's *L'ex avvocato* are worth noting.

Distribution and logistics

Book Distribution is handled by the Group's Distribution and Logistics unit and offers services for the management of inventory and distribution both for the Mondadori Group Publishing Houses and third party Publishing Houses.

In the first three months revenues from logistics and distribution services accounted for euro 6.7 million, up 28.8% against the previous year.

Magazines Italy

The difficult macro-economic context and the political uncertainty in Italy continue to strongly influence the magazines market, which registered a negative performance similar to that of the past quarter. The advertising market was down 16.5% overall in value and 21.6% in magazines in February (source: Nielsen). The value of magazines distributed in the newsstand channel dropped by 12% (internal source updated to February 2103) and that of add-ons by 19.1% (internal source updated to February 2103).

In the first quarter, the composition of the Magazines Italy segment presented significant differences with the same period of the previous year, including, in particular, the termination of *Economy*, the transformation of *Flair* into a supplement and the changed number of copies of *TV Sorrisi e Canzoni*, *Telepiù* and *Guida TV*; the overall reduction in revenues amounted to 14.9%, dropping from euro 104.3 million to euro 88.8 million.

(Euro/million)	31 March 2013	31 March 2012
Revenues from magazines	80.5	95.9
Other revenues	8.3	8.4
	88.8	104.3
Operating costs	(86.2)	(96.7)
EBITDA	2.6	7.6
Amortisation and impairment	(0.1)	(0.2)
EBIT	2.5	7.4

The activities included in this group showed different trends:

- revenues from circulation, penalized by dropping subscriptions and copies sold at newsstands dropped by 14.1% (-11% on a like-for-like basis);
- revenues from add-on sales (-11.8%) register a more limited downturn compared to the market of reference;
- revenues from advertising, particularly hit by the current economic crisis, were down 23.9% (-22.1 on a like-for-like basis);
- revenues from International Activities, in particular licensing (+18.3%) and net revenues from the Mondadori websites (+10.4%) instead posted good performance.

Mondadori magazines

Mondadori magazines particularly suffered from the negative performance of the markets of reference and posted an overall reduction equal to 16%, accentuated by the already mentioned misalignments, net of which the variation would have been equal to -13.5%.

In relation to the main magazines, the following aspects should be taken into account.

The circulation of *Chi*, after showing reductions at year end and in January 2013, improved in February and March thanks also to revised contents and several scoops, thus reaching levels similar to last year.

The three main women's magazines - *DonnaModerna*, *Grazia* and *Tu Style* – were subject to changes in the chief editor's office between December 2012 and February 2013. Preparations are currently underway to re-launch the three magazines in May simultaneously, while emphasizing the individual positioning and reference target.

This important and innovative re-launch will re-confirm and consolidate the absolute leadership in the women's magazine sector.

TV Sorrisi e Canzoni is slightly down (-5%) against 2012 and confirms its status as Italy's most circulated magazine, with 720,000 copies sold.

Panorama is also showing a downturn in circulation, also as a result of the changing circulation mix, though the basic version of the magazine still performs well against the previous year.

The negative performance of the magazines market, which started in 2009 and worsened in 2012, resulted in the company's decision to implement an additional re-organization plan envisaging a rationalization of the product portfolio and a review of the publishing processes with the termination of five magazines and the definition of a total of 87 redundancies in Mondadori's personnel. An additional cost reduction policy that also includes industrial costs was implemented to support the aforementioned plan.

Add-on sales

The market of add-on sales in the first two months of 2013 registered a sharp drop (-19.1% in value; internal estimate), while Mondadori slightly outperformed the market (-11.8%).

Dropping sales derived from a precise decision made by the Company to rationalize initiatives for the purpose of reducing economic risks to a minimum and optimizing margins. This resulted in reduced outlays and dropping revenues but in increased profitability.

A few particularly successful initiatives are worthy of note. These are: the Beatles (in co-publication with *La Repubblica*) and the animation DVDs co-published with *TV Sorrisi e Canzoni*, the first-run movies with *Panorama* and *Cake décor*, supported by various Mondadori magazines.

Press-Di Distribuzione Stampa e Multimedia

Press-Di Distribuzione Stampa e Multimedia S.r.l. is a Mondadori Group distribution company, whose scope is the circulation and sale of magazines, newspapers and multimedia products in the Newsstand, Large-Scale Retailer and Subscription channels, in which it is leader.

The customer portfolio includes both publishers belonging to the Mondadori Group and independent publishers, which account for over 50% of total revenues.

Among the most important customers worthy of mention are Disney, Bonelli, RBA, Sprea for magazines and Libero, Il Giornale and Avvenire for newspapers in the Newsstand and Large-Scale Retailer channels; and Disney, Condé Nast and Quadratum in the Subscription channel.

In the first quarter of 2013 the markets in which Press-di operates registered a downturn in terms of copies and value against the same period of the previous year. The Newsstand/Large-Scale Retailers channel performance fell again, from -5% of the previous year to -12% in value. Conversely, the Subscriptions channel confirmed the same reduction rate in copies (-6%) registered in 2012 (data processed internally based on statistic panels).

In this difficult competitive market, net revenues at 31 March 2013 were equal to euro 15 million, down 12.3% on a year on year basis. In particular, revenues from shrink-wrapping activities plummeted (-28%), strongly impacted by the performance of the advertising market, while services to publishers contained the downturn (-9%) along with those relative to the Subscriptions channel (-9%).

International

International activities, concentrated in the newly established company Mondadori International Business S.r.l. as of 31 October 2012, generated revenues of euro 2.9 million in the first quarter of 2013, up 12.7% against the previous year.

The growth was driven by the new editions included in the *Grazia International Network* in the last 12 months (South Africa, Poland, Spain and South Korea), which contributed to increasing revenues from royalties (+18.3%).

In the first quarter of 2013, revenues from advertising on behalf of international partners totalled euro 2.7 million, in line with the previous year, thanks to the network appeal, which significantly outperformed the market of reference.

Investments: Mondadori is present in the markets of Greece, Bulgaria and Serbia through its investment in Attica Publications and in the markets of China and Russia in joint ventures with local partners.

After the worsening of the crisis afflicting its two most important competitors, Attica has increasingly gained shares in the Greek market, becoming a leader with eighteen magazines and three radio stations. However, the grim economic situation in Greece and the recent crisis in Cyprus further penalized the Group publisher.

The advertising market dropped against 2012 (-15% for magazines and -30% for radio and TV). Nonetheless, thanks to the benefits deriving from the restructuring plan implemented since 2011 (and continued in 2012) and thanks to diversification (digital activities and custom publishing), Attica showed results in line with the same period of 2012.

In China Mondadori has a 50% interest in Mondadori Seec Advertising Co. Ltd, an exclusive advertising agency for the Chinese edition of *Grazia*, launched in February 2009. In the first quarter of 2013 it generated revenues up 17% against the same period of last year.

The Russian edition of *Grazia*, published by the Mondadori Independent Media joint venture, registered a 3% revenue increase in the first quarter of 2013 as compared to 2012.

Properties

In the first quarter of 2013 Group Properties associated with the main magazines showed significant performances both in terms of revenues from advertising and traffic.

Revenues from advertising grew 10.4% against 2012, distinctly outperforming the market (+5%, source: Nielsen February).

The www.donnamoderna.com website registered a very positive performance in the quarter in terms of both revenues from advertising, sharply up against 2012 (+19%), distinctly outperforming the market, and in terms of traffic, which reached the best result ever in March with 132 million hits and more than 11 million single users (source Shinystat), confirming its leadership among women's digital newsmagazines.

The growth in the number of single users is attributable to "donnamoderna.tv", the video channel launched at the end of January, and to the organic growth of core channels, including Gourmet and Health and Beauty, topping all metrics.

The www.grazia.it website posted a 8% increase in revenues against the first quarter of 2012; audience also rose, topping 1 million single users (source Shinystat) starting from the second part of past year, also as a result of the recent engagement initiative, the blogger community "we want you".

The www.panorama.it website continues to grow in traffic against 2012, increasing to 3.2 million single users (source Shinystat), thanks to an increasingly articulated proposal of contents and theme-based channels and a prompt and complete coverage of the most important events that characterised the beginning of the year (political elections, the election of the Pope and the Sanremo song festival).

The www.panoramauto.it website hit a record in traffic in March with over 15 million hits and approximately 1 million single users (source Shinystat) on the occasion of the Geneva Motor Show, thanks to an extensive publishing coverage that made it surpass all others, competing for the leadership in automotive information against Quattroruote.

Magazines France

In a persistently grim market scenario, Mondadori France closed the first quarter of 2013 with consolidated revenues at euro 83 million. On a like for like basis, considering that Monday weeklies (*TéléStar*, *TéléPoche*, *Auto-Plus*) benefited in the first quarter of 2012 from the publication of one more issue than in the first three months of 2013, revenues would drop by 9.6% (financial data -12.0%). EBITDA reached euro 4.5 million (euro 7.3 million in 2012); the result was also impacted by euro 0.5 million relating to non-recurring restructuring costs.

(Euro/million)	31 March 2013	31 March 2012
Revenues from magazines	80.6	91.8
Other revenues	2.4	2.5
	83.0	94.3
Operating costs	(78.5)	(87.0)
EBITDA	4.5	7.3
Amortisation and impairment	(2.9)	(2.9)
EBIT	1.6	4.4

Circulation

Revenues from circulation, representing approximately 72% of total revenues, dropped by 8.1% in the period with the same number of issues (financial data -10.3%).

Sales at newsstands dropped 7.6% on a like for like basis, in line with the market that posted a -7.5% reduction in the same period (internal estimate). Strikes by the main logistics operator (Presstalis) in relation to an important restructuring plan also impacted sales for the period.

Without considering extraordinary factors (reduction in the number of subscribers to *Pleine Vie* following changes in the contract management by AG2R, the insurance company channelling a significant number of subscriptions), the subscriptions channel held essentially steady against the same period in the previous year (-1.1%).

The “branching out” strategy of the stronger magazines continued into 2013. The new products tested in 2012 are now fully integrated into the magazines portfolio (*Faits Divers à la Une*, *Des Chiffres et des Lettres*, *Closer Jeux*, *Closer-C’est leur histoire*). The *Closer* galaxy grew with the launch of *Closer Teen* in February, and the first issue was an immediate hit, with 58,000 copies sold.

Grazia, *Modes & Travaux*, *Nous Deux* and *Sport-Auto* were restyled, taking into account the quality of the publishing content. In 2013 *Auto-Journal* and *Auto-Plus* will also be subject to restyling.

The monthly *Science & Vie* celebrates its 100th anniversary with a special issue enriched by the re-publication of its first issue, which came out on 1 April 1913.

In the last weeks of the quarter of reference, *Nostalgie Jeux* was launched, a game magazine developed in collaboration with *Nostalgie* radio station and *Vital* in the wellbeing sector. A new cooking magazine, *750g*, is scheduled to be launched in the near future in collaboration with the www.750g.com website.

Lastly, the Syndicat des Editeurs de Presse Magazine (S.E.P.M.) recognized *Biba* for its “10 years of success”.

Advertising

The market performance confirms the trend of the last months of 2012 with a 9.7% volume reduction (source: Kantar Media); Mondadori France posted revenues down 10.3% net of barter activities and with the same number of issues (financial data -16.1%).

The Automotive and Food sectors are facing the major difficulties.

Digital

In the first quarter, Mondadori France continued to invest in the digital sector.

Aggregated audience topped 5 million single users (source Nielsen). Sales were up 20% in the first quarter of 2013. The main developments refer to:

- New websites:
 - Autoplus.fr
 - Closermag.fr (more reactive, richer, more feminine)
 - Science-et-vie.com with 25 years of files made available
- Applications:
 - Launch of *TéléStar* (social TV) and *Auto-Journal* for iPad
 - New version of *Grazia* and *Sport Auto* for iPad
- Awards:
 - Grazia.fr received the 2012 Award as the best website of the year developed with EZ Publish technology.

Lastly, as for recent acquisitions, the NaturaBuy.fr website (a website for classifieds and personals for products associated with hunting and leisure time) continued growing with a 24% increase in the number of transactions as compared to 2012.

Advertising services

The market

The market scenario of investments in advertising in the first two months of 2013 posted a 16.5% reduction against the same period of 2012, confirming the difficulties registered throughout the past year.

Television continued its downturn from 2012 (-16.1%), with the exception of the digital channels.

Other media showing dropping results include Radio (-17.3%), although the performance in January proved almost in line with 2012, and Direct Mail (-19%), while Outdoor and Internet performed positively with +5%, though slightly slowing down.

As for the press in general, the situation remains negative and in line with the last quarter of 2012, confirming that the crisis that particularly hit Italy is not letting up.

Dailies posted a -26.1% drop, while the decrease for Magazines proved slightly lower (-21.6%), but with definitely negative projections for the months of March and April.

The reduction of investments in advertising is expanding to all the sectors that revolve around magazines.

Fashion, Design and Automotive are sharply down, while Consumer Products, after two years of plummeting sales, seem to be suffering less.

The Company

Mondadori Pubblicità closed the first quarter of 2013 with overall revenues down 29.5% against the same period of 2012.

(Euro/million)	31 March 2013	31 March 2012
Revenues from advertising	29.4	41.3
Other revenues	0.5	1.1
	29.9	42.4
Operating costs	(32.7)	(45.1)
EBITDA	(2.8)	(2.7)
Amortisation and impairment	-	-
EBIT	(2.8)	(2.7)

The reduction in the revenues from magazines (-26.7% on the total and -22.1% on a like for like basis) hit both weeklies and monthlies, although with some significant differences.

Given the grim economic scenario in Italy, Mondadori weeklies suffered the negative customer turnover and the reduced investments from the top spenders of the key sectors, with the exception of *TV Sorrisi e Canzoni* and *Tu Style*.

In 2013 tension has been mounting on prices, also as a result of competitors to television, which is significantly decreasing its fees in an attempt to stem the flight of advertisers.

As for Mondadori monthlies, the reduction is more limited in size, also as a result of the performance registered by magazines like *Flair*, *Icon* and *Interni*, which suffered less than the market average, the positive results of the cooking system and the good performance of the consumer product sector.

Prices for monthlies seem to hold better than weeklies.

Comprehensively, Mondadori magazines closed the first quarter with a 27% reduction (-22.1% on a like for like basis).

Revenues from advertising in the Radio channel dropped 25%; in particular, *R101* posted -18.8% (-17.4% net of 2012 non-recurring profits essentially linked to the *Six Nations* rugby tournament).

As for the Radio channel, Telecommunications, Design and Pharmaceuticals performed positively.

On the Internet, Mediamond continues to grow (+38% against 2012); in particular, the performance of the *Donna Moderna* website (+19%), *Sport Mediaset* (+34.4%) and *Videomediaset* (+123%) proved positive.

Direct

In the first quarter of 2013 the Direct Area generated revenues for euro 55.8 million, down 4.5% against the same period in 2012.

Interim Report on Operations at 31 March 2013
Amounts in euro million

(Euro/million)	31 March 2013	31 March 2012
Revenues	54.4	54.7
Other revenues	1.4	3.7
	55.8	58.4
Operating costs	(59.3)	(59.6)
EBITDA	(3.5)	(1.2)
Amortisation and impairment	(1.4)	(1.4)
EBIT	(4.9)	(2.6)

The critical economic situation, with persistently dropping consumer spending and the continuously shrinking book market (Direct area core business) made it necessary to implement targeted cost control policies, network revisions and diversification of the offering.

In particular, the network was subject to a rationalization process (today composed of 570 points of sale) with the shutting down of 12 stores (one directly owned, 10 franchisees and one bookclub integrated in another directly owned store).

The development of the private label progressed: Emporio Mondadori in the stationery market and Box for You in the gift box segment, proposing them also in the circuit of book stores outside the Mondadori network and in the Large-Scale Retail channel.

On a like-for-like basis, the proprietary book store chain generated revenues up 3%, while multicenters and franchisees maintained revenues in line with the previous year.

The diversification of the offering led to a reduction in the book/other product mix from 73% in 2012 to 68% in 2013.

The development of the multichannel strategy also progressed, integrating the online offering with the off line physical store network, which is expected to be completed in 2013.

The Direct area also includes Cemit, a company operating in the sector of direct communication.

This company generated revenues in the first quarter of 2013 in line with the previous year, despite the continuously shrinking market.

The internal re-organization process begun in the second half of 2012 was completed and the digital solution area, for the development of digital direct communication activities, is currently being fine-tuned.

Radio

Revenues from advertising for the Radio channel in Italy were sharply down in the first quarter on all media (-16.5% in February; source: Nielsen) with the only exception of the Internet (+5%). In particular, the Radio business posted a 17.3% downturn in February (-2.2% in January and -27.7% in February).

(Euro/million)	31 March 2013	31 March 2012
Revenues	2.6	3.2
Other revenues	-	-
	2.6	3.2
Operating costs	(4.2)	(4.1)
EBITDA	(1.6)	(0.9)
Amortisation and impairment	(0.4)	(0.4)
EBIT	(2.0)	(1.3)

In this context, *R101* revenues from advertising reflected the heavy slump in the main product categories: Automotive, Business (mainly Telecommunications and Finance) and Consumer Products (which alone represented 85% of the total volume in the first quarter of 2013). The quarter closed in line with the negative market trend, with revenues comprehensively down 18.8% against 2012 (revenues from advertising in the radio, website channels and other initiatives). Pressure on fees is also intense, but the presence of a few exclusive advertisers makes it a flagship vis-à-vis other national radio stations.

According to the latest audience surveys made available at year end (based on a measurement system directly managed by radio operators) which indicated a promising rise in the average 15 minute slot (audience in the average 15 minute slot was sharply up compared to the first half of 2012; source: Eurisko Radio Monitor) Monradio is organizing the implementation of a specifically structured content plan aimed at improving the format. This plan was commenced at the end of 2012 in combination with a targeted and selective communication and multimedia advertising campaign to support brand visibility, involving television, magazines, billboards and a series of events.

Also in relation to the digital area, various important actions will be implemented in 2013. The www.r101.it site will progressively expand its offering with new video content, while *R101* presence on the main social networks (Facebook, Twitter and YouTube) will be promoted by means of several engagement activities in correlation with the radio programs and the most popular and appreciated speakers to foster growth. The results for the quarter proved positive:

- Facebook Fans Page 2013: approximately 230,000 (+15% against end of 2012)
- Twitter Followers Canale R101 2013: approximately 16,000 (+33% against end of 2012).

Corporate and other business

The *Corporate* segment includes – besides organizations managing the Group's financial assets – Parent Company functions providing services to Group companies and the different business areas.

These services are mainly associated with activities regarding ITC, administration, management control and planning, treasury and finance, human resources, legal and corporate affairs and public relations, as well as digital activities of diversification and investment to support the business.

Revenues are mainly referred to amounts billed to subsidiaries and associated companies as well as other entities using the services described above.

Mondadori International

The financial assets managed by the Company at 31 March 2012 amounted to euro 71.6 million (euro 70.9 million end of 2012). In the period of reference, the Company posted profits equal to euro 0.1 million.

Financial assets at 31 March 2013 are broken down as follows:

- Current accounts, cash equivalents and receivables due to the parent company for intercompany current accounts for a total of euro 70.8 million;
- Floating rate bonds available for sale for euro 0.8 million resulting from the transfer of the majority of the bonds held in portfolio and completed in the first quarter of 2013.

Financial position

Mondadori Group's financial position at 31 March 2013 showed a worsening against the previous year, as evidenced in the table below, which also includes data regarding debt.

Net financial position (Euro/million)	31 March 2013	31 December 2012	31 March 2012
Cash and cash equivalents	109.7	166.8	109.7
Financial assets at fair value	-	-	-
Held-for-sale financial assets	0.8	13.3	13.2
Assets (liabilities) in derivatives	(12.8)	(14.9)	(13.0)
Other financial assets (liabilities)	12.0	12.3	14.4
Loans (short and medium-long term)	(420.3)	(445.1)	(426.1)
Net financial position	(310.6)	(267.6)	(301.8)

Interest and exchange rate trends

In the first quarter of 2013, the world economy showed some signs of recovery, especially in the United States and in some emerging Asian markets.

However, the main economic indexes do not show any significant improvement in the economy either in Europe or, in particular, in Italy. As matter of fact, projections indicate a comeback only in the first half of 2014, though still at a modest rate and with broad uncertainties linked to the actual conditions of public finance.

In this context, Euribor remained extremely low, with an average value for the first quarter of 2013 equal to 0.211%; the average cost of the Mondadori Group debt in the same period was equal to 3.18%.

The euro/dollar exchange rate showed two opposite trends in the first quarter of 2013: a progressive fall in the dollar value in January (1.364 at 31 January) and a subsequent value surge in February and March (trough at 1.278). The average euro/dollar exchange rate for the quarter was 1.32.

The sterling fell steadily in value against the euro (0.875 towards mid March) and then recovered slightly towards the end of the first quarter. The average euro/sterling exchange rate in the period was equal to 0.851.

The overall credit lines available to the Group at 31 March 2013 amounted to euro 1,053.3 million, of which euro 755.5 million committed.

The Group's short-term loans, totalling euro 420.5 million, unused at 31 March 2013, included overdraft credit lines on current accounts and advances subject to collection.

The main medium-long term loans are:

- euro 320.0 million for a float rate bank loan with expiry in December 2014, granted by a pool of leading banks with international standing; the loan specifically includes a term loan for euro 150.0 million and a Revolving Facility for euro 170.0 million, still unutilized at 31 March 2013; some Interest Rate Swaps contracts have been attached to the term loan for the purpose of transforming the float rate into fixed;
- a float rate term loan granted by Intesa Sanpaolo for euro 50.0 million with expiry in May 2013;
- a float rate loan for euro 200.0 million, granted by Intesa Sanpaolo, with expiry in December 2016, broken down into a term loan for euro 50.0 million and a revolving facility for euro 150.0 million, used for a total of euro 20.0 million at 31 March 2013; an Interest Rate Swap contract was attached to part of the *Term Loan*, with expiry in January 2014;
- a float rate amortising loan for euro 78.0 million, specifically a *Term Loan*, granted by a pool of leading Italian banks with expiry in June 2015; an *Interest Rate Swap Amortising* contract is attached to part of the loan;
- a float rate bullet loan for euro 50.0 million, specifically a term loan, granted by Mediobanca, with expiry in December 2017; an *Interest Rate Swap* contract was attached to the term loan for the purpose of transforming the float rate into fixed;
- a float rate bullet loan for euro 50.0 million, specifically a Revolving Credit Facility, granted by Mediobanca in July 2011 with expiry in December 2017, utilised for euro 15.0 million at 31 March.

Personnel

Human resources

Employees with a fixed-term or permanent labour contract employed by the Group companies at 31 March 2013 totalled 3,626 people, down 3.7% (-138 positions) against the first quarter of 2012 and 2.1% (-77 positions) against end of 2012.

Similarly, in the first quarter of 2013, the cost of personnel was reduced by 2.5% (-7.5% net of the higher re-organization charges) amounting to euro 71.2 million. 2012 data was subject to adjustment to take into account the new provisions introduced by IAS 19 coming into effect as of 1 January 2013 with retroactive validity. In particular, IAS 19 envisages the recognition of actuarial profits and losses associated with the calculation of post-employment benefits under consolidated comprehensive income statement instead of cost of personnel.

The reduction in employee count and in the associated cost is essentially to be attributed to the effects of the restructuring processes currently in progress both in the Direct area and, above all, in the companies involved in the early retirement plan, commenced last October 2012. The companies are the parent company Arnoldo Mondadori Editore S.p.A. (Magazines and Central Offices), Mondadori Pubblicità S.p.A. and Press-Di Distribuzione Stampa e Multimedia S.r.l.

All Group companies, both in Italy and in France, continue to implement cost control policies through targeted actions aiming at improving organizational efficiency as well as specific actions to streamline the hierarchical levels.

The following table provides a detailed overview of Group personnel at 31 March 2013:

Personnel	31 March 2013	31 December 2012	31 March 2012
Arnoldo Mondadori Editore S.p.A.:			
- Managers, journalists, office staff	1,110	1,126	1,168
- Blue collar workers	85	84	84
	1,195	1,210	1,252
Italian subsidiaries:			
- Managers, journalists, office staff	1,376	1,416	1,446
- Blue collar workers	53	55	57
	1,429	1,471	1,503
Foreign subsidiaries:			
- Managers, journalists, office staff	1,002	1,022	1,009
- Blue collar workers	-	-	-
	1,002	1,022	1,009
Total	3,626	3,703	3,764

Capital expenditure

Investments made in the first quarter of 2013 amounted to euro 1.2 million and mainly referred to furniture, décor and office machines.

Other information

The interim report at 31 March 2012 was drafted pursuant to the IAS/IFRS accounting principles and the valuation criteria adopted are in line with those used at December 31, 2012.

The document provides the information and disclosures required by Article 154 ter, par. 5 of Italian Legislative Decree 58/1998.

For the purpose of comparing the accounting data contained in this document with those supplied in previous reports and providing consistent disclosures to the market, this interim report regarding the first quarter of 2012 also keeps the same layout defined for the previous quarterly reports.

Therefore, the International accounting principle No. 34 was not applied in the matter of interim financial reporting.

Adhesion to the legislative simplification process adopted by Consob resolution No. 18079 of January 20, 2012. Disclosure pursuant to Article 70, par. 8, and Article 71, par. 1-bis of Consob Regulation No. 11971/99 and subsequent amendments.

On and with effect from November 13, 2012, the Board of Directors of Arnoldo Mondadori Editore S.p.A., pursuant to Article. 3 of Consob Resolution No. 18079 of January 20, 2012 and in relation to the provisions set out in Article. 70, par. 8, and Article 71, par. 1-bis of Consob Regulation No. 11971/1999, resolved to avail itself of the faculty to waive the obligation of disclosure envisaged by the aforementioned Consob Regulation on the occasion of significant transactions relative to mergers, spin-offs and capital increases through contribution of assets in nature, acquisitions and transfers.

Foreseeable evolution

In the first quarter of the year, the situation in the markets in which Mondadori operates continued to worsen and also at the general level there are no signs of recovery in the short term.

In this context, as already indicated upon the presentation of the financial statements as at 42 December 2012, the Company will undertake a series of activities aimed at recovering profitability in the hardest hit business areas, also through a targeted re-organization process and cost control policy that envisage the deployment of significant financial and economic resources.

Given the reasons described above, the Group's profitability level in 2013 is expected to show a reduction against the previous year.

Extension of the cost control and re-organization plan

Starting in May, Mondadori will give additional impetus to the re-organization process and cost control policy implemented in order to obtain a profitability level that is compatible with the new dimension of the markets of reference and to consolidate the company's leadership in its competitive sector.

The objective of the project, which will be co-ordinated by a Steering Committee under the direct supervision of the CEO, Ernesto Mauri, is to improve the operation of the organizational structures for the purpose of making the business activities more efficient and expand the savings target to euro 100 million by 2015.

For the Board of Directors
The Chairman
Marina Berlusconi

The Executive Manager responsible for the drafting of the corporate accounting documentation - Carlo Maria Vismara – hereby declares, pursuant to Art. 154 bis, par. 2, of the Finance Consolidation Act, that the accounting documentation contained in this Interim Report corresponds to the Company's accounting entries, books and results.

The Executive Manager responsible for the drafting of the corporate accounting documentation

Carlo Maria Vismara

Consolidated balance sheet and income statement

***Consolidated comprehensive balance sheet and
income statement***

Consolidated balance sheet

Assets (euro/thousands)	31 March 2013	31 March 2012
Intangible assets	742,960	745,999
Investments	3,259	3,238
Land and buildings	9,040	9,258
Plant and machinery	14,015	14,178
Other fixed assets	24,777	26,318
Property, plant and machinery	47,832	49,754
Investments booked at equity	57,990	59,125
Other investments	1,374	1,374
Total investments	59,364	60,499
Non-current financial assets	5,571	5,571
Advanced tax assets	46,975	50,630
Other non-current assets	2,539	1,965
Total non-current assets	908,500	917,656
Tax credits	76,348	61,872
Other current assets	98,158	85,225
Inventory	127,076	129,627
Trade receivables	304,146	335,423
Stocks and other current financial assets	19,784	32,073
Cash and cash equivalents	109,742	166,838
Total current assets	735,254	811,058
Assets held for sale or transferred	-	-
Total assets	1,643,754	1,728,714

Consolidated balance sheet

Liabilities (euro/thousands)	31 March 2013	31 March 2012
Share capital	64,079	64,079
Share premium reserve	210,200	210,200
Treasury shares	(73,497)	(73,497)
Other reserves and results carried forward	201,812	366,272
Profit (loss) for the period	(15,330)	(166,555)
Group net equity	387,264	400,499
Minority share capital and reserves	33,572	33,313
Total equity	420,836	433,812
Reserves	57,263	61,858
Post-employment benefits	52,179	53,877
Non-current financial liabilities	360,569	387,321
Deferred tax liabilities	89,892	89,393
Other non-current liabilities	-	-
Total non-current liabilities	559,903	592,449
Liabilities for income tax	3,398	2,689
Other current liabilities	249,698	248,191
Trade payables	324,809	366,811
Payables t/w banks and other financial liabilities	85,110	84,762
Total current liabilities	663,015	702,453
Liabilities held for sale or transferred	-	-
Total liabilities	1,643,754	1,728,714

Consolidated income statement

(euro/thousands)	31 March 2013	31 March 2012
Revenues from sales and services	292,717	328,059
Decrease (increase) in inventory	2,543	(70)
Costs for raw materials, consumables and goods	40,728	44,603
Costs for services	176,284	198,888
Cost of personnel	71,182	73,029
Other costs (income)	5,702	1,414
Income (costs) from investments booked at equity	(879)	5,026
EBITDA	(4,601)	15,221
Depreciation and impairment of property, plant and machinery	2,795	2,777
Amortization and impairment of intangible assets	3,212	3,284
EBIT	(10,608)	9,160
Financial income (costs)	(5,027)	(4,441)
Income (costs) from other investments	-	-
Pre-tax profit	(15,635)	4,719
Income tax	(564)	1,803
Profit from operations	(15,071)	2,916
Income (costs) from assets/liabilities held for sale or closed	-	-
Minority shareholders' income	(259)	(339)
Net result	(15,330)	2,577
Net earnings per share (in euros)	(0.066)	0.011
Net earnings per diluted share (in euros)	(0.066)	0.011

Consolidated comprehensive income statement

(euro/thousand)	31 March 2013	31 March 2012
Net profit before minority Shareholders' interest	(15,071)	2,916
Profit (loss) deriving from the conversion of the financial statements of foreign companies	-	-
Other profit (loss) from companies valued at equity	53	(51)
Effective part of profit (loss) on cash flow hedge instruments	1,866	(1,362)
Profit (loss) deriving from assets held for sale (fair value)	453	797
Actuarial profit (loss)	(175)	(196)
Tax effect on other profit (loss)	(106)	305
Total other profit (loss) net of tax effect	2,091	(507)
Comprehensive result for the period	(12,980)	2,409
Attributable to:		
- Parent Company Shareholders	(13,239)	2,070
- Minority Shareholders	259	339

For the Board of Directors
The Chairman
Marina Berlusconi