

**HALF-YEAR REPORT
AT 30 JUNE 2015**

ARNOLDO MONDADORI EDITORE S.p.A.

Share Capital Euro 67,979,168.40

Legal Offices in Milan

Administrative Offices in Segrate (Milan)

**HALF-YEAR REPORT
AT 30 JUNE 2015**

Arnoldo Mondadori Editore S.p.A.

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ABBREVIATED CONSOLIDATED HALF-YEAR REPORT AT 30 JUNE 2015

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**MONDADORI GROUP'S
HIGHLIGHTS IN THE FIRST
HALF OF 2015**

(euro/millions)	First half of 2015	First half of 2014	Var. %*
Mondadori Group			
Revenues	517.1	543.3	(4.8%)
EBITDA before non-recurring items	23.8	18.1	31.7%
% EBITDA on revenues	4.6%	3.3%	
EBITDA	19.0	17.6	7.9%
% EBITDA on revenues	3.7%	3.2%	
EBIT	9.2	7.0	31.9%
% EBIT on revenues			
Result from continuing operations	(3.4)	(8.6)	n.s.
Business Areas			
Revenues	517.1	543.3	(4.8%)
Books	123.0	128.5	(4.3%)
Magazines Italy	153.0	162.9	(6.1%)
Magazines France	166.6	169.9	(2.0%)
Retail	85.7	92.6	(7.4%)
Other business, Corporate and Digital Innovation	17.3	14.6	18.5%
Intercompany	(28.4)	(25.3)	12.4%
EBITDA before non-recurring items	23.8	18.1	31.7%
Books	8.5	5.1	65.8%
Magazines Italy	9.8	8.2	28.6%
Magazines France	16.1	16.1	0.2%
Retail	(3.2)	(5.1)	37.1%
Other Business, Corporate and Digital Innovation	(8.1)	(6.2)	(31.0%)
Balance Sheet	30 June 2015	30 June 2014	Var. %*
Shareholders' equity	278.4	276.1	0.8%
Net financial position	(326.5)	(368.9)	11.5%
Human Resources			
End-of-period headcount	3,069	3,213	(4.5%)

* Changes in this report were calculated on amounts expressed in euro thousands

COMPOSITION OF CORPORATE BODIES

Board of Directors*

CHAIRMAN

Marina Berlusconi

CEO

Ernesto Mauri

DIRECTORS

Pier Silvio Berlusconi

Pasquale Cannatelli

Bruno Ermolli

Alfredo Messina

Martina Forneron Mondadori**

Daniilo Pellegrino

Roberto Poli

Oddone Pozzi

Angelo Renoldi**

Mario Resca

Cristina Rossello**

Marco Spadacini**

10

Board of Statutory Auditors*

CHIEF STATUTORY AUDITOR

Ferdinando Superti Furga

STANDING STATUTORY AUDITORS

Francesco Antonio Giampaolo

Flavia Daunia Minutillo

SUBSTITUTE STATUTORY AUDITORS

Annalisa Firmani

Ezio Maria Simonelli

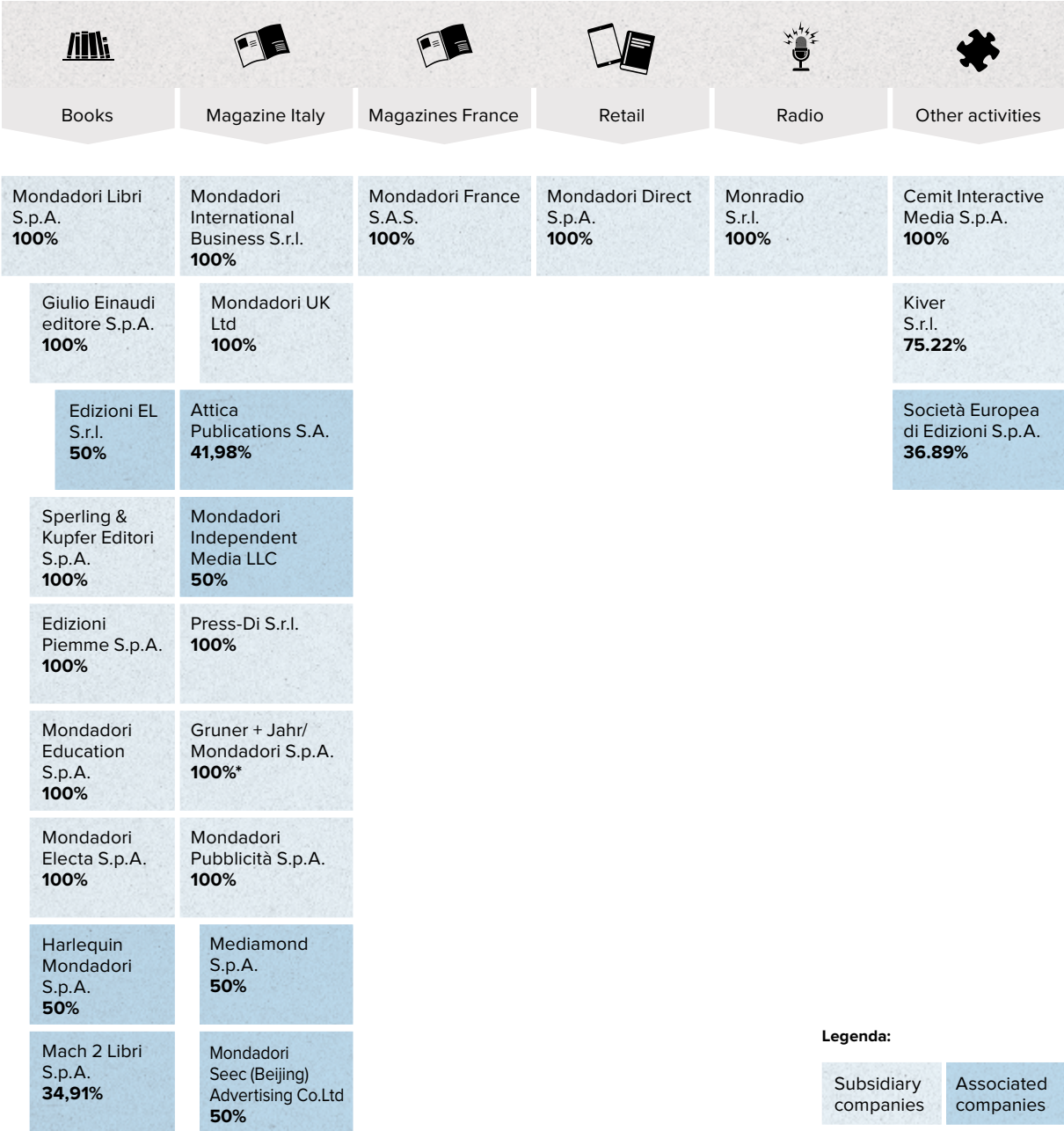
Francesco Vittadini

* The Board of Directors and the Board of Statutory Auditors currently holding office were appointed by the Shareholders' Meeting of 23 April 2015.

** Independent Director.

MONDADORI GROUP ORGANIZATION

ARNOLDO MONDADORI EDITORE S.P.A.



Legenda:

Subsidiary companies	Associated companies
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* On 1 July 2015, the Group acquired full control (100%) of Gruner+Jahr/Mondadori S.p.A., as better detailed in the “Significant events after closure” section.



**Directors' Report
on Mondadori Group Operations
at 30 June 2015**

In the first half of 2015 the international macroeconomic scenario showed signs of recovery, as highlighted by the IMF projections circulated in April, which confirmed a gradual acceleration of global growth for 2015 and 2016, in particular in the **Euro area**. Compared to January, GDP expectations for growth rose from +1.2% to +1.5%¹ for the year, with an accelerating trend in the second part of the year, mainly driven by consumer spending and recovery in production investments. Reduced uncertainties regarding a gradual economic recovery are also the result of the monetary policy introduced by the ECB and the consequent increase in global liquidity, despite the persisting geopolitical threats to the European economy deriving from the situation in Greece. The international financial markets reacted positively to the implementation of the EU investment plan. Volatility has diminished since the beginning of the year and stock prices have risen.

In **Italy**, the first quarter of 2015 ushered in a modest upswing, evidenced by the slight recovery in consumer spending and business investments, although further consolidation is needed.

Italy will also benefit from the currency depreciation and falling oil prices, positive factors for an economy in which exports play a significant role.

In the first quarter of 2015 GDP grew by 0.3%,² exceeding analysts' estimates and marking a turnaround after 14 consecutive quarters of recession and zero growth (since the beginning of 2011). GDP projections for the year in Italy were revised at 0.7% with a bullish trend. Unemployment is expected to be in line with the past year's levels (2015 projections are for 12.7% against 12.6% in 2014).³

In **France** growth in the first quarter was equal to 0.6%,² and GDP for 2015 is expected to rise by approximately 0.9% (EU and IMF estimates are +1.1%), while unemployment should be equal to 10.5%³ (10.3% in 2014).

MAIN ELEMENTS OF MONDADORI GROUP'S AREAS OF ACTIVITY IN THE PERIOD OF REFERENCE AGAINST MARKET PERFORMANCE:

• Italy

- Despite the 2.7% reduction in the market of trade books in the first six months of 2015 (GfK at June), the Group confirmed its leadership position in the Trade Books Area with a slight decrease of its market share (24.4% against 25.5% of the first half of 2014);

- also in the Magazines Italy Area, despite the negative trend recorded in the market both in terms of circulation - down by 6.5% (internal source, newsstand channel at February) – and sales from advertising – down by 3.6% (source: Nielsen at May) - Mondadori confirmed its leadership with a 32.3% market share in circulation (33.2% at May 2014).

• France

the magazines market showed a bearish trend both in terms of sales from advertising, down 9.9%, more accentuated than in the first quarter of 2015 (source: Kantar Media, data at April) and circulation, which fell by 5.2% at newsstands (internal source, data at May excluding the extraordinary edition of *Charlie Hebdo* in February). The **Magazines France** Area, despite the penalizing comparison with the corresponding period of the previous year, which was positively influenced by the extraordinary scoop on Hollande by *Closer*, posted a substantially steady revenue performance from circulation (-1.9%), which accounts for 75% of the total for the Area. Digital activities grew significantly (+18.6%) against the first half of 2014.

¹ Source: Bollettino economico - Bank of Italy, April 2015

² Source: Eurostat, Istat and Insée, May 2015

³ Source: Prometeia, April 2015

CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE FIRST HALF OF 2015

Consolidated income statement (euro/million)	First half of 2015	% Growth on revenues	First half of 2014	% Growth on revenues	Var. %
Revenues from sales and services	517.1	100.0%	543.3	100.0%	-4.8%
Cost of sold items	203.5	39.4%	228.4	42.0%	-10.9%
Variable costs	106.9	20.7%	103.7	19.1%	3.1%
Fixed costs	77.0	14.9%	81.4	15.0%	-5.4%
Cost of personnel	108.3	20.9%	113.6	20.9%	-4.6%
Other costs / (revenues)	-3.3	-0.6%	-3.5	-0.6%	-4.2%
Associates	-0.9	-0.2%	-1.6	-0.3%	-43.0%
EBITDA net of non-recurring items	23.8	4.6%	18.1	3.3%	31.7%
Restructuring costs	-5.0		-3.0		68.1%
(Positive)/negative extraordinary items	0.1		2.4		-95.5%
EBITDA	19.0	3.7%	17.6	3.2%	7.9%
D&A	9.7	1.9%	10.6	1.9%	-8.0%
EBIT	9.2	1.8%	7.0	1.3%	31.9%
Net financial revenues (costs)	-8.5	-1.7%	-12.3	-2.3%	-30.5%
Revenues (costs) from other investments	-0.1				n.s.
Profit before taxes for the period	0.6	0.1%	-5.3	-1.0%	n.s.
Income tax	2.8	0.5%	2.1	0.4%	n.s.
Minority shareholders' profit	1.1	0.2%	1.2	0.2%	n.s.
Result from continuing operations	-3.4	-0.6%	-8.6	-1.6%	n.s.
Result from discontinued operations	-8.8	-1.7%	-2.5	-0.5%	n.s.
Net result	-12.2	-2.4%	-11.0	-2.0%	n.s.

On 30 June 2015 the Company's Board of Directors granted the CEO the power to accept the offer received by R.T.I. S.p.A. for the acquisition of 80% of the share capital of Monradio S.r.l..

In the light of this transaction and pursuant to IFRS 5 ("Non-current assets held for sale") the Group's radio business qualified as "discontinued operations" and as such, it was recognized in this half-year report. This means that the Group's

income statement for the first half of 2015 and, for comparison purposes, the Group's income statement for the first half of 2014 were reclassified accordingly to include the result from the transaction above under "Result from discontinued operations". The Group's net financial costs for the period include Monradio S.r.l.'s financial costs, as the corresponding net debt at 30 June 2015 is still consolidated.

ECONOMIC RESULTS

REVENUES



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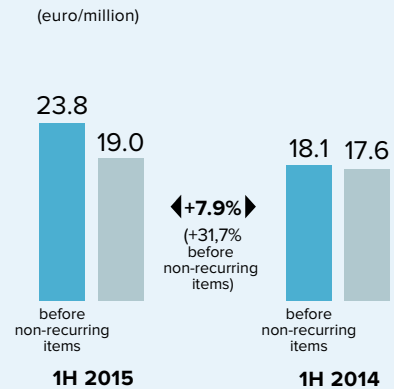
Revenues by sector of activity (euro/millions)	First half of 2015	First half of 2014	Delta %
Books	123.0	128.5	(4.3%)
Magazines Italy	153.0	162.9	(6.1%)
Magazines France	166.6	169.9	(2.0%)
Retail	85.7	92.6	(7.4%)
Other Business, Corporate and Digital Innovation	17.3	14.6	18.5%
Total aggregate revenues	545.5	568.6	(4.1%)
Intercompany revenues	(28.4)	(25.3)	12.4%
Total consolidated revenues	517.1	543.3	(4.8%)

Revenues by geographic area (euro/millions)	First half of 2015	First half of 2014	Delta %
Italy	340.3	363.8	(6.5%)
France	156.9	159.9	(1.9%)
Other EU countries	16.7	15.6	7.1%
Extra EU countries	3.2	3.9	(19.5%)
Total consolidated revenues	517.1	543.3	(4.8%)

EBITDA

Consolidated EBITDA improved by 7.9%, totalling euro 19 million against euro 17.6 million of 30 June 2014. The recovery of profitability is even more significant net of non-recurring items (which had a negative impact on the result for approximately euro 5 million, mainly due to restructuring costs). **EBITDA before non-recurring items** registered a 32% increase, from euro 18.1 million in the first half of 2014 to euro 23.8 million this year, with a percentage on revenues rising from 3.3% to 4.6%.

This performance is the result of a rigorous management policy.



In particular:

- the incidence of the cost of goods sold decreased from 42% to 39.4% of revenues, improving in the majority of the business areas and, in particular, in the Books Area and in the Retail Area due to a more effective management of operating processes and to a targeted pricing policy;
- the rising incidence of variable costs on revenues from 19.1% to 20.7% is mainly attributable to the Magazines France Area and is referred to increased mail tariffs for subscriptions;
- the reduction in fixed costs (-5.4% against the first six months of 2014) exceeded the reduction in revenues and was obtained through the implementation of a cost containment policy for third party services and rents;
- employee headcount at the end of the half year period was down by 144 people (-4.5%) against the first half of the previous year, due to the ongoing revision of the organizational structures; cost of personnel consequently dropped by 4.6% against the previous year, essentially in line with revenues (20.9%).

EBITDA by sector of activity before non-recurring items (euro/millions)	First half of 2015	First half of 2014	Var.
Books	8.5	5.1	3.4
Magazines Italy	10.5	8.2	2.3
Magazines France	16.1	16.1	0.0
Retail	(3.2)	(5.1)	1.9
Other Business, Corporate and Digital Innovation	(8.1)	(6.2)	(1.9)
Total EBITDA	23.8	18.1	5.7

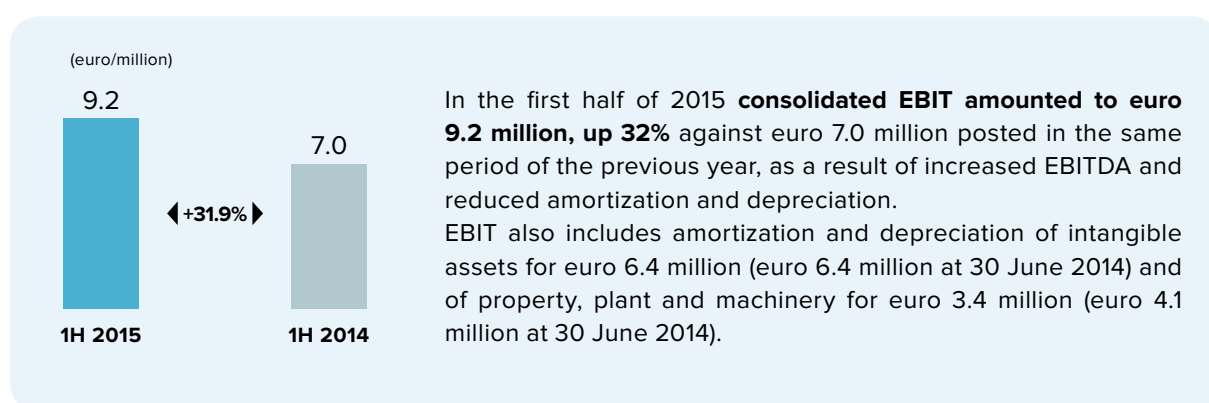
Quarter after quarter, this result confirms the **greater efficiency** achieved by the Group **across all business areas**, as a result of the industrial and

organizational review implemented over the last two years.

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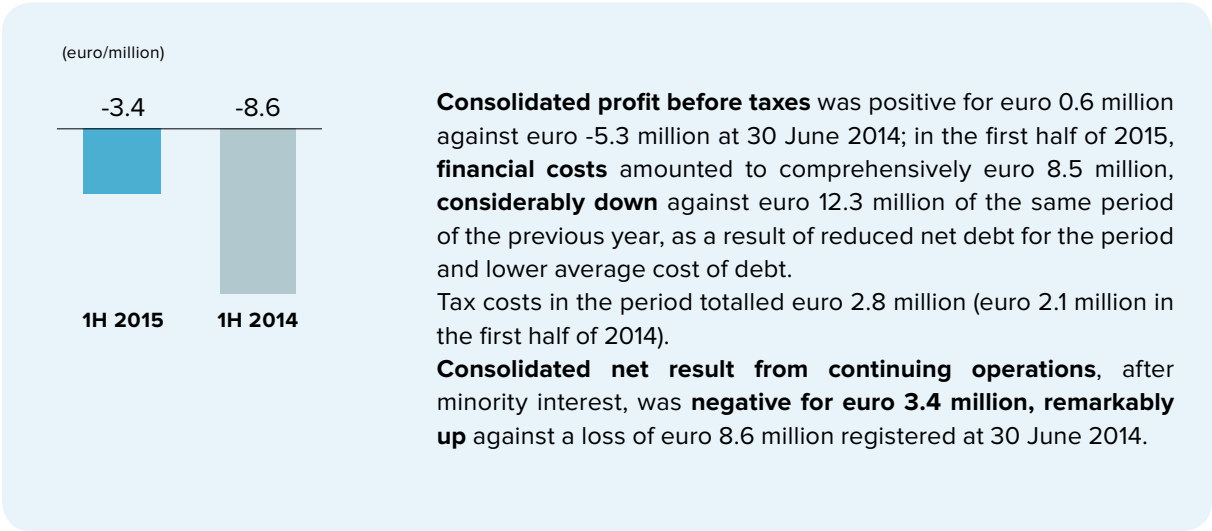
EBITDA by sector of activity (euro/millions)	First half of 2015	First half of 2014	Var.
Books	5.2	4.7	0.6
Magazines Italy	9.8	9.1	0.7
Magazines France	14.4	15.3	(0.9)
Retail	(2.8)	(5.5)	2.7
Other Business, Corporate and Digital Innovation	(7.7)	(6.0)	(1.7)
Total EBITDA	19.0	17.6	1.4

EBIT



Consolidated EBIT by sector of activity (euro/millions)	First half of 2015	First half of 2014	Var.
Books	3.5	3.5	(0.0)
Magazines Italy	9.7	8.9	0.8
Magazines France	8.8	9.7	(0.9)
Retail	(4.1)	(7.9)	3.8
Other business, Corporate and Digital Innovation	(8.6)	(7.2)	(1.4)
Total EBIT	9.2	7.0	2.2

RESULT FROM CONTINUING OPERATIONS



RESULT FROM DISCONTINUED OPERATIONS

The result from discontinued operations in the first half year of 2015, negative for euro 8.8 million, included the same-period result of the Radio business area (up from euro -2.5 million at 30 June 2014 to euro -1.8 million) as well as depreciation of Monradio operations in order to bring their value in line with the fair value resulting from the offer received on 30 June 2015 by R.T.I. S.p.A., as better detailed in the Explanatory Notes.

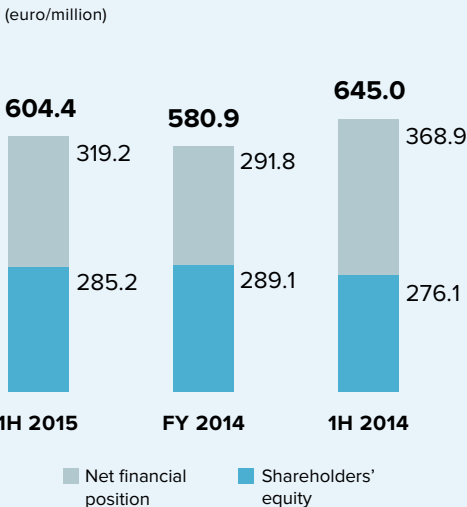
FINANCIAL RESULTS

NET INVESTED CAPITAL

The **Group's net invested capital** at 30 June 2015 totalled euro 604.9 million, **down** from euro 645.0 million at 30 June 2014 (euro 580.9 million at end of 2004).

At 30 June 2015 the **Group's net working capital** (net of the radio business) **dropped** from euro 52.2 million registered at 30 June 2014 to euro 34.7 million as a result of an improved collection of trade receivables and a more effective management of the relevant items.

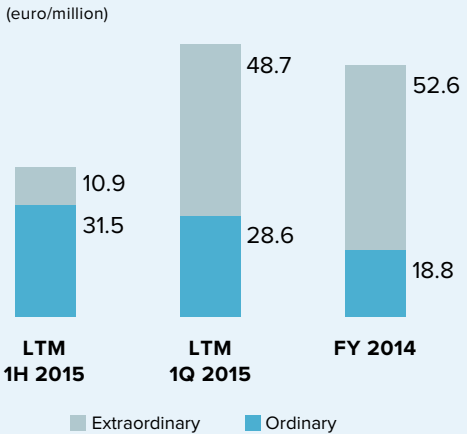
The **Group's net financial position** at 30 June 2015 was equal to **euro -326.5 million, up against euro -368.9 million** of 30 June 2014 as a result of the significant Group's cash generation - especially from operations - over the last twelve months; the comparison with the value at 31 December 2014 (**euro -291.8 million**) includes the effects of the seasonal fluctuations typical of the business.



CASH FLOW LTM

At 30 June 2015, **cash flow from operations** in the last twelve months was **positive for euro 59.6 million; ordinary cash flow** (after cash-out relative to financial charges and taxes for the period) was **equal to euro 31.5 million**, continuing the **rising trend** registered in the three previous quarters (LTM: euro 28.6 million at March 2015, euro 18.8 million at December 2014 and euro 9.8 million at September 2014).

Cash flow from extraordinary operations was positive for euro 10.9 million despite cash-out for restructuring actions (euro 17.7 million) and results from the capital gain deriving from the disposal of an asset in the Retail Area (euro 20 million) and from the collection of tax receivables accrued in previous years (euro 12.7 million).



CONSOLIDATED FINANCIAL HIGHLIGHTS FOR THE SECOND QUARTER OF 2015

Consolidated income statement (euro/million)	Q2 2015	% growth on revenues	Q2 2014	% growth on revenues	Var. %
Revenues from sales and services	268.3	100.0%	277.6	100.0%	-3.3%
Cost of sold items	104.1	38.8%	116.0	41.8%	-10.3%
Variable costs	57.8	21.5%	52.3	18.8%	10.5%
Fixed costs	38.1	14.2%	39.0	14.0%	-2.1%
Cost of personnel	54.6	20.4%	56.0	20.2%	-2.4%
Other costs / (revenues)	-0.7	-0.3%	2.0	0.7%	n.s.
Associates	0.6	0.2%	-0.4	-0.2%	n.s.
EBITDA net of non-recurring items	15.0	5.6%	11.9	4.3%	26.4%
Restructuring costs	-1.9		-1.2		68.5%
(Positive)/negative extraordinary items	-1.1		0.0		n.s.
EBITDA	12.0	4.5%	10.7	3.9%	11.2%
D&A	4.9	1.8%	5.3	1.9%	-9.1%
EBIT	7.1	2.6%	5.4	1.9%	31.3%
Net financial revenues (costs)	-4.1	-1.5%	-6.4	-2.3%	-35.5%
Revenues (costs) from other investments					
Profit before taxes for the period	3.0	1.1%	-1.0	-0.3%	n.s.
Income tax	2.0	0.7%	1.5	0.6%	29.4%
Minority shareholders' profit	0.6	0.2%	0.8	0.3%	-14.0%
Result from continuing operations	0.4	0.1%	-3.3	-1.2%	n.s.
Result from discontinued operations	-7.8	-2.9%	-1.3	-0.5%	n.s.
Net result	-7.5	-2.8%	-4.6	-1.7%	n.s.

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Consolidated net revenues in the second quarter of 2015 totalled euro 268.3 million, down by 3.3% against euro 277.6 million of the corresponding period in 2014, showing a progressive **recovery**

against the trend registered in the first three months of the year (-6.2%) in particular in the Magazines Italy Area.

Revenues by activity (euro/million)	Q2 2015	Q2 2014	Delta %
Books	67.2	71.7	(6.3%)
Magazines Italy	78.4	78.2	0.2%
Magazines France	86.7	88.2	(1.7%)
Retail	41.7	45.4	(8.1%)
Other Business, Corporate and Digital Innovation	8.6	7.2	18.8%
Total aggregated revenues	282.5	290.8	(2.8%)
Intercompany revenues	(14.2)	(13.2)	7.7%
Total consolidated revenues	268.3	277.6	(3.3%)

Consolidated EBITDA was up by over 11% in the first quarter of the year, totalling euro 12.0 million against euro 10.7 million recorded in the same period of 2014. Also net of non-recurring items, margins grew significantly (+26.4%) from euro 11.9 million to euro 15.0 million in the quarter of reference.

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Consolidated EBITDA by activity (euro/million)	Q2 2015	Q2 2014	Delta
Books	4.9	3.4	1.5
Magazines Italy	3.5	2.2	1.3
Magazines France	9.6	10.1	(0.5)
Retail	(0.9)	(1.8)	0.9
Other Business, Corporate and Digital Innovation	(5.2)	(3.2)	(2.0)
Total EBITDA	12.0	10.7	1.2

Consolidated net profit equalled euro 7.1 million (euro 5.4 million in the first quarter of 2014), up by 31.3%.

Consolidated profit before taxes was positive for euro 3.0 million against a negative result of euro -1.0 million in the previous year; in the first quarter of 2015 financial costs equalled euro 4.1 million,

remarkably down against euro -6.4 million of the same period of 2014.

Consolidated net profit from continuing operations, after minority shareholders' result, was positive for euro 0.4 million against a loss of euro 3.3 million of the first quarter of 2015.

**ECONOMIC
PERFORMANCE
BY AREA
OF ACTIVITY**

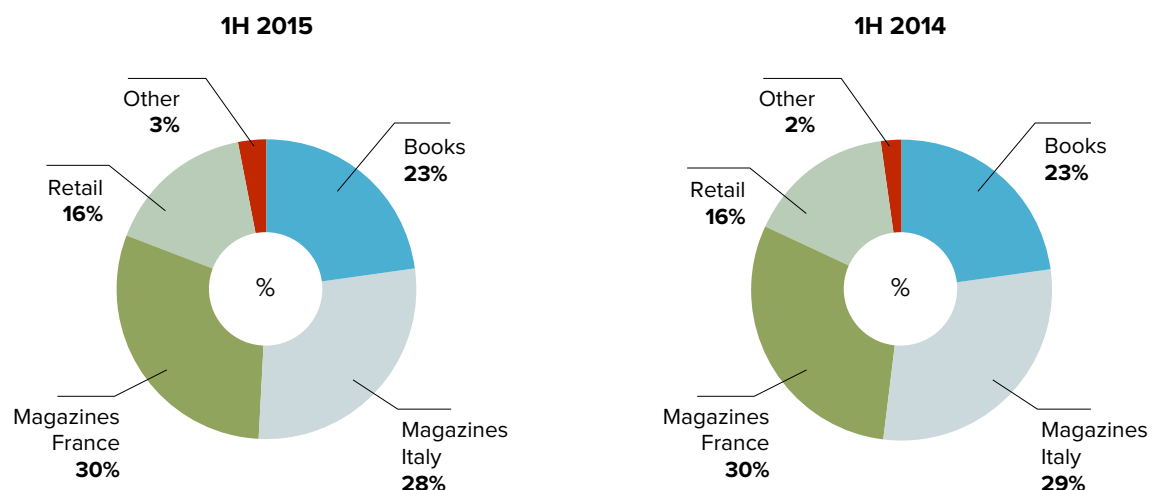
ECONOMIC PERFORMANCE BY AREA OF ACTIVITY

(euro/million)	Revenues		EBITDA before non-recurring items		EBITDA		Depreciation and impairments		EBIT	
	1H 2015	1H 2014	1H 2015	1H 2014	1H 2015	1H 2014	1H 2015	1H 2014	1H 2015	1H 2014
Books	123.0	128.5	8.5	5.1	5.2	4.7	1.7	1.1	3.5	3.5
Magazines Italy	153.0	162.9	10.5	8.2	9.8	9.1	0.1	0.2	9.7	8.9
Magazines France	166.6	169.9	16.1	16.1	14.4	15.3	5.7	5.6	8.8	9.7
Retail	85.7	92.6	(3.2)	(5.1)	(2.8)	(5.5)	1.3	2.4	(4.1)	(7.9)
Other Business, Corporate and Digital Innovation	17.3	14.6	(8.1)	(6.2)	(7.7)	(6.0)	0.9	1.2	(8.6)	(7.2)
Adjustments and eliminations	(28.4)	(25.3)	0.0	0.0	0.0	0.0			0.0	0.0
Total	517.1	543.3	23.8	18.1	19.0	17.6	9.7	10.6	9.2	7.0

The above breakdown of economic results by sector of activity reflects the system used by the management to compare Group performance according to IFRS 8. In this respect, after the transfer of the business unit to Mediamond S.p.A. relating to advertising sales in magazines and radio stations, it was deemed appropriate to include the Advertising Area activities in the Magazines Italy Area starting from 2015.

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REVENUES



BOOKS



As of 1 January 2015, the newly established **Mondadori Libri** S.p.A. is the key company for all Group activities in the Books Area.

Mondadori Group is leader in the Italian Trade Books Area with an offering that includes fiction, non-fiction, paperback books and children's books and four Publishers: Edizioni Mondadori, Giulio Einaudi editore, Edizioni Piemme and Sperling & Kupfer (the latter includes the Frassinelli brand).

The Group is also present in the **Education** segment with Mondadori Education S.p.A., Italy's third largest player in the Italian school textbook market, and in the sector of art and illustrated books and provision of services for the management of museum concessions and the organization and management of exhibitions and cultural events with Mondadori Electa S.p.A., Italy's most prominent publisher in the sector of art and illustrated books.

Market performance

In the first six months of 2015 the Trade Books area continued the trend already shown in the first quarter, down 2.7%⁴ against 30 June 2014.

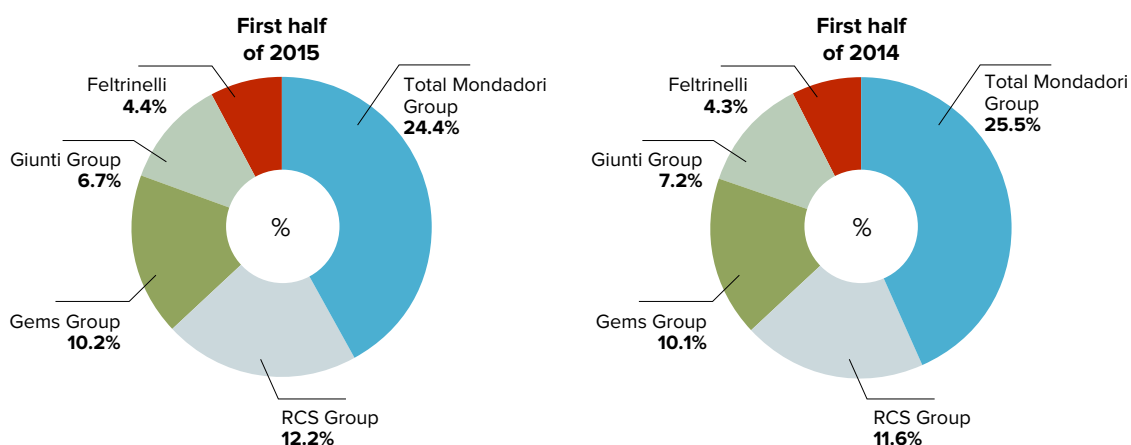
As to the sales channels:

- book store chains and independent book stores (which jointly make for approximately 70% of the total) posted a reduction of -2.9% and -2.2%, respectively, against the same period in 2014;
- e-commerce, the only growing segment, increased by 3.1%, making for over 15% of the total market;
- large retailers confirmed a bearish trend with an 8.9% reduction, making for approximately 14% of the total market.

As to products, hard covers dropped by 2.8% in the period, while paperbacks, which make for approximately 23% of the total market, posted a 2.1% downturn in the first half of the year.

In this context, Mondadori Group confirmed its leadership position with a 24.4% market share (25.5% in the first half of 2014).⁴ During the period, the Group has 4 titles in the ranking of the 10 top bestsellers books and was awarded the Strega Prize 2015 with *La ferocia* by Nicola Lagioia (Einaudi) and the Strega Giovani Prize 2015 with *Chi manda le onde* by Fabio Genovesi (Mondadori).

MARKET SHARE



⁴ Source: GFK, data at June in value

In the period of reference, the *Education* segment was characterized by the seasonal effects of the school textbook business, whose revenues are typically generated in the second half of the year. Despite the unavailability of official data for the period relating to the market of reference, there are no significant signs of changes in the market shares held by the main players against the end of 2014, when Mondadori Education confirmed its third position.⁵

The economic performance of the Book Area

(euro/million)	First half of 2015	First half of 2014	Var. %
Revenues	123.0	128.5	(4.3%)
EBITDA before non-recurring items	8.5	5.1	65.8%
EBITDA	5.2	4.7	11.9%

Revenues

Books (euro/million)	First half of 2015	First half of 2014	Var. %
Edizioni Mondadori	34.7	34.6	0.3%
Giulio Einaudi editore	16.7	20.4	(18.0%)
Edizioni Piemme	13.4	14.7	(8.7%)
Sperling & Kupfer	10.1	12.9	(21.7%)
Trade Books	74.9	82.6	(9.3%)
Mondadori Electa	17.0	15.5	10.1%
Mondadori Education	11.2	9.7	16.2%
Educational Books	28.3	25.2	12.4%
Distribution and other revenues - Third Publishers	19.9	20.7	(4.2%)
Total consolidated revenues	123.0	128.5	(4.3%)

Revenues in the first half of 2015 showed a 4.3% reduction against the same period of last year:

Revenues from the Trade Books Area: the revenue trend, down by 9.3% in the first six months of 2014, was influenced by the aforementioned market conditions, especially in the large retailer channel, and also by a selective publishing policy aimed at increasing profitability. In the second

quarter of 2015, the performance of Mondadori was positively influenced by the circulation of *Grey*, the new novel by E.L. James, a sequel to the *Cinquanta sfumature di grigio* trilogy, while the performance of Einaudi reflected the results from the Paperback promotion campaigns, posting a lower performance compared to the same period in 2014, when the series was re-styled and re-launched.

⁵ Source: AIE, 2014 data based on books adopted in primary and secondary schools

- In the first half of 2015 **Edizioni Mondadori** posted revenues essentially in line with 2014 (+0.3%) and a consolidated market leadership position with a 11.4% market share, in line with the previous year, also as a result of the prolonged success of *Cinquanta sfumature di grigio* by E.L. James, whose first two books were confirmed in the bestseller top ten ranking for the period. Launched on 3 July in 500,000 copies, *Grey* - the new novel by E.L. James - is already an outstanding bestseller, with over 200,000 copies sold in the first two weeks (sell-out results).
- In the first half of 2015, **Einaudi** confirmed its third position in Italy with a 5.0% market share, in line with the previous year, despite dropping revenues, due to the combined effect of:
 - the positive trend registered in the hardcover segment and, in particular, by *Momenti di trascurabile infelicità* by Francesco Piccolo, and *La ferocia* by Nicola Lagioia, winner of the Strega Prize 2015;
 - the reduction recorded in the paperback segment, penalized in the comparison with the previous year, when it had enjoyed the positive effects of the restyling of the *Einaudi Tascabili* line.
- In the first six months of 2015, **Edizioni Piemme** revenues were down by approximately 9% against the previous year; the market share was equal to 4.0% (4.3% at 30 June 2014). The most important titles in the first half of 2015 were *La scatola nera* by Michael Connelly and *La ragazza del treno* - the most eagerly awaited thriller in Italy after the big success obtained internationally (first for 20 weeks in the US rankings) - by new author Paula Hawkins in the fiction category. The first half of 2014 was positively influenced by the performance of Michael Connelly and Khaled Hosseini's bestsellers (*Il quinto testimone* and *E l'eco rispose*, respectively).
- In the period of reference, **Sperling & Kupfer** recorded dropping revenues (-21.7%) and its market share fell to 3.0% (3.5% in the previous year), despite the ongoing success of *Storia di una ladra di libri* by Markus Zusak (Frassinelli), which confirmed its position in the bestseller top ten ranking in the period and *La vigna di Angelica*, the new novel by Sveva Casati Modignani, which also climbed up in the bestseller top ten rankings. In the corresponding period of the previous year,

S&K's performance was positively influenced by *Doctor Sleep*, the awaited book by Stephen King, followed by *Shining*, published in January 2014.

Revenues from Education: in the first six months of 2015 the Group recorded growing revenues in this segment by 12.4% compared to the same period of last year.

- **Mondadori Education** generated revenues for euro 11.2 million, up 16.2% against the same period of the previous year (euro 9.7 million); in the first six months of the year, characterized by the typical seasonal performance of the school textbook business, revenues generated are not significant against the total for the year.
- **Mondadori Electa** generated revenues for euro 17.0 million (euro 15.5 million in the first half of 2014), up 10.1% as a result of the growth in both activities managed:
 - Art books, on order, illustrated books and other books recorded sell-out figures in value equal to -0.8%, marking a net improvement against the first quarter of the year in a still rather difficult market scenario;
 - museum concessions posted a positive performance against the previous year (+6.0%), especially thanks to the organization of exhibitions and the publishing activities accomplished on order (bookshops, merchandising) and connected with Expo; the positive trend of the archaeological area of Rome also contributed to the upswing.

Revenues from activities carried out on behalf of Third Publishers: revenues generated from the circulation activities and other services provided in favour of Third Publishers, equal to euro 19.9 million, were down by 4.2% against the first half of 2014, in line with the trend of the market of reference.

Digital

Revenues from the download of e-books rose by 18.6% against the first six months of 2014, with a 6.1% share of digital sales on the total revenues of the Trade Books Area (4.7% at 30 June 2014). Downloads of e-books in the period amounted to 1.1 million, up 11% against the first half of 2014; the *Cinquanta sfumature di grigio* trilogy confirmed its leading position in the ranking. At 30 June 2015 the e-book catalogue included more than 9,500 titles.

EBITDA

EBITDA, net of non-recurring items, despite dropping revenues (-4.3%), **posted a significant increase from euro 5.1 to euro 8.5 million** as a result of a more effective management of operating processes deriving from the radical restructuring process completed in the Trade Area. Concurrently, the actions aimed at reducing fixed costs and cost of personnel continued.

Reported EBITDA, including a higher incidence of restructuring costs compared to last year (euro 3.2 million in 2015 against 0.5 million in 2014), which were concentrated in the first part of 2015, was equal to **euro 5.2 million**, up by approximately 12% against the same period of 2014 (euro 4.7 million).

MAGAZINES



Mondadori is Italy's leading publisher in the sector by market share (32.3% at May)⁶ and number of magazines (23) and ranks third in **France** (with a portfolio of 29 magazines). It has consolidated its presence in the sector over time, covering different segments of activity.

On 1 July 2015, Mondadori acquired 50% of the share capital of Gruner+Jahr/Mondadori S.p.A., a joint venture in which it already owned 50%, from Gruner und Jahr Management GmbH, a company belonging to the Bertelsmann Group, thus consolidating the Group's leadership in the Italian magazines market thanks to the contribution of the newly acquired magazines like Focus (the most widely read magazine in Italy), *Focus Storia*, *Focus Junior*, *Focus Pico*, *Geo* and *Wild*.

In addition to the publication of weekly and monthly magazines sold at newsstands, in digital version and by subscription, the Group also focuses on the sector of add-on sales and designated websites and portals that enable it to reach a larger number of Mondadori readers by exploiting the relevant brands.

Through the subsidiary Press-Di Distribuzione Stampa and Multimedia, the Group distributes its own magazines and third party magazines at the national level.

Mondadori is also present in other **foreign countries** directly through joint ventures or through licensing agreements with international publishers: there are 43 international editions of Mondadori magazines (*Grazia International Network* accounts for 24 of them and *Il mio Papa* 10).

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MAGAZINES ITALY



Market performance

The first months of 2015 were characterized by a bearish trend for all the markets of reference, though the reduction was less impacting compared to the same period of the past year and with signs of recovery in the last two months. In May:

- revenues from advertising sales dropped comprehensively by 1.3%, with Magazines and Internet down by 3.6% and 2.2%,⁷ respectively;
- revenues from sales of magazines at newsstands dropped by 6.5% also due to reduced on-pack initiatives. Excluding the latter, the market would have dropped by 5.2%. In this context, Mondadori confirmed its leadership with a 32.3% market share (down from 33.2% at May 2014);
- in the market of add-ons, magazines, which in the first quarter recorded significant reductions (-14.4%), limited the downturn at -6.6%,⁸ while dailies activities grew (+6.3%), contributing to maintaining the market steady against the previous year (+0.1% against May 2014).

The performance of Magazines Italy⁹

(euro/millions)	First half of 2015	First half of 2014	Var. %
Revenues	153.0	162.9	(6.1%)
EBITDA before non-recurring items	10.5	8.2	28.6%
EBITDA	9.8	9.1	7.3%

⁶ Internal source, data at May

⁷ Source: Nielsen, data at May

⁸ Internal source: Press-di, data at May

⁹ Starting from the previous year the activities of the Advertising Area have been included in the Magazines Italy Area.

Revenues

Magazines Italy posted **revenues** for a total of euro 153.0 million, down 6.1% (-5.7% on a like-

for-like basis, taking into account the magazines transferred in March 2014).

Magazines Italy (euro/millions)	First half of 2015	First half of 2014	Var. %
Circulation	62.1	67.2	(7.6%)
Advertising	39.5	42.0	(5.9%)
Add-on sales	29.5	33.0	(10.6%)
Other revenues	21.8	20.7	(5.3%)
Total revenues	153.0	162.9	(6.1%)

In particular:

- revenues from **circulation** were down by 7.6% (-6.8% on a like-for-like basis), recovering considerably in the second quarter of 2015 (-11.3% on year-on-year basis); the reduction is due to the combined effect of:

- the subscription channel, which in the first part of 2014 reflected the positive impact of promotions, going down in the second part of the year;

- the reduction recorded in the newsstand channel, equal to -4.6% (-3.7% on a like-for-like basis)¹⁰

resulting, in addition to the performance of the market of reference, from an accurate policy in the selection of the most profitable promotional initiatives.

- revenues from **sales from print advertising** dropped by 6.3% (-6.0% on a like-for-like basis), while the market average was down 3.6% (at May); revenues from **sales of advertising on websites** (-0.7%) outperformed the average market trend (-2.2% at May) with a 2.5% increase in the second quarter also thanks to the positive performance posted by Grazia.it (+7.3% against the first half of 2014). Comprehensively and on a like-for-like basis, revenues from advertising sales on Mondadori brands were down by 5.6% in the period;
- revenues from add-ons (DVDs, CDs, books and gifts) sold in attachment to Mondadori magazines were down by 10.6% against the first half of 2014 as a result of the rationalization actions aimed at supporting profitability - even if they post a progressive recovery against the first quarter of

2015; in the second quarter revenues from add-ons recorded a 3.2% reduction against -15.9% of the first three months of the year.

Press-di – a company specialized in the circulation and sale of magazines, dailies and multimedia products - is the second player in the Newsstand channel and leader in the Large Retailer and Subscription channels in Italy. The customer portfolio includes both publishers belonging to the Mondadori Group and independent publishers (which account for over 50% of the total revenues). Among the most important customers worthy of mention are Disney, Bonelli, RBA and Sprea for magazines and Libero, Il Giornale and Avvenire for newspapers in the Newsstand and Large-Scale Retail channels; and Disney, Condè Nast, Hearst and Quadratum in the Subscription channel. Net revenues generated in the first half of 2015 on a like-for-like basis were slightly down against the previous year (-0.3% from euro 29.4 to euro 29.3 million), despite the more marked reduction in the circulation of dailies and magazines across all channels as a result of the Group's ongoing commitment in the development of third publishers' portfolios. In the period Press-di acquired two important distribution contracts in the sector of magazines/collectibles and dailies.

International activities include:

- Mondadori International Business S.r.l., managing the licensing contracts and sales from advertising generated by Italian investors on Mondadori magazines published worldwide;
- Mondadori UK, owner of the www.Graziashop.com fashion e-commerce platform;

¹⁰ Internal source: Press-di, data at May

in the first half of 2015 revenues decreased by 4.4% against the previous year mainly as a result of the difficult macroeconomic scenario, which is still negatively impacting the magazines market.

Mondadori International Business activities in the six-month period included:

- the launch of *Grazia* Turkey (weekly), completed in March, which increased the number of *Grazia*'s international editions to 24;
- the launch of the first international edition of *Il Mio Papa* in Germany (and also distributed in the German part of Switzerland, Austria and Liechtenstein), completed in March, which was followed in April by the Polish edition, increasing the number of international editions of the magazine to 10 in just a few months;
- the launch of the third international edition of *Interni* in China in February (following Russia and Thailand).

Mondadori UK continued activities regarding the fine-tuning of top selected products to be offered to the *Grazia* global community (17 million readers and 14 million single users per month) and to the fashion-fond female audience through the *Graziashop.com* platform.

Mondadori also holds foreign subsidiaries consolidated at equity:

- Attica Publications, leading publisher in Greece both for magazines (18 magazines) and radio stations (3 radio stations), which, after a positive performance posted in 2014, experienced a downturn in the first half of 2015 due to the macroeconomic context and the crisis of the country, which had an impact on the advertising sales market (euro -0.2 million);
- Mondadori Seec Advertising, the joint venture and exclusive advertising agency for the Chinese edition of *Grazia*, which posted a positive performance in the first six months of 2015 (euro +0.5 million);
- In the first half of 2015 *Grazia* Russia posted a sharp decline against the same period of the previous year as a result of the political situation in the country, which negatively affected advertising sales and on the euro/rublo currency transactions (euro -0.1 million).

The overall contribution of Mondadori Group's shareholdings in foreign subsidiaries improved against the same period of the previous year by

approximately euro 0.2 million (from euro +0.6 million to euro +0.8 million).

EBITDA

EBITDA of the Magazines Italy Area, net of non-recurring items, posted a **remarkable improvement, equal to approximately 29%** (from euro 8.2 million to euro 10.5 million) as a result of the effective review of the publishing and operating organization as well as of promotional activities, despite the downward revenue trend determined by market conditions and by targeted project selection policies and costs borne in the period for the development of *Graziashop.com*.

Reported EBITDA confirmed the **growth trend**, rising from euro 9.1 to 9.8 million as a result of the abovementioned actions and of the progressive recovery of advertising sales, even if the first half year of 2014 benefited from non-recurring items amounting to approximately euro 1 million, deriving from the contribution to Mediamond.

Digital and diversification activities

In the period the development of the web portals launched at the end of 2014 was completed; in particular:

- *Sorrisi.com*, with a publishing programme of weekly appointments with artists and live news;
- *Panorama TV* within the *Panorama* network, that includes a varied set of initiatives ranging from news to lifestyle and motors as well as videoclips regarding the "*Panorama d'Italia*" event;
- as for design and interior design, the new *Casafacile.it* was launched as well as the restyling of *internimagazine.com*;
- *Starbene.it* was enriched by new functionalities and the "*Ask Starbene*" service with over 100 experts.

Audience data recorded **6.7 million single browsers**, up¹¹ by 41% against the same period of the previous year, net of the partnership with the Donna Moderna network, whose performance was rather slack.

At the beginning of May, *La5* was launched in collaboration with Magnolia, a new "Donna Moderna Live" TV programme presenting - for the first time - content and styles typical of magazines on television. This initial experiment was positively received by the audience.

¹¹ Source: Audiweb, at May

MAGAZINES FRANCE



Market performance

In the period, the market of reference for Mondadori France continued to post reductions:

- sales in the newsstand channel dropped (-5.2% at May excluding the extraordinary edition of *Charlie Hebdo*)¹²;
- and sales of advertising spaces fell (-10.9% at May).¹³

Economic performance of Magazines France

(euro/millions)	First half of 2015	First half of 2014	Var. %
Revenues	166.6	169.9	(2.0%)
EBITDA before non-recurring items	16.1	16.1	0.2%
EBITDA	14.4	15.3	(5.7%)

Revenues

In the first six months of 2015, **revenues** from Mondadori France equalled euro 166.6 million, down 2.0% against the same period in the previous year, mainly confirming the trend recorded in the first quarter.

Revenues from **circulation**, accounting for approximately 75% of the total, posted a slight downturn equal to 1.9% against the previous year:

- the newsstand channel recorded a 7.3% reduction; the comparison with 2014 results is affected by the exceptional performance of January 2014, resulting from the publication of the “Hollande scoop” on *Closer*; net of such exceptionality, revenues from circulation dropped by -5.2%, in line with the reference market;

- on the other hand, the subscription channel posted a 0.6% growth, partly off-setting the newsstand channel decline and confirming the strategic opportunity for further investments in this channel.

These positive performances were made possible thanks to the constant attention paid to publishing quality and innovation. In the period, the automotive specialized press segment was strengthened (with *Auto-Plus Utilitaires* and *L'Auto-Journal Maxi-Tests*) along with the gaming segment (with the new bi-monthly magazine *Questions pour un champion* launched in February and *Télé-Poche Jeux* launched in June).

Magazines France (euro/millions)	First half of 2015	First half of 2014	Var. %
Circulation	118.8	121.1	(1.9%)
Advertising	39.6	41.8	(5.2%)
Other revenues	8.1	7.1	15.2%
Total revenues	166.6	169.9	(2.0%)

¹² Internal source, data at May

¹³ Source: Kantar Media, data at May

Revenues from **advertising sales** were down 5.2% against the same period of the previous year, but performance differed between offline and online products: digital advertising which, in the period of reference, exceeded 23%, now represents more than 14% of the total advertising revenues, partially offsetting the drop in traditional print advertising (-8.5%).

Mondadori is confirmed as second top player in the magazine advertising market, with a market share (in volume) of 10.3%.¹⁴

EBITDA

EBITDA, net of non-recurring items, **was stable** against last year, totalling **euro 16.1 million**, even if the first half year of 2014 benefited significantly from the “Hollande scoop” published in January by the magazine *Closer*.

Mondadori France has continued the process for the rationalization of structures (a new voluntary redundancy scheme was launched at the end of May) and the implementation of the policy targeting editorial cost containment. These actions are expected to be extended through 2015 in order to further adjust the organization to market changes and to sustain profitability, limiting also the impact of the increased postage fees associated with the management of subscriptions and of some promotional investments.

Reported EBITDA, equal to euro 14.4 million, was down 5.7% against the first half year of 2014 (euro 15.3 million), due to higher restructuring costs deriving from the abovementioned plan.

Digital and diversification activities

The fall in traditional activities stopped at 3.5%, while diversification activities (about 8% of total revenues) grew by 18.2% mainly as a result of the development of digital activities (+18.6%), with special emphasis on the growth of advertising sales of the properties (+23.5%).

The total number of readers of Mondadori France magazines reached **8.3 million** single users,¹⁵ up 19% against the average audience rate of 2014, also as a result of the progressive digitalization of the editorial teams, which enabled the daily production of new content in parallel both for both offline and online magazines.

In the period of reference Mondadori France also explored new opportunities for business diversification, including the development of a partnership with AB Group for the launch of a TV adaptation of *Science & Vie* in France and in Africa starting from the end of March.

¹⁴ Source: Kantar Media, data at May

¹⁵ Source: Nielsen, January-May 2015 average data

RETAIL



The Mondadori Group operates in Italy with a network of approximately 600 bookshops composed of directly managed bookshops (20), franchised bookshops (308), megastores (9) and Mondadori Points (219), in addition to web channels (mondadori.it) and bookclubs.

Market performance

Books

The market of reference for the Retail Area is books (77% of revenues)¹⁶ that, although still negative, showed signs for recovery against the previous year. In the period the market share of Mondadori Retail in the Books channel held at 15.7% despite the disposal of the flagship store located in Corso Vittorio Emanuele in Milan, completed at the end of 2014.

Non-book

The performance of the non-book segment differed according to products. In particular, consumer electronics bucked the trend in the first five months of the year, though showing high volatility among the different product categories: tablets and e-readers recorded a double-digit reduction, while telephony products confirmed the positive trend of the last months of 2014. Comprehensively, consumer electronics posted a 3.3% growth compared to the previous year.

Revenues

In the first six months of 2015, the Retail Area posted dropping revenues by 7.4% against the same period of last year (in line with the trend of the first quarter), mainly as a result of the disposal of the flagship store located in corso Vittorio Emanuele in Milan.

The **Store** revenue composition (-6.4% against 2014) by product category is as follows:

- Books were the predominant product category, representing 77% of the total, and outperformed the reference market on a like-for-like basis by approximately 3 percentage points¹⁷; this result confirms once again the effectiveness of the actions undertaken in terms of product penetration and assortment and, also, in terms of communication and promotion campaigns;
- non-book revenues - specifically consumer electronics - recorded signs of recovery after two weak years, as a result of the actions undertaken in the field of organization, assortment and promotions.

The analysis by channel highlighted the following:

- direct bookstores were substantially stable (0.6%);
- as to franchised bookstores, Books were essentially in line, while the Non-Book sector was slightly down;
- net of the transfer of the flagship store of corso Vittorio Emanuele in Milan, books in megastores recorded a positive performance and consumer electronics products recovered;

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Economic performance of the Retail Area

(euro/millions)	First half of 2015	First half of 2014	Var. %
Revenues	85.7	92.6	(7.4%)
EBITDA before non-recurring items	(3.2)	(5.1)	37.1%
EBITDA	(2.8)	(5.5)	49.0%

¹⁶ Revenues: *Total Stores*

¹⁷ Source: GFK, bookstore chains – June cover value

¹⁸ Source: GFK, e-commerce channel – June cover value

Revenues - Retail (euro/millions)	First half of 2015	First half of 2014	Var. %
<i>Direct bookstores</i>	13.5	13.6	(0.6%)
<i>Franchised bookstores</i>	35.1	36.8	(4.7%)
<i>Megastores</i>	22.1	25.6	(13.5%)
<i>Online</i>	4.9	4.7	2.5%
Stores	75.6	80.7	(6.4%)
<i>Bookclub and other</i>	10.1	11.8	(14.7%)
Total revenues	85.7	92.6	(7.4%)

- growth in the online channel (+2.5%), with particular reference to books, which posted a positive delta of over 5% against the market (8.5% against +3.1% registered by the market)¹⁸;
- Bookclubs performed in line with the structural reduction expected in the medium term development plan (-13.5%).

EBITDA

In the period Mondadori Retail posted **EBITDA**, net of non-recurring items, equal to euro -3.2 million, **sharply up** against euro -5.1 million for the corresponding period in 2014. This result derived from two main elements:

- the improved product margin, especially in the book category and in consumer electronics, achieved thanks to actions aimed at network review, promotion containment and well-studied product assortment;
- the extended implementation of cost reduction measures determined a lower incidence of promotional expenses and a significant reduction in personnel costs and overhead.

This increase, compared to the first six months of 2014, was visible in the majority of the sales channels.

Reported EBITDA remarkably improved in the first half year period, from euro -5.5 million in the first six months of 2014, which included restructuring costs for euro 0.4 million, to **euro -2.8 million** of the same period this year.

Ongoing activities

Numerous actions have been and will continue to be undertaken in order to recover market shares and sustain profitability. In particular:

- the ongoing promotional actions supported by a massive communication and co-marketing activity with important partners in the banking and telephony industry;
- the ongoing network and format revision: 24 franchised stores were shut down in the period of reference and in June a new megastore was opened in via S. Pietro all'Orto in Milan, the first store in line with the new concept.

¹⁸ Source: GFK, e-commerce channel – June cover value

OTHER BUSINESS, CORPORATE AND DIGITAL INNOVATION



Other business

Other business includes the results from Digital Marketing Service (Cemit and Kiver) and the equity investment in Società Europea di Edizione S.p.A., publisher of the *Il Giornale* daily newspaper.

The **Digital Marketing Service** area was characterized by the progressive integration between the traditional direct marketing activities performed by Cemit and the digital competencies of Kiver, a marketing agency specialized in the development of digital promotion, branding initiatives and interactive advertising, acquired in December 2014, in order to increase its integrated offering to better respond to the requests of increasingly demanding customers interested in innovative digital marketing solutions.

In this context, in the first half of 2015 this segment posted revenues of euro 6.2 million, slightly down (-3.1%) from euro 6.4 million of the first half of 2014, but up against the trend recorded in the first quarter of the year.

EBITDA was negative for euro 0.7 million (euro -0.4 million in the first half of 2014) as a result of increased costs associated with the strengthening of the Kiver structure.

Società Europea di Edizioni: in the first six months of 2015, the publisher of the *Il Giornale* daily turned in a positive performance, including euro 0.1 million in favour of Mondadori, against a loss of euro 1.0 million recorded in the same period of 2014 as a result of an extraordinary transaction regarding the transfer of a portal.

Corporate and Digital Innovation

The **Corporate** segment includes – besides the Group's top management organizations – Parent Company functions providing services to Group companies and the different business areas. These services are mainly associated with activities regarding IT, administration, management control and planning, treasury and finance, human resources, legal and corporate affairs and external and institutional relations.

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

Digital Innovation: the structure of this Area, which became operational at the end of 2013, is mainly concentrated on identifying non-traditional diversification opportunities with the objective of supporting all Group Areas in developing new business and strengthening the Group's presence in the digital market.

In the first half of 2015 new technology was implemented in order to expand and supplement the Group's editorial contents (in particular, properties in Italy) as well as adjust user management platforms in the framework of the CRM systems adopted, through a series of initiatives aimed at populating the database and increasing the competencies of existing profiles.

The overall costs of the **Corporate and Digital Innovation** Area show an increase by approximately 4% against the previous year as a result of the investments targeting a progressive strengthening of the Digital operating structure.

FINANCIAL POSITION

In this context, 3-month Euribor was further reduced, reaching an average value in the period equal to 2 base points; the average cost of the Mondadori Group's debt, relative to the rate

component in the same period, was equal to 3.76%, against 4.15% in the first half of 2014, as a result of a more effective use of credit lines.

Mondadori Group's financial position at 30 June 2015 showed a net debt of euro 326.5 million, improving significantly from euro -368.9 million at June 2014.

Net financial position (euro/millions)	30 June 2015	30 June 2014	31 December 2014
Cash and cash equivalents	6.7	18.3	13.0
Assets (liabilities) from derivative instruments	(1.4)	(1.4)	(1.7)
Other financial assets (liabilities)	(20.4)	(40.4)	(7.4)
Loans (short and medium/long term)	(311.5)	(345.4)	(295.7)
Net financial position	(326.5)	(368.9)	(291.8)

The overall credit lines available to the Group at 30 June 2015 amounted to euro 755.4 million, of which euro 555.0 committed.

The Group's short-term loans, totalling euro 200.4 million, used for euro 56.6 million at 30 June 2014, included overdraft credit lines on current accounts, advances subject to collection and "hot money" flows.

The main medium-long term loans at 30 June 2015 are detailed below:

Medium/long-term loans (euro/millions)	Bank pool	Intesa Sanpaolo	Mediobanca	Total	of which: unutilized	of which: with interest rate hedge
Term Loan	172.5 (1)	45.0 (3)	47.5 (2)	265.0	-	133.8
Revolving Facility	90.0 (4)	150.0 (3)	50.0 (2)	290.0	280.0	-
Total loans	262.5	195.0	97.5	555.0	280.0	133.8

(1) instalments of equal amount coming to maturity in December 2016 and December 2017

(2) coming due in December 2017

(3) coming due in December 2016

(4) coming due in December 2018

Following the recognition of Monradio activities under "discontinued operations", the cash generation impact from the radio business and the relevant financial costs and taxes were booked separately in the cash flow statement of the first half of 2015.

The Group's cash flow is detailed below:

LTM cash flow from operations, which in the last 12 months generated euro 59.6 million, reflected the positive performance of operations net of non-recurring items (euro 72.1 million) and net working capital management (including provisions), with cash flows of euro 5.9 million as a result of an increasing focus on the management of receivables and working capital items. In the last twelve months capital expenditure increased: in

the Educational Area investments were made in the development of new publishing products (euro 3.6 million) for the new Mondadori France offices, including, among others, plant modernization works (euro 4.0 million) and in the Retail Area for improvement work in the stores and new openings (euro 2.5 million) and the purchase of software and

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Group's Cash Flow (euro/millions)	30 June 2015	30 June 2014	LTM
NFP beginning of period	(291.8)	(363.2)	(368.9)
EBITDA before non-recurring items	23.8	18.1	72.1
Incidence of shareholdings/dividends	1.4	(1.6)	(0.2)
NWC+provision variation	(28.3)	(34.0)	5.9
CAPEX	(7.5)	(4.0)	(14.6)
Cash flow from the Radio business	0.0	(1.5)	(3.6)
Cash flow from operations	(10.6)	(23.0)	59.6
Financial costs	(7.8)	(12.3)	(17.6)
Taxes	(5.1)	0.5	(11.0)
FC and taxes from the Radio business	1.3		0.5
Cash flow from ordinary operations	(22.2)	(34.8)	31.5
Capital increase / (Dividend payout)	0.0	31.2	0.0
Restructuring costs	(11.6)	(14.2)	(17.7)
Extraordinary costs / previous years	2.2	4.7	12.7
Asset acquisition	0.0	(2.9)	(1.0)
Asset disposal	(3.1)	10.3	16.9
Cash flow from extraordinary operations	(12.5)	29.1	10.9
Total Cash Flow	(34.7)	(5.7)	42.4
NFP end of period	(326.5)	(368.9)	(326.5)

office automation systems (euro 3.0 million). These amounts are net of cash outflows relating to the Radio business, which totalled euro 3.6 million in the period of reference.

Cash flow from ordinary operations, including outflows relative to taxes and financial costs, was **positive for euro 31.5 million**, confirming the improving trend of cash flow generation of the last twelve months, measured in March 2015 (euro 28.6 million) and in December 2014 (euro 18.8 mln).

Cash flow from extraordinary operations was positive for euro 10.9 million despite outlays attributable to restructuring costs (euro 17.7 million) as a result of the partial collection of the tax receivables (VAT and IRES for IRAP reimbursement), accrued from the previous financial years (euro 12.7 million) and the net balance generated by asset acquisitions and disposals (positive for euro 15.9 million), including the impact of the transfer of the multicenter located in Corso Vittorio Emanuele in Milan for a total of euro 20 million.

These items resulted in **LTM cash flow generation equal to euro 42.4 million** with a consequent equivalent reduction in debt.

Cash flow from operations in the first half of 2015 showed an improvement compared to the value recorded in the same period of 2014 as a result of improved operating activities and a positive management of net working capital and provisions. **Cash flow from ordinary operations** confirmed at the same level thanks to the significant reduction in financial costs, which compensated for the higher tax outflows resulting from improved operations and despite increased capex.

Cash flow from extraordinary operations posted a downturn against the value recorded at 30 June 2014, as the amount collected from the capital increase transaction completed in June and some disposals were included in the period.

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Consolidated balance sheet (euro/million)	30 June 2015	30 June 2014	Var.	31 December 2014
Net trade receivables	260.1	278.1	(18.0)	263.1
Inventory	115.3	118.3	(3.0)	108.4
Trade payables	(351.9)	(359.5)	7.6	(343.3)
Other assets / (liabilities)	11.2	15.3	(4.1)	(14.8)
Net working capital	34.7	52.2	(17.5)	13.4
Intangible assets	551.1	571.3	(20.2)	553.7
Tangible assets	31.0	35.3	(4.3)	32.4
Investments	39.9	37.3	2.6	39.5
Net fixed assets	622.0	643.9	(21.9)	625.6
Provisions	(53.4)	(61.3)	7.9	(68.4)
Post-employment benefits	(44.2)	(45.1)	0.9	(46.3)
Discontinued assets / (liabilities)	45.8	55.3	(9.5)	56.6
Net invested capital	604.9	645.0	(40.1)	580.9
Share capital	68.0	68.0	0.0	68.0
Minority shareholders' reserves and net equity	222.6	219.2	3.4	220.5
Net result	(12.2)	(11.0)	(1.2)	0.6
Shareholders' equity	278.4	276.1	2.3	289.1
Net financial position	326.5	368.9	(42.4)	291.8
Net debt and equity	604.9	645.0	(40.1)	580.9

Per traduzione tabella prendere tabella p. 6 di comunicato stampa 3 ago con correzione, in ultima riga, di Total shareholders' equity in Net debt and equity.

At 30 June 2015, Monradio assets/liabilities were booked separately under "Assets/Liabilities held for sale" also in the Net Invested Capital representation.

At 30 June 2015, **net working capital was up 33.5%** as a result of:

- reduced trade receivables deriving from the combined effect of revenue performance and improved management of trade receivables collection;
- lower advance payments made to authors (approximately euro 6.0 million).

The reduction by approximately euro 8 million of trade payables was mainly attributable to lower purchases made in the period and lower overdraft.

The fixed invested capital, equal to euro 622.0 million at 30 June 2015, was down by nearly euro 22 million against the same period of the previous year also as a result of the transfer of the megastore of Corso Vittorio Emanuele in the Retail Area and for the remaining part as a result of amortization of intangible assets with a finite useful life and depreciation of tangible assets.

Provisions were down by approximately euro 9 million as a result of the use of the risk provisions for restructuring costs.

The Group's net invested capital, equal to euro 604.9 million at 30 June 2015, was down by euro 40.1 million (-6%) against 30 June 2014 (euro 645.0 million). The Group's net equity improved by euro 2.3 million. The combination of these two factors resulted in a reduction of the Group's net debt by euro 42.4 million.

INVESTOR RELATIONS

Arnoldo Mondadori Editore S.p.A. ordinary shares have been listed at the Milan Stock Exchange since 1982 (ISIN Code: IT0001469383). Mondadori stock is listed in the following indexes:

- Borsa Italiana indexes: FTSE Italia All Share and FTSE Italia Small Cap;
- Industry specific: FTSE *Italia Servizi al consumo* and FTSE *Italia Media*;
- National ethical: FTSE ECPI Italia SRI Benchmark and FTSE ECPI Italia SRI Leaders.

In the first half of 2015, Mondadori average share price was equal to euro 1.024 (average market capitalization of euro 268 million). On 30 June 2015, Mondadori share price recorded a closing price of euro 1.00 with a market capitalization of euro 261 million.

Share price and share trading data	First half of 2015
Closing price on 30/06/2015 (euro)	1.00
Average price in euro	1.02
Maximum price in euro (13/04)	1.17
Minimum price in euro (07/01)	0.82
Average volume (thousands)	695
Maximum volume (thousands, @ 24/03)	4,835
Minimum volume (thousands, @ 17/06)	122
N. of ordinary shares*	261,458,340
Average market capitalization in euro millions*	267.8
Market capitalization at 30/06/2015 in euro millions	261.3

Source: Borsa Italiana

* Number of shares issued at 30 June 2015

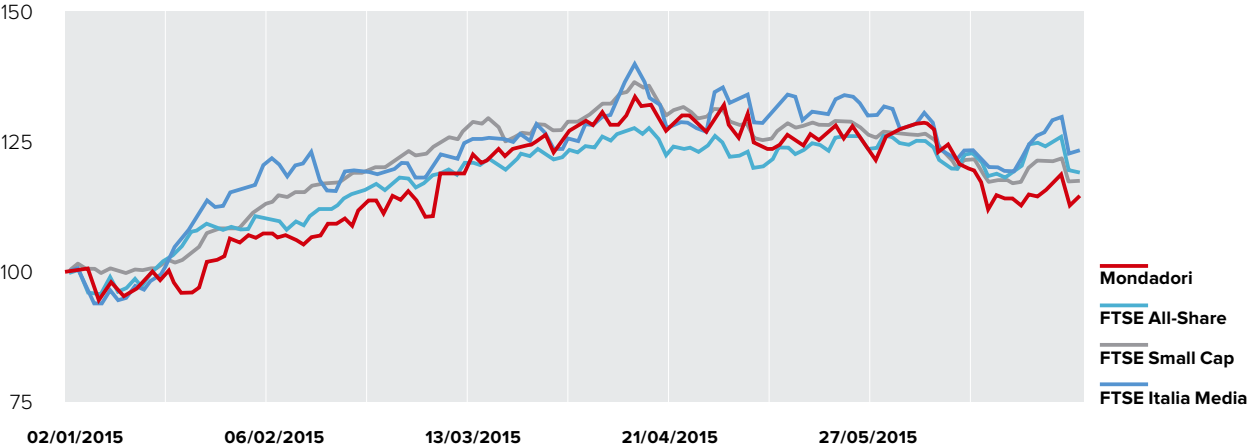
OWNERSHIP STRUCTURE

At 30 June 2015, the Company’s share capital amounts to euro 67,979,168.40, corresponding to 261,458,340 ordinary shares with a nominal par value of euro 0.26 each.

At the same date, to the knowledge of the Company, based on the disclosures received pursuant to article 120 of the Finance Consolidation Act and other available information, the Company ownership structure includes the following relevant equity investments (above 2%).

Shareholders	Equity investment at 30/06/2015
Fininvest S.p.A.	50.4%
Silchester International Investors Llp	11.5%
River and Mercantile Asset Management Llp	5.1%
Norges Bank Investment Management	2.0%

MONDADORI SHARE PRICE PERFORMANCE AGAINST THE MAIN ITALIAN SE INDEXES IN THE FIRST HALF OF 2015



In the period of reference, the Italian financial market had a positive performance equal to 19.1%. In this context, Mondadori posted a share price performance up by 14.2% (FTSE Italia Small Cap and FTSE Italia Media indexes at +17.3% and 23.1%, respectively)

At 30 June 2015, the 12-month Mondadori stock price performance was equal to -2.5%.

PERSONNEL

HUMAN RESOURCES

Employees with a fixed-term or permanent labour contract employed by the Group companies at 30 June 2015 totalled 3,069 people, showing a reduction in employee count by 144 units (-4.5%) against the same period of 2014.

Cost of personnel for the period dropped by 4.6% (euro -5.3 million), totalling euro 108.3 million against euro 113.6 million of the previous year.

The persisting headcount reduction is attributable to the effects of the reorganization process implemented in all of the Group's business areas aimed at recovering margins also through personnel's fixed cost efficiency.

The restructuring plan - launched in May 2013 - for the journalists of the Magazines Italy area was completed in May 2015 with the signing of a new agreement with the trade unions concerning another 38 redundant editorial staffers, which included the prosecution of the solidarity contracts already in place in the first half of 2015.

In the Books Area the employee headcount was also significantly reduced (-7% including Trade and Educational) following the concentration of logistics activities in 2014 in the Verona warehouse, centralizing the activities of Florence (Mondadori Education) and Brescia (Mondadori Retail) and, in the latter case, also with the transfer of part of the personnel.

Following the aforementioned transfer and important rationalizations in central staffing and in the Megastore network, Mondadori Retail recorded an 8% reduction in employee headcount.

Lastly, the employee headcount of Mondadori France dropped by over 30 people as a result of the restructuring actions implemented over time.

The following table provides a detailed breakdown of Group personnel at 30 June 2015:

Personnel	30/06/2015	30/06/2014
Arnoldo Mondadori Editore S.p.A. ¹⁹ :		
- Managers, journalists, office staff	811	965
- Blue collars	5	93
	816	1,058
Italian subsidiaries ¹⁹ :		
- Managers, journalists, office staff	1,251	1,204
- Blue collars	101	28
	1,352	1,232
Foreign subsidiaries:		
- Managers, journalists, office staff	901	923
- Blue collars	-	-
	901	923
Total	3,069	3,213

¹⁹ For comparison purposes, it should be noted that Mondadori Libri S.p.A., a company fully owned by the Parent Company Arnoldo Mondadori Editore S.p.A., began operations on 1 January 2015. This company includes the business unit relative to the assets, liabilities and relationships inherent to the editorial activities and distribution carried out in the Books Area, personnel included.

Personnel by sector of activity	30/06/2015	30/06/2014	Var. %
Books	562	604	(7.0%)
Magazines Italy	607	631	(3.8%)
Magazines France	877	910	(3.6%)
Retail	550	598	(8.0%)
Radio	28	26	7.7%
Digital Marketing Service	70	66	6.1%
Digital Innovation	28	21	33.3%
Corporate	347	357	(2.8%)
Total	3,069	3,213	(4.5%)

RELEVANT EVENTS OCCURRED IN THE PERIOD

APPOINTMENTS TO THE BOARD OF DIRECTORS OF MONDADORI LIBRI S.P.A.

On **21 January 2015** the Board of Directors of Mondadori Libri S.p.A. defined its composition as follows: Ernesto Mauri Chairman; Enrico Selva Coddè, Gian Arturo Ferrari, Antonio Porro and Oddone Pozzi Directors.

Reporting to the Group's CEO Ernesto Mauri, Enrico Selva Coddè was appointed CEO of Mondadori Libri S.p.A. Trade Area and Antonio Porro was confirmed CEO for the Educational Area. Gian Arturo Ferrari, Deputy Chairman of Mondadori Libri S.p.A., will work in co-operation with Enrico Selva for the implementation and publication of the publishing programmes.

NON-BINDING EXPRESSION OF INTEREST FOR RCS LIBRI S.P.A.

On **18 February 2015** upon request made by CONSOB, Arnoldo Mondadori Editore S.p.A. informed that RCS MediaGroup S.p.A. had been subjected to a non-binding expression of interest relative to a possible acquisition transaction of the entire interest owned by RCS MediaGroup S.p.A. in RCS Libri S.p.A. equal to 99.99% of the company capital as well as the additional assets and activities making up the RCS MediaGroup book repertoire.

On **6 March 2015** RCS MediaGroup S.p.A. granted the Company a period of exclusivity until 29 May 2015 in order to conduct an in-depth analysis of the transaction terms and conditions.

SHAREHOLDERS' MEETING 2015: APPOINTMENTS OF THE NEW CORPORATE BODIES AND RELEVANT RESOLUTIONS

On **23 April 2015**, in addition to approving the financial statements of Arnoldo Mondadori Editore SpA at 31 December 2014 and renewing the authorization to the purchase and disposal of treasury shares, the Shareholders' Meeting appointed a new Board of Directors composed as follows: Marina Berlusconi (Chairman), Ernesto Mauri, Pier Silvio Berlusconi, Oddone Maria Pozzi, Pasquale Cannatelli, Bruno Ermolli, Roberto Poli, Danilo Pellegrino, Alfredo Messina, Martina Forneron Mondadori, Marco Spadacini, Angelo Renoldi, Mario Resca and Cristina Rossello.

The Shareholders' Meeting appointed a new Board of Auditors, composed of the following members: Ferdinando Superti Furga (Chief Statutory Auditor), Francesco Antonio Giampaolo e Flavia Daunia Minutillo (Standing Statutory Auditors); Francesco Vittadini, Annalisa Firmani ed Ezio Maria Simonelli (Substitute Statutory Auditors).

Both corporate bodies, which will remain in office for three financial years, i.e. until the Shareholders' Meeting called for the approval of the Group's financial statements at 31 December 2017, were appointed based on the only slate presented for the Meeting, filed by Fininvest SpA, the majority shareholder.

The Board of Directors confirmed Ernesto Mauri as CEO, vesting him with the relevant powers of management. The following committees were also appointed:

- Control and Risk Committee: Angelo Renoldi (Chairman), Marco Spadacini and Cristina Rossello;
- Remuneration and Appointment Committee: Marco Spadacini (Chairman), Bruno Ermolli and Cristina Rossello;
- Committee for Related Parties Transactions: Angelo Renoldi (Chairman), Cristina Rossello and Marco Spadacini.

Maria Pozzi confirmed Executive Manager responsible for the drafting of the corporate accounting documentation.

BINDING OFFER FOR RCS LIBRI S.P.A.

On **29 June 2015** Arnoldo Mondadori Editore S.p.A. informed that it submitted a binding offer to RCS MediaGroup S.p.A. regarding the acquisition of the entire interest owned in RCS Libri S.p.A. equal to 99.99% of the company capital as well as the additional assets and activities making up the RCS MediaGroup book repertoire.

EXPRESSION OF INTEREST BY R.T.I. FOR 80% OF MONRADIO'S CAPITAL

On **30 June 2015** the Board of Directors of Arnoldo Mondadori Editore S.p.A. granted the CEO the power to proceed with the acceptance of the expression of interest, received from R.T.I. S.p.A., a subsidiary of Mediaset S.p.A., for the acquisition of 80% of the share capital of Monradio S.r.l., a company fully owned by Arnoldo Mondadori Editore S.p.A., which also owns the R101 radio station.

The offer includes a period of exclusivity until maximum 20 September 2015.

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The underwriting of the preliminary contract depends on the results of the due diligence and the approval by the Mediaset Group competent corporate bodies. Since it qualifies as a transaction between related parties, this transaction is subject to the provisions set out by Consob Regulation no. 17221 of 12 March 2010 as subsequently amended and supplemented ("Consob Regulation") and to the procedures adopted in the matter by Arnoldo Mondadori Editore S.p.A. and Mediaset S.p.A.

RELEVANT EVENTS AFTER CLOSURE

MONDADORI INCREASED ITS INTEREST IN GRUNER+JAHR/MONDADORI S.P.A. TO 100%

On **1 July 2015** Arnoldo Mondadori Editore S.p.A. acquired from Grüner und Jahr Management GmbH - a Bertelsmann Group company - the remaining 50% of the Grüner+Jahr/Mondadori S.p.A. joint venture's capital.

OTHER INFORMATION

Adhesion to the legislative simplification process adopted by Consob Resolution no. 18079 of 20 January 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 13 November 2012, the Board of Directors of Arnoldo Mondadori Editore S.p.A., pursuant to Article 3 of Consob Resolution no. 18079 of 20 January 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 of waiving 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.

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FORESEEABLE EVOLUTION

During this half-year period, the Group carried on the process aimed at strategically rationalizing portfolio activities and some non-core assets disposal in order to further strengthen its competitive position in the core businesses and eventually exploit any upcoming opportunities. This strategy includes the already mentioned transfer of the majority interest of the Group's radio business.

Based on the **Group's positive performance** in these first six months, on the ongoing **optimization** of operating processes and cost structure, as well as on the **measures** aimed at **mitigating the downturn in revenues** due to the performance of the market, it is reasonable to confirm the 2015 projections of a **growing EBITDA** at Group level.

Consistently with the description above and notwithstanding the higher investments and possible changes in the Digital area aimed at ensuring future development of the Group, the **net financial position** is also expected to **improve** against 2014 year end.

For the Board of Directors
The Chairman
Marina Berlusconi

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**Abbreviated Consolidated
Financial Statements
at 30 June 2015**

Consolidated Tables

CONSOLIDATED BALANCE SHEET

Assets (euro/000)	Notes	30/06/2015	31/12/2014
Intangible assets	10	551,138	601,593
Property investments	11	3,080	3,133
Land and buildings		6,428	7,895
Plant and equipment		9,565	8,853
Other tangible assets		11,974	17,187
Property, plant and equipment	12	27,967	33,935
Investments booked at equity		39,565	39,201
Other investments		347	443
Total investments	13	39,912	39,644
Non-current financial assets	20	316	316
Pre-paid tax assets	14	71,931	78,882
Other non-current assets	15	1,708	1,848
Total non-current assets		696,052	759,351
Tax receivables	16	52,691	50,040
Other current assets	17	95,753	87,687
Inventory	18	115,286	108,365
Trade receivables	19	260,107	268,736
Other current financial assets	20	7,927	11,916
Cash and cash equivalents	21	6,676	12,966
Total current assets		538,440	539,710
Assets held for sale	9	56,627	-
Total assets		1,291,119	1,299,061

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Liabilities (euro/000)	Notes	30/06/2015	31/12/2014
Share capital		67,979	67,979
Share premium reserve		-	12,000
Treasury shares		-	-
Other reserves and results carried forward		189,672	176,706
Profit (loss) for the period		(12,200)	618
Group's Shareholders' equity	22	245,451	257,303
Minority shareholders' equity and reserves	22	32,907	31,818
Total Shareholders' equity		278,358	289,121
Provisions	23	53,365	69,109
Post-employment benefits	24	44,234	46,709
Non-current financial liabilities	25	266,706	266,327
Deferred tax liabilities	14	72,696	81,657
Other non-current liabilities		-	-
Total non-current liabilities		437,001	463,802
Income tax payables	16	4,103	139
Other current liabilities	26	190,178	204,224
Trade payables	27	295,946	291,079
Payables due to banks and other financial liabilities	25	74,745	50,696
Total current liabilities		564,972	546,138
Liabilities held for sale	9	10,788	-
Total liabilities		1,291,119	1,299,061

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CONSOLIDATED INCOME STATEMENT

(euro/000)	Note	First half of 2015	First half of 2014 (*)
Revenues from sales and services	28	517,137	543,303
Decrease (increase) of inventory	18	(6,963)	3,824
Cost of raw, ancillary, consumption materials and goods	29	96,514	92,614
Cost of services	30	299,877	326,729
Cost of personnel	31	113,346	116,493
Other (income) cost	32	(4,806)	(16,134)
Revenues (costs) from investments valued at equity	33	(217)	(2,213)
EBITDA		18,952	17,564
Depreciation and impairment loss on property, plant and equipment	11-12	3,310	4,137
Amortisation and impairment loss on intangible assets	10	6,412	6,430
Impairment loss on investments valued at equity and other enterprises	13	-	-
EBIT		9,230	6,997
Financial income (cost)	34	(8,548)	(12,295)
Revenues (costs) from other investments		(125)	-
Profit before taxes for the period		557	(5,298)
Income tax	35	2,795	2,080
Profit from continuing operations		(2,238)	(7,378)
Result from discontinued operations	9	(8,833)	(2,460)
Net result		(11,071)	(9,838)
Attributable to:			
- Minority shareholders	22	1,129	1,196
- Parent Company's shareholders		(12,200)	(11,034)
Net earnings per share (in euro units)	36	(0.05)	(0.05)
Diluted net earnings per share (in euro units)	36	(0.05)	(0.05)

(*) Data of the first half of 2014 were reclassified following the application of IFRS 5 relative to Discontinued Operations.

CONSOLIDATED INCOME STATEMENT - SECOND QUARTER

(euro/000)	Second quarter of 2015	Second quarter of 2014 (*)
Revenues from sales and services	268,338	277,599
Decrease (increase) of inventory	1,376	4,409
Cost of raw, ancillary, consumption materials and goods	47,078	47,094
Cost of services	148,582	160,628
Cost of personnel	56,580	57,701
Other (income) cost	2,814	(3,471)
Revenues (costs) from investments valued at equity	44	(491)
EBITDA	11,952	10,747
Depreciation and impairment loss on property, plant and equipment	1,650	2,117
Amortisation and impairment loss on intangible assets	3,212	3,232
Impairment loss on investments valued at equity and other enterprises	-	-
EBIT	7,090	5,398
Financial income (cost)	(4,104)	(6,366)
Revenues (costs) from other investments	-	-
Profit before taxes for the period	2,986	(968)
Income tax	1,987	1,535
Profit from continuing operations	999	(2,503)
Result from discontinued operations	(7,849)	(1,345)
Net result	(6,850)	(3,848)
Attributable to:		
- Minority shareholders	663	752
- Parent Company's shareholders	(7,513)	(4,599)

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(*) Data of the first half of 2014 were reclassified following the application of IFRS 5 relative to Discontinued Operations.

For the Board of Directors
The Chairman
Marina Berlusconi



CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(euro/000)	Notes	30/06/2015	30/06/2014
Net result		(11,071)	(9,838)
<i>Items reclassifiable to income statement</i>			
Income (loss) deriving from the conversion of currency denominated financial statements of foreign companies	22	(223)	(7)
Other profit (loss) from companies valued at equity	22	315	(58)
Effective part of profit (loss) on cash flow hedge instruments (cash flow hedge)	20-25	292	(1,599)
Income (loss) deriving from held-for-sale assets (fair value)		-	-
Tax impact on other income (loss) reclassifiable to income statement		(80)	103
<i>Items reclassifiable to income statement</i>			
Profit (loss) on cash flow hedge instruments		-	21
Income (loss) deriving from held-for-sale assets (fair value)		-	-
Tax impact on other income (loss) reclassifiable to income statement		-	-
<i>Items not reclassifiable to income statement</i>			
Actuarial income/ (losses)	26	222	(291)
Tax impact on other income (loss) reclassifiable to income statement		(59)	78
Total other profit (loss) net of tax effect		467	(1,753)
Comprehensive income for the period		(10,604)	(11,591)
Attributable to:			
- Parent Company's shareholders		(11,717)	(12,786)
- Minority shareholders		1,113	1,195

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For the Board of Directors
The Chairman
Marina Berlusconi



TABLE OF CHANGES IN THE GROUP'S CONSOLIDATED SHAREHOLDERS' EQUITY AT 30 JUNE 2014

(euro/000)	Notes	Share capital	Share premium reserve	Treasury shares	Stock option reserve	Cash flow hedge reserve
Balance at 1 January 2014		64,079	170,625	(73,497)	1,101	(2,455)
- Allocation of net income			(170,625)			
- Dividend payout						
- Changes in consolidation area						
- Capital increase		3,900	12,000			
- Transactions on treasury shares				73,497		
- Stock options						
- Other changes	22					
- Comprehensive income (loss)						(1,475)
Balance at 30 June 2014		67,979	12,000	0	1,101	(3,930)

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(euro/000)	Notes	Share capital	Share premium reserve	Treasury shares	Stock option reserve	Cash flow hedge reserve
Balance at 1 January 2015		67,979	12,000	-	1,101	(2,984)
- Allocation of net income			(12,000)			
- Dividend payout						
- Changes in consolidation area						
- Capital increase						
- Transactions on treasury shares						
- Stock options					(66)	
- Other changes	22					
- Comprehensive income (loss)						212
Balance at 30 June 2015		67,979	0	0	1,035	(2,772)

Fair value reserve	Currency reserve	Post-employment discounting reserve	Other reserves	Income (loss) for the period	Total Group's NFP	Minority shareholders' NFP	Total
-	10	1,424	250,863	(185,415)	226,735	31,954	258,689
			(14,790)	185,415	-	-	-
					-	(3,212)	(3,212)
					-	-	-
					15,900	-	15,900
			(58,224)		15,273	-	15,273
					-	-	-
		(70)	1,156		1,086	(2)	1,084
	(27)	(213)	(37)	(11,034)	(12,786)	1,195	(11,591)
0	(17)	1,141	178,968	(11,034)	246,208	29,935	276,143

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Fair value reserve	Currency reserve	Post-employment discounting reserve	Other reserves	Income (loss) for the period	Total Group's NFP	Minority shareholders' NFP	Total
-	(163)	(110)	178,862	618	257,303	31,818	289,121
			12,618	(618)	-	-	-
					-	(213)	(213)
					-	-	-
					-	-	-
			66		-	-	-
		30	(165)		(135)	189	54
	175	163	(67)	(12,200)	(11,717)	1,113	(10,604)
0	12	83	191,314	(12,200)	245,451	32,907	278,358

For the Board of Directors
The Chairman
Marina Berlusconi



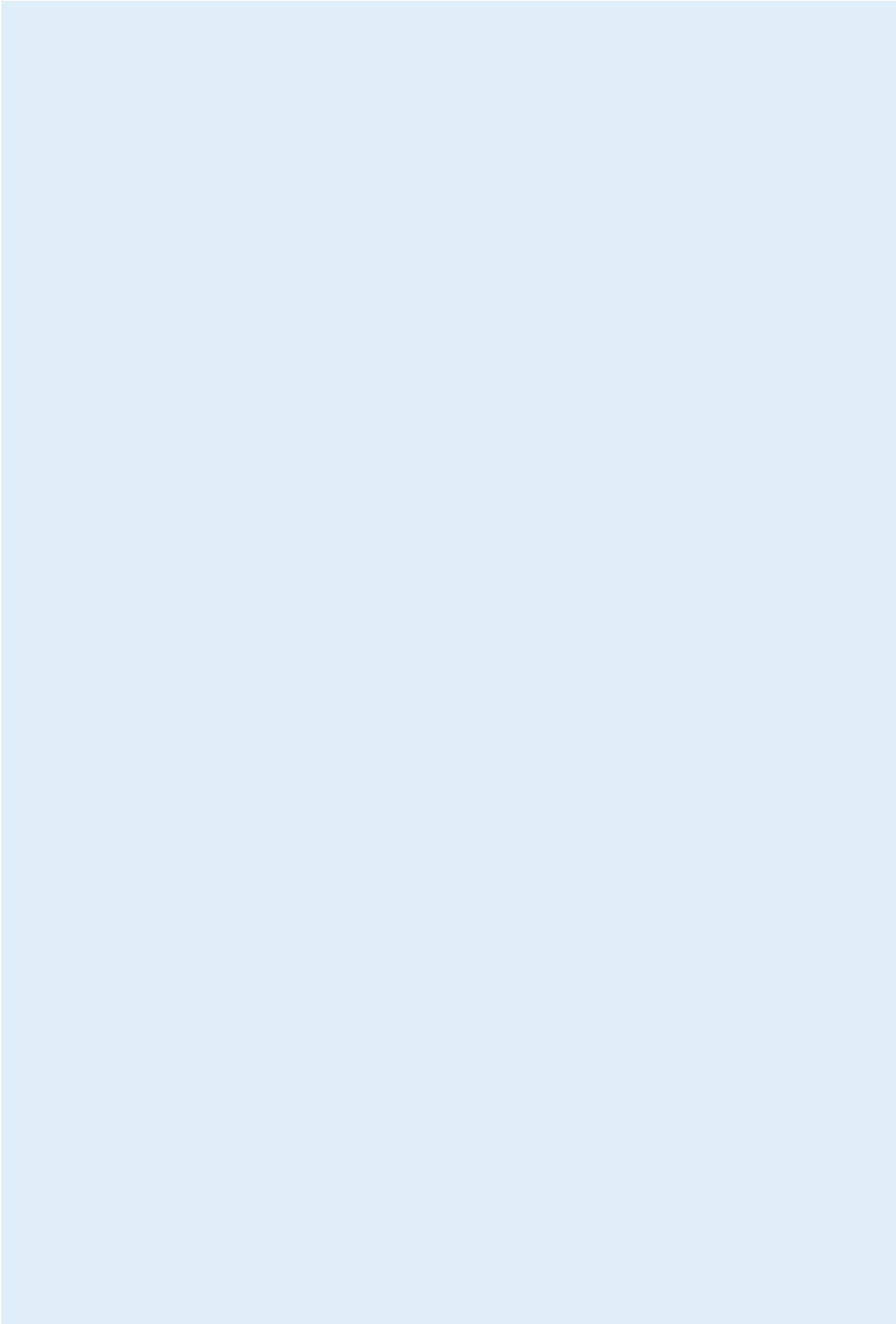
GROUP'S CONSOLIDATED CASH FLOW STATEMENT

(euro/000)	Notes	First half of 2015	First half of 2014
Net results from continuing operations in the period		(2,603)	(11,034)
<i>Adjustments</i>			
Amortization and impairment	10-11-12	9,722	11,255
Income tax for the period	35	2,795	1,133
<i>Stock options</i>			
Fund provisions (utilization) and post-employment benefits		(13,212)	(19,236)
Capital loss (gain) from the transfer of intangible assets, properties, plant and equipment, investments		149	806
Capital loss (gain) from financial assets valuation		-	-
(Revenues) costs of companies valued at equity	33	217	2,213
Net financial costs on loans and transactions with derivatives	34	7,165	9,659
Cash flow generations from operations		4,233	(5,204)
Trade receivable (increase) decrease		1,772	(6,008)
Inventory (increase) decrease		(7,091)	5,843
Trade payable increase (decrease)		8,318	9,867
Income tax payments		(5,076)	(2,260)
Advances and post-employment benefits		(1,711)	(3,841)
Net difference for other assets/liabilities		(20,050)	(22,617)
Cash flow generated from (absorbed by) operations held for sale	9	1,324	
Cash flow generated from (absorbed by) operations		(18,281)	(24,220)
Price collected (paid) net of cash transferred / acquired		(899)	(1,167)
(Purchase) disposal of intangible assets		(3,643)	(4,577)
(Purchase) disposal of properties, plant and machinery		(2,341)	(2,239)
(Purchase) disposal of investments		301	(656)
(Purchase) disposal of financial assets		869	5,950
Cash flow generated from (absorbed by) operations held for sale	9	123	
Cash flow generated from (absorbed by) financing activities		(5,590)	(2,689)
Net difference in financial liabilities		25,670	(40,702)
Payment of net financial costs on loans and transactions with derivatives		(8,109)	(10,975)
Capital increase	22	-	15,900
(Purchase) disposal of treasury shares	22	-	15,273
Dividends paid out	22	-	-
Cash flow generated from (absorbed by) operations held for sale	9	20	
Cash flow generated from (absorbed by) financing activities		17,581	(20,504)
Increase (decrease) in cash and cash equivalents		(6,290)	(47,413)
Cash and cash equivalents at the beginning of the period	21	12,966	65,683
Cash and cash equivalents at the end of the period	21	6,676	18,270

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Per il Consiglio di Amministrazione
Il Presidente
Marina Berlusconi





GROUP'S CONSOLIDATED BALANCE SHEET PURSUANT TO CONSOB REGULATION NO. 15519 OF 27 JULY 2006

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Assets (euro/000)	Notes	30/06/2015	of which related parties (note 39)	31/12/2014	of which related parties (note 39)
Intangible assets	10	551,138	-	601,593	-
Property investments	11	3,080	-	3,133	-
Land and buildings		6,428	-	7,895	-
Plant and equipment		9,565	-	8,853	-
Other tangible assets		11,974	-	17,187	-
Property, plant and equipment	12	27,967	0	33,935	0
Investments booked at equity		39,565	-	39,201	-
Other investments		347	-	443	-
Total investments	13	39,912	0	39,644	0
Non-current financial assets	20	316	-	316	-
Pre-paid tax assets	14	71,931	-	78,882	-
Other non-current assets	15	1,708	-	1,848	-
Total non-current assets		696,052	0	759,351	0
Tax receivables	16	52,691	12,275	50,040	10,440
Other current assets	17	95,753	3,453	87,687	3,143
Inventory	18	115,286	-	108,365	-
Trade receivables	19	260,107	61,953	268,736	44,995
Other current financial assets	20	7,927	1,512	11,916	5,429
Cash and cash equivalents	21	6,676	-	12,966	-
Total current assets		538,440	79,193	539,710	64,007
Assets held for sale	9	56,627	4,411	-	-
Total assets		1,291,119	83,604	1,299,061	64,007

GROUP'S CONSOLIDATED BALANCE SHEET PURSUANT TO CONSOB REGULATION NO. 15519 OF 27 JULY 2006

Liabilities (euro/000)	Notes	30/06/2015	of which related parties (note 39)	31/12/2014	of which related parties (note 39)
Share capital		67,979	-	67,979	-
Share premium reserve		-	-	12,000	-
Treasury shares		-	-	-	-
Other reserves and results carried forward		189,672	-	176,706	-
Profit (loss) for the period		(12,200)	-	618	-
Group's Shareholders' equity	22	245,451	0	257,303	0
Minority shareholders' equity and reserves	22	32,907	-	31,818	-
Total Shareholders' equity		278,358	0	289,121	0
Provisions	23	53,365	-	69,109	-
Post-employment benefits	24	44,234	-	46,709	-
Non-current financial liabilities	25	266,706	48,238	266,327	48,423
Deferred tax liabilities	14	72,696	-	81,657	-
Other non-current liabilities		-	-	-	-
Total non-current liabilities		437,001	48,238	463,802	48,423
Income tax payables	16	4,103	-	139	-
Other current liabilities	26	190,178	1,830	204,224	1,293
Trade payables	27	295,946	14,288	291,079	19,897
Payables due to banks and other financial liabilities	25	74,745	3,584	50,696	5,391
Total current liabilities		564,972	19,702	546,138	26,581
Liabilities held for sale	9	10,788	390	-	-
Total liabilities		1,291,119	68,330	1,299,061	75,004

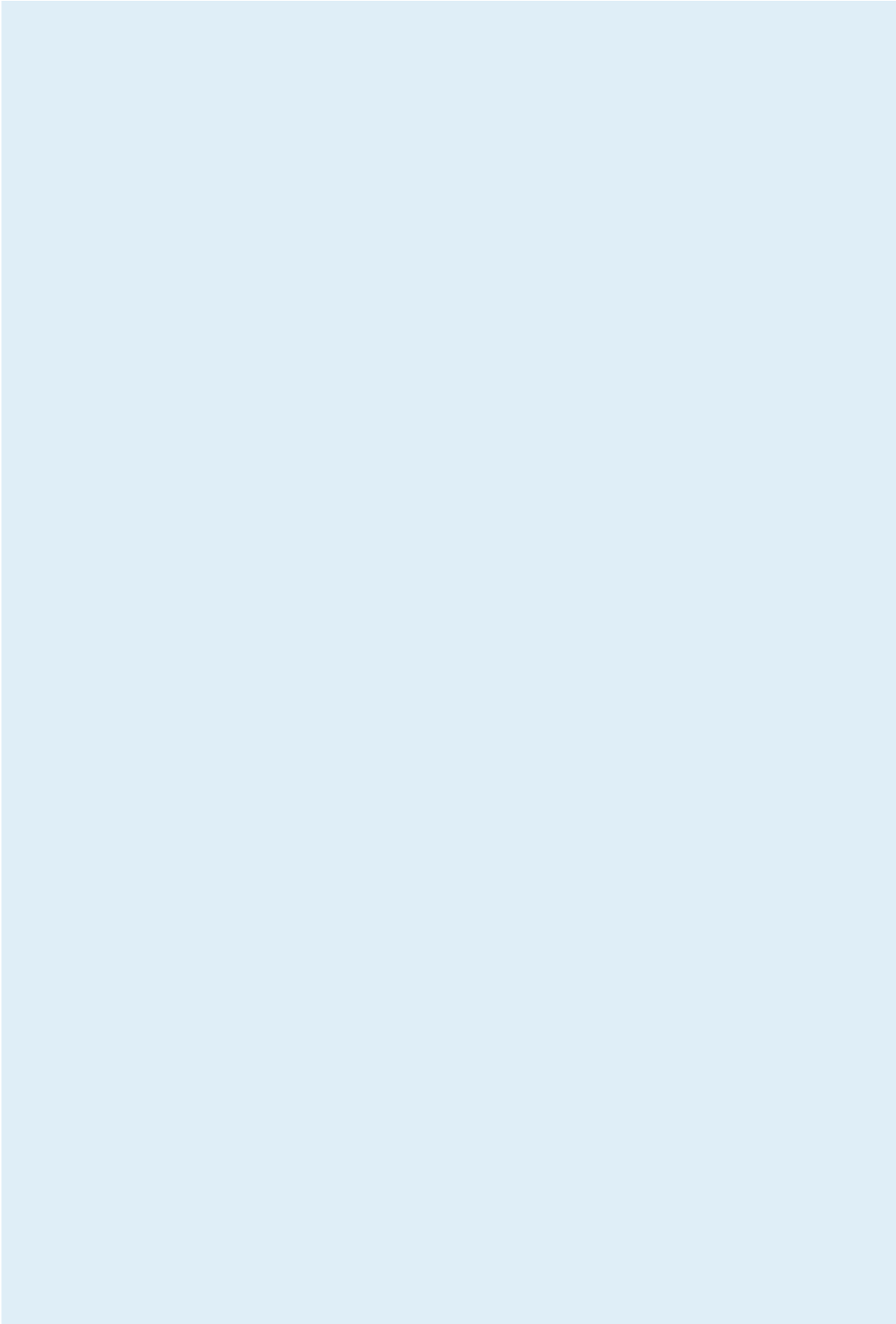
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INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

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(euro/000)	Notes	First half of 2015	of which related parties (note 39)	of which non-recurring (income) cost (note 38)	First half of 2014 (*)	of which related parties (note 39)	of which non-recurring (income) cost (note 38)
Revenues from sales and services	28	517,137	52,084	-	543,303	55,960	-
Decrease (increase) of inventory	18	(6,963)	-	-	3,824	-	-
Cost of raw, ancillary, consumption materials and goods	29	96,514	7,148	-	92,614	4,821	-
Cost of services	30	299,877	5,490	-	326,729	7,907	-
Cost of personnel	31	113,346	-	-	116,493	-	2,990
Other (income) cost	32	(4,806)	(1,559)	-	(16,134)	(818)	-
Revenues (costs) from investments valued at equity	33	(217)	-	-	(2,213)	-	-
EBITDA		18,952	41,005	0	17,564	44,050	(2,990)
Depreciation and impairment loss on property, plant and equipment	11-12	3,310	-	-	4,137	-	-
Amortization and impairment loss on intangible assets	10	6,412	-	-	6,430	-	-
Impairment loss on investments valued at equity and other enterprises		-	-	-	-	-	-
EBIT		9,230	41,005	0	6,997	44,050	(2,990)
Financial income (cost)	34	(8,548)	(1,398)	-	(12,295)	(1,729)	-
Revenues (costs) from other investments		(125)	-	-	-	-	-
Profit before taxes for the period		557	39,607	0	(5,298)	42,321	(2,990)
Income tax	35	2,795	-	-	2,080	-	(906)
Profit from continuing operations		(2,238)	39,607	0	(7,378)	42,321	(2,084)
Result from discontinued operations	9	(8,833)	4,440	-	(2,460)	5,063	-
Net result		(11,071)	44,047	0	(9,838)	47,384	(2,084)
Attributable to:							
- Minority shareholders	22	1,129	-	-	1,196	-	-
- Parent Company's shareholders		(12,200)	-	-	(11,034)	-	(2,084)

(*) Data of the first half of 2014 was reclassified following the application of IFRS 5 relative to Discontinued Operations.



EXPLANATORY NOTES

1. GENERAL INFORMATION

The core business of Arnoldo Mondadori Editore S.p.A. and of its directly or indirectly owned companies (hereinafter jointly referred to as the “Mondadori Group” or the “Group”) is the performance of activities in the publishing sector of books, magazines, radio broadcasting and the sale of advertising space.

The Group also carries out retailing activities through directly owned stores and franchised stores present throughout Italy and a direct marketing and mail order sales activity for publishing products.

In 2011, all of Mondadori’s business areas developed products and services available through the most advanced technology, thus increasing the sales offering.

Arnoldo Mondadori Editore S.p.A. has its legal offices in Milan, via Bianca di Savoia 12. The headquarters are located in Segrate, Milan, Strada privata Mondadori.

The Parent Company Arnoldo Mondadori Editore S.p.A. is listed on the Mercato Telematico Azionario (MTA) (Italian electronic share market) of Borsa Italiana S.p.A.

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The publication of Mondadori Group’s consolidated financial statements ended at 30 June 2015 was authorized by the Board of Directors’ resolution of 28 July 2015.

2. FORM AND CONTENT

The Group’s Consolidated Half-Year Report includes the Group’s consolidated abbreviated half-year financial statements, drafted in compliance with the provisions set out in IAS 34 and Article 154-*ter* of the Finance Consolidation Act and, therefore, it does not include all the supplementary information required for the full-year report and should be read jointly with the Group’s consolidated annual report at 31 December 2014.

The following criteria were taken into account in the drafting of these financial statements:

- current and non-current assets and current and non-current liabilities are shown separately in the consolidated balance sheet;
- in the consolidated income statement, the analysis of costs is carried out based on the nature of the costs, since the Group decided that this method is more representative than an analysis by function;
- the consolidated comprehensive income statement contains revenue and cost items that are not recognized under income (loss) for the period as required or allowed by the other IAS/IFRS accounting standards;
- the cash flow statement has been prepared using the indirect method.

With reference to the requirements of Consob Resolution no. 15519 of 27 July 2006 concerning the tables to the financial statements, specific supplementary tables were included to highlight significant transactions with “Related parties” and “Non-recurring transactions”.

The amounts shown in the tables and in these notes are expressed in euro thousands unless otherwise specified.

3. CONSOLIDATION AREA

In the first half of 2015 Mondadori Group transferred the equity interest hold in Sporting Club Verona S.r.l.; it acquired a minority equity interest in the British company Mondadori UK Ltd and a 20% shareholding in NaturaBuy Sas, increasing its interest to 80%.

4. DRAFTING CRITERIA

The Mondadori Group's Consolidated Abbreviated Half-Year Report was drafted on the understanding of business continuity, adopting the same accounting principles used for the preparation of the consolidated financial statements for the year ended at 31 December 2014, except for those which went into effect as of 1 January 2014, as specified here below:

- On 12 December 2013 IASB published "Annual Improvements to IFRSs: 2011-2013 Cycle", adopting the amendments to the standards in the context of the annual process for their improvement. The adoption of these new rules did not have any impact on the Group's consolidated financial statements.
- On 20 May 2013 an interpretation for IFRIC 21 - Levies - was published, providing explanations on when tax liabilities (other than income tax) imposed by government bodies need to be recognized. The principle takes into account tax liabilities that fall within the field of application of IAS 37 - Provisions, potential liabilities and assets, and tax liabilities whose timing and amount are certain. The standard is retroactive for the financial years starting from 17 June 2014 or later. The adoption of this amendment did not have any significant impact on the Group's consolidation perimeter.

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With reference to the accounting principles and interpretations standardized by the European Union, whose adoption is not yet compulsory and not yet adopted by the Group, the following should be noted:

- On 21 November 2013 IASB published the amendment to IAS 19 – "Defined Benefit Plans: **Employee Contributions**", clarifying the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.
- The need for the proposal emerged following the introduction of the new IAS 19, that specifies that such contributions are to be considered as a post-employment benefit rather than a short-term benefit and, therefore, that such contribution must be spread over the years of service. The directors do not expect any significant impact in the Group's consolidated financial statements resulting from the adoption of this amendment.
- On 28 May 2014 IASB published IFRS 15 – *Revenue from Contracts with Customers*, which will replace IAS 18 – *Revenue* and IAS 11 – *Construction Contracts*, as well as IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC 31 – *Revenues-Barter Transactions Involving Advertising Services*. The principle establishes a new model for the recognition of revenues, which will be applied to all contracts stipulated with customers except for those falling within the application of other IAS/IFRS principles as leasing, insurance contracts and financial instruments. The key steps for the accounting of revenues based on this new model are:
 - identification of the contract with the customer;
 - identification of the performance obligations included in the contract;

- pricing;
- price allocation based on the performance obligations included in the contract;
- the criteria for the recognition of revenues when the entity meets each performance obligations.

The principle is applicable as of 1 January 2017 and early adoption is also possible.

The Directors expect that the application of IFRS 15 can have an impact on revenue amounts recognized and on the relevant disclosure included in the Group's consolidated financial statements, upon valuation.

5. USE OF ESTIMATES

The drafting of the Group's abbreviated half-year report and the relevant notes required the use of estimates and assumptions based on subjective judgements, statistics and available information; the final figures may also significantly differ from such estimates according to eventual changes in the criteria used in the determination of such estimates.

For more information about the main accounting estimates, reference should be made to the "Annual Report" drafted as at 31 December 2014.

6. SEASONAL NATURE OF BUSINESS ACTIVITIES

Due to the seasonal nature of the school textbook publishing sector, revenues and profits for the second half of the year are expected to be higher than those for the first six months.

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7. SEGMENT INFORMATION

The information required by IFRS 8 reflects the Group organizational structure, which includes the following Divisions: Books, Magazines Italy and Magazines France, Advertising, Retail, Radio, Other Business and Corporate.

This structure gives a clear representation of the Group's differentiation in terms of products sold and services rendered and is used by Top Management as the basis for corporate reporting and in the definition of corporate strategies and plans, as well as in the valuation of investment opportunities and allocation of resources.

Information related to segment reporting is included in the notes here below.

8. BUSINESS COMBINATIONS, ACQUISITIONS AND DISPOSALS

The transfer of Sporting Club Verona S.r.l. generated a capital loss of euro 125,000; the acquisitions did not have any impact on the consolidation perimeter at 31 December 2014.

As already illustrated in the Directors' Report on Operations, on 1 July 2015 the acquisition of the remaining 50% of the share capital of Grüner+Jahr/Mondadori was completed, for a price equal to approximately euro 1.5 million. Following the completion of the aforementioned acquisition, the Company's results will be fully consolidated.

9. INFORMATION RELATIVE TO IFRS 5

On 30 June 2015 the Board of Directors of Arnoldo Mondadori Editore S.p.A. announced that it had received a non-binding offer for the acquisition of 80% of Monradio S.r.l.'s capital from Reti Televisive Italiane S.p.A. (Mediaset Group).

The Board of Directors granted the Company's CEO the power to accept the offer, which envisages a purchase price for the shareholding equal to euro 36.8 million.

The parties' commitment to the underwriting of the relevant Preliminary Contract is subject to the occurrence of the following conditions precedent within and not later than 15 September:

- completion of the due diligence;
- completion of the Related Party procedure by Mondadori;
- approval of the transaction in its final version by the competent corporate bodies of the Mediaset Group.

The Half-Year Report at 30 June 2015 was drafted by taking into account the transfer transaction of Monradio S.r.l.'s shareholding pursuant to IFRS 5 as "highly probable", even if all the conditions precedent have not yet been met.

The transaction implies that the Mondadori Group discontinues its radio business operations and, therefore, the disposal will be classified under "discontinued operations".

For comparison purposes, "Result from assets held for sale" for the 2015 and 2014 half-year periods has been classified to include the net results accrued by Monradio S.r.l. and its impairment - equal to euro 7,090 thousand, carried out to align the values of net assets to the fair value resulting from the offer.

The balance entries for related parties mainly referred to the revenues generated by the sale of the advertising business to Mediamond S.p.A.

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Result from discontinued operations (euro/000)	First half of 2015		First half of 2014	
	Discontinued operations	of which with Related Parties	Discontinued operations	of which with Related Parties
Revenues	5,842	5,181	5,891	5,328
Cost of services	6,860	629	7,677	272
Cost of personnel	990	-	931	-
Other costs / (revenues)	(176)	112	(12)	(7)
EBITDA	(1,832)	4,440	(2,705)	5,063
Amortization and impairment	7,692	-	688	-
EBIT	(9,524)	4,440	(3,393)	5,063
Financial income (costs)	(4)	-	(14)	-
Profit before taxes for the period	(9,528)	4,440	(3,407)	5,063
Income tax	(695)	-	(947)	-
Result from discontinued operations	(8,833)	4,440	(2,460)	5,063
of which:				
- of third parties	-	-	-	-
- of the Group	(8,833)	4,440	(2,460)	5,063

"Assets held for sale" and "Liabilities held for sale" included the values of Monradio S.r.l. relative to the first half of 2015.

The balance values for related parties mainly included the revenues generated by the sale of the advertising business to Mediamond S.p.A.

Assets / liabilities held for sale (euro/000)	30/06/2015	of which with Related Parties
Intangible assets, properties, plant and equipment	42,119	-
Trade receivables	4,642	4,411
Other assets	9,866	-
Assets held for sale	56,627	4,411
Trade payables	4,063	390
Other liabilities	6,725	-
Liabilities held for sale	10,788	390

10. INTANGIBLE ASSETS

“Intangible assets” decreased by euro 50,455 thousand against 31 December 2014 mainly due - for a total of euro 47,899 thousand - to the reclassification of assets held for sale under “Discontinued operations” pursuant to IFRS 5.

The value of the radio frequencies amounts to euro 47,484 thousand and brands to euro 372 thousand.

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Intangible assets (euro/000)	30/06/2015	31/12/2014
Intangible assets with finite useful life	178.574	181.173
Intangible assets with indefinite useful life	372.564	420.420
Total intangible assets	551.138	601.593

Intangible assets with a finite useful life mainly comprised magazines published by the Mondadori France Group, among which the most important are *TéléStar*, *Closer*, *Pleine Vie*, *Le Chasseur Français*, *Auto Plus*. The useful life of these assets, each of which represents a Cash Generating Unit, is estimated in thirty years; also EMAS list of customers with subscription is included in the same CGU and the relevant value is amortized over a period of six years.

Intangible assets with finite useful life (euro/000)	Magazines	Customer lists	Charges on shop lease contract takeovers	Software	Licenses, patents and rights	Cost of development	Other intangible assets - intangible assets in progress and advances	Total
Cost at 31/12/2013	247,200	8,000	31,442	23,799	1,912	248	5,195	317,796
Capital expenditures	-	-	-	1,586	-	3,773	2,030	7,389
Disposals	-	-	(23,999)	(1,129)	-	-	(3)	(25,131)
Changes in the consolidation area	-	-	-	341	-	-	-	341
Other changes	-	-	-	267	(288)	-	185	164
Cost at 31/12/2014	247,200	8,000	7,443	24,864	1,624	4,021	7,407	300,559
Provision for depreciation and impairment loss at 31/12/2013	71,319	2,666	16,770	21,407	1,869	248	3,163	117,442
Amortization, depreciation	7,373	1,333	1,349	1,647	27	1,258	496	13,483
Impairment/ (reinstatement of value)	-	-	-	-	-	-	-	0
Disposals	-	-	(10,680)	(1,036)	-	-	(3)	(11,719)
Changes in the consolidation area	-	-	-	245	-	-	-	245
Other changes	-	-	-	221	(279)	-	(7)	(65)
Provision for depreciation and impairment loss at 31/12/2014	78,692	3,999	7,439	22,484	1,617	1,506	3,649	119,386
Net book value at 31/12/2013	175,881	5,334	14,672	2,392	43	0	2,032	200,354
Net book value at 31/12/2014	168,508	4,001	4	2,380	7	2,515	3,758	181,173

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In the first half of 2015, capex, equal to euro 3,890 thousand, mainly included the capitalization of pre-printing costs relative to the development of school textbook contents. These comprised publishing, translation, revision and editing costs and copyrights, for a total of euro 1,319 thousand, recognized under "Cost for development" and euro 652 thousand recognized under "Other intangible assets".

This cost item also included the costs borne by Mondadori Retail S.p.A. for the development of the new software for the management of the points of sale which has not yet been completed, for a total of euro 897 thousand.

Intangible assets with finite useful life (euro/000)	Magazines	Customer lists	Charges on shop lease contract takeovers	Software	Licenses, patents and rights	Cost of development	Other intangible assets - intangible assets in progress and advances	Total
Cost at 31/12/2014	247.200	8.000	7.443	24.864	1.624	4.021	7.407	300.559
Capital expenditures	-	-	-	687	-	1.319	1.884	3.890
Disposals	-	-	-	(118)	-	-	-	(118)
Reclassified assets held for sale	-	-	-	(331)	(5)	-	-	(336)
Changes in the consolidation area	-	-	-	-	-	-	-	0
Other changes	-	-	-	66	(126)	1.625	(1.684)	(119)
Cost at 30/06/2015	247.200	8.000	7.443	25.168	1.493	6.965	7.607	303.876
Provision for depreciation and impairment loss at 31/12/2014	78.692	3.999	7.439	22.484	1.617	1.506	3.649	119.386
Amortization, depreciation	3.687	667	4	682	3	1.119	250	6.412
Impairment/ (reinstatement of value)	-	-	-	-	-	-	-	0
Disposals	-	-	-	(74)	-	-	-	(74)
Reclassified assets held for sale	-	-	-	(288)	(5)	-	-	(293)
Changes in the consolidation area	-	-	-	-	-	-	-	0
Other changes	-	-	-	(3)	(126)	-	-	(129)
Provision for depreciation and impairment loss at 30/06/2015	82.379	4.666	7.443	22.801	1.489	2.625	3.899	125.302
Net book value at 31/12/2014	168.508	4.001	4	2.380	7	2.515	3.758	181.173
Net book value at 30/06/2015	164.821	3.334	0	2.367	4	4.340	3.708	178.574

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Intangible assets with an indefinite useful life included

- magazines deriving from the acquisition of the business of Silvio Berlusconi Editore S.p.A., including *TV Sorrisi e Canzoni* and *Chi*,
- series of the Books Area;
- brands acquired against payment;
- goodwill.

Intangible assets with an indefinite useful life (Euro/migliaia)	Magazines	Series	Brands	Radio stations	Goodwill	Total
Cost at 31/12/2013	98,158	31,509	6,695	127,041	460,597	724,000
Capital expenditures	-	-	-	248	2,957	3,205
Disposals	(1,935)	-	(3,932)	(414)	-	(6,281)
Changes in the consolidation area	-	-	-	-	373	373
Other changes	-	-	-	-	-	0
Cost at 31/12/2014	96,223	31,509	2,763	126,875	463,927	721,297
Impairment loss 31/12/2013	10,825	-	5,121	79,635	211,309	306,890
Impairment/(reinstatement of value)	-	-	98	-	-	98
Other changes/disposals	(1,935)	-	(3,932)	(244)	-	(6,111)
Impairment loss 31/12/2014	8,890	0	1,287	79,391	211,309	300,877
Net book value at 31/12/2013	87,333	31,509	1,574	47,406	249,288	417,110
Net book value at 31/12/2014	87,333	31,509	1,476	47,484	252,618	420,420

In the first half of 2015 no changes were recorded.

Intangible assets with an indefinite useful life (Euro/migliaia)	Magazines	Series	Brands	Radio stations	Goodwill	Total
Cost at 31/12/2014	96,223	31,509	2,763	126,875	463,927	721,297
Capital expenditures	-	-	-	-	-	0
Disposals	-	-	-	-	-	0
Reclassified assets held for sale	-	-	(372)	(126,875)	-	(127,247)
Changes in the consolidation area	-	-	-	-	-	0
Other changes	-	-	-	-	-	0
Cost at 30/06/2015	96,223	31,509	2,391	0	463,927	594,050
Impairment loss 31/12/2014	8,890	-	1,287	79,391	211,309	300,877
Impairment/(reinstatement of value)	-	-	-	-	-	0
Reclassified assets held for sale	-	-	-	(79,391)	-	(79,391)
Other changes/disposals	-	-	-	-	-	0
Impairment loss 30/06/2015	8,890	0	1,287	0	211,309	221,486
Net book value at 31/12/2014	87,333	31,509	1,476	47,484	252,618	420,420
Net book value at 30/06/2015	87,333	31,509	1,104	0	252,618	372,564

Amortization, impairment loss and value reinstatement of intangible assets

Amortization is in line with the same period of the previous year:

Amortization and impairment loss of intangible assets (Euro/migliaia)	First half of 2015	First half of 2014
Magazines	3,687	3,687
Customer lists	667	667
Charges on shop lease contract takeovers	4	675
Software	682	755
Licenses, patents and rights	3	18
Cost of development	1,119	628
Other intangible assets	250	-
Total amortization of intangible assets	6,412	6,430
Amortization of intangible assets	-	-
Value reinstatement of intangible assets	-	-
Total amortization (value reinstatement) of intangible assets	0	0
Total amortization and impairment loss of intangible assets	6,412	6,430

The availability and use of intangible assets recognized in these financial statements are not subject to any lien or restriction.

76 Impairment test

Pursuant to IAS 34, for the purpose of drafting these interim financial statements an impairment test was carried out in order to identify any impairment values that occurred after the last impairment test performed.

Financial capitalization

In the past 12 months the Mondadori stock price fell from euro 1.0260 at 30 June 2014 to euro 0.8755 at 31 December 2014 and bounced back to euro 0.9995 at 30 June 2015.

The value resulting from the financial capitalization against 31 December 2014 has grown (euro 261.3 million against euro 228.9 million); although this value is still lower than Shareholders' equity, no significant impairment was recognized in consideration of the current financial market performance.

Group performance

In the period of reference the international economic scenario showed signs of recovery and the International Monetary Fund envisages another wave of consolidation of economic growth in the second half of 2015 and in 2016, particularly in the Euro zone.

In the main countries in which the Group operates the following conditions prevailed:

- in Italy, a better economic scenario with a slight increase in consumer spending and access to credit for enterprises; Italy also benefits from the depreciation of the euro currency and dropping oil prices;
- in France, the economy grew by 0.6% in the first quarter of 2015, with GDP for 2015 projected at 0.9% and unemployment expected to be at 10.5%.

In this market context Mondadori Group posted a 4.8% fall in revenues, recorded in all areas of the business, yet with margins, net of costs and non-recurring items, sharply up against the first half of 2014, as a result of higher margins on the products combined with lower overhead costs.

The considerable increase of EBITDA, which rose from euro 18.1 million in the first half of 2014 to euro 23.8 million at 30 June 2015, was attributable to the Books Area, which grew from euro 5.1 million to euro 8.5 million, the Magazines Area (Italy and France), up from euro 24.3 million to euro 26.6 million, and the Retail Area, which reduced the downturn from euro 5.1 million to euro 3.2 million.

The Group's net financial position at 30 June 2015 was equal to euro -326.5 million, against euro -368.9 million at 30 June 2014, as a result of the significant Group's cash generation - especially from operations - over the last 12 months.

Performance of the single CGUs

For all CGUs comprising assets with a finite and indefinite useful life and subject to the impairment test, an analysis was carried out in order to verify the performance at 30 June 2015 of the parameters used in the test for the drafting of the 2014 annual report, including cash generation from operations, operating margins and revenues.

The operating margin value of magazines belonging to the former Silvio Berlusconi Editore CGU (*TV Sorrisi e Canzoni, Chi and Telepiù*) in the first half of 2015 is above budget projections.

As to book publishers (*Einaudi, Sperling & Kupfer, Mondadori Education, Piemme*), cash generation from operations in the period was above budget, except for Einaudi, whose performance was slightly lower.

The net book value coverage rate, which is derived from the impairment test to be performed at the end of the financial year, was so high that it was not deemed necessary to carry out any impairment test at 30 June 2015.

The Mondadori France Group CGU recorded both overall revenues and operating margins for the first half of 2015 above the best budget projections; the same economic indicators for the single magazines - also subject to amortization - were essentially in line with the projections.

The value of the radio stations owned by Monradio S.r.l. - as described in Note 10 - along with the other assets and liabilities of the same company, were classified under "Assets/liabilities held for sale" and adjusted to the purchase price specified in the expression of interest received on 29 June 2015.

Impairment test elements

With reference to the elements that were included in the impairment test at 31 December 2014, the following should be noted:

- the composition and the perimeter of the Cash Generating Units did not change compared to those identified in the previous year;
- the Euro Area rate performance, taken as reference for the calculation of the discount rate defined based on the WACC method, did not undergo fluctuations during the period that would justify a re-calculation.

Conclusions

The elements described above did not result in any need for revision of the guidelines used for the preparation of the budget nor of the multi-year plans approved by the Mondadori Board of Directors in January 2015.

Despite the still difficult economic scenario and market context, the indicators did not reveal any need for the performance of an impairment test at 30 June 2015 as the book value of the assets with an indefinite useful life and goodwill for the CGUs did not show any impairment against the values at 31 December 2014.

11. PROPERTY INVESTMENTS

In the period no new investments nor disposals were made; the changes referred to period amortization for euro 52 thousand, in line with 2014 values.

The fair value of property investments at 30 June 2015 was estimated not to be lower than the net book value.

The table below is a breakdown of "Property Investments" in 2014 and in the first half of 2015:

Property investments (euro/000)	Land	Non-instrumental buildings	Total
Cost at 31/12/2013	976	3,951	4,927
Capital expenditures	-	57	57
Disposals	-	-	0
Other changes	-	-	0
Cost at 31/12/2014	976	4,006	4,984
Depreciation and impairment losses at 31/12/2013	-	1,746	1,746
Amortization, depreciation	-	105	105
Impairment/(reinstatement of value)	-	-	0
Disposals	-	-	0
Other changes	-	-	0
Depreciation and impairment losses at 31/12/2014	0	1,851	1,851
Net book value at 31/12/2013	976	2,205	3,181
Net book value at 31/12/2014	976	2,155	3,133

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Property investments (euro/000)	Land	Non-instrumental buildings	Total
Cost at 31/12/2014	976	4,006	4,982
Capital expenditures	-	-	0
Disposals	-	-	0
Other changes	-	2	2
Cost at 30/06/2015	976	4,008	4,984
Depreciation and impairment losses at 31/12/2014	-	1,851	1,851
Amortization, depreciation	-	52	52
Impairment/(reinstatement of value)	-	-	0
Disposals	-	-	0
Other changes	-	1	1
Depreciation and impairment losses at 30/06/2015	0	1,904	1,904
Net book value at 31/12/2014	976	2,155	3,131
Net book value at 30/06/2015	976	2,104	3,080

The use of the assets classified under property investments was not subject to any lien or restriction.

12. PROPERTY, PLANT AND MACHINERY

The net value of “Property, plant and machinery” posted a significant reduction against 31 December 2014 (euro -5,968 thousand).

Investments in “Plant and machinery”, equal to euro 452 thousand, mainly referred to the setting up of the Mondadori Retail S.p.A. point of sale in Milan opened mid of June 2015.

Investments in “Other tangible assets”, amounting to euro 1,653 thousand, mainly included costs borne for the point of sale above (euro 467 thousand) and the purchase of equipment, furniture and machinery for the office of the Retail Area (euro 803 thousand).

Item “Reclassified assets held for sale” comprised the value of Property, plant and machinery for euro 4,810 thousand relative to Monradio S.r.l., mainly referring to equipment and machinery for the radio station business.

The table below is a breakdown of “Property, plant and machinery” in 2014 and in the first half of 2015:

Property, plant and machinery (euro/000)	Land	Instrumental buildings	Plant and machinery	Other assets	Total
Cost at 31/12/2013	1,434	19,285	49,371	122,428	192,518
Capital expenditures	-	-	785	4,447	5,232
Disposals	-	-	(8,229)	(11,283)	(19,512)
Changes in the consolidation area	-	-	58	(2,214)	(2,156)
Other changes	-	443	251	(711)	(17)
Cost at 31/12/2014	1,434	19,728	42,236	112,667	176,065
Provision for depreciation and impairment loss at 31/12/2013	-	12,177	37,642	101,939	151,758
Amortization, depreciation	-	696	3,200	6,562	10,458
Impairment/(reinstatement of value)	-	329	-	265	594
Disposals	-	-	(7,875)	(10,944)	(18,819)
Changes in the consolidation area	-	-	51	(1,914)	(1,863)
Other changes	-	65	365	(428)	2
Provision for depreciation and impairment loss at 31/12/2014	0	13,267	33,383	95,480	142,130
Net book value at 31/12/2013	1,434	7,108	11,729	20,489	40,760
Net book value at 31/12/2014	1,434	6,461	8,853	17,187	33,935

Property, plant and equipment (euro/000)	Land	Instrumental buildings	Plant and machinery	Other assets	Total
Cost at 31/12/2014	1,434	19,728	42,236	112,667	176,065
Capital expenditures	-	-	452	1,653	2,105
Disposals	-	-	(20)	(362)	(382)
Reclassified assets held for sale	(321)	(1,490)	(25)	(16,308)	(18,144)
Changes in the consolidation area	-	-	-	-	0
Other changes	-	(1)	1,557	(1,333)	223
Cost at 30/06/2015	1,113	18,237	44,200	96,317	159,867
Provision for depreciation and impairment loss at 31/12/2014	-	13,267	33,383	95,480	142,130
Amortization, depreciation	-	269	1,273	1,716	3,258
Impairment/(reinstatement of value)	-	-	-	-	0
Disposals	-	-	(19)	(360)	(379)
Reclassified assets held for sale	-	(614)	(4)	(12,716)	(13,334)
Changes in the consolidation area	-	-	-	-	0
Other changes	-	-	2	223	225
Provision for depreciation and impairment loss at 30/06/2015	0	12,922	34,635	84,343	131,900
Net book value at 31/12/2014	1,434	6,461	8,853	17,187	33,935
Net book value at 30/06/2015	1,113	5,315	9,565	11,974	27,967

Item "Other tangible assets" posted a reduction mainly due to the reclassification of the radio station equipment relative to Monradio S.r.l. under "Assets held for sale". The item is broken down below:

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Other tangible assets (euro/000)	30/06/2015	31/12/2014
Industrial and commercial equipment	362	3,704
Electronic office equipment	1,554	1,715
Office furniture, and machines	5,165	5,493
Motor vehicles and transport vehicles	3	5
Leasehold improvements	4,201	4,329
Other assets	34	63
Assets under construction and advances	655	1,878
Total other tangible assets	11,974	17,187

Depreciation of properties, plant and equipment

Depreciation decreased compared to the previous year as a result of lower investments made in the first half of 2015 and the closure of the store located in corso Vittorio Emanuele in Milan, completed in December 2014.

Depreciation of properties, plant and machinery (Euro/migliaia)	First half of 2015	First half of 2014
Instrumental buildings	269	281
Plant and machinery	1,273	1,473
Equipment	80	125
Electronic office equipment	547	721
Office furniture, and machines	646	769
Motor vehicles and transport vehicles	1	3
Leasehold improvements	438	684
Other assets	4	29
Depreciation of properties, plant and machinery	3,258	4,085
Depreciation of tangible assets	-	-
Value reinstatement of tangible assets	-	-
Total depreciation (reinstatement of value) of tangible assets	0	0
Total depreciation and impairment loss of tangible assets	3,258	4,085

Assets in leasing

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There are currently no leasing contracts in place; in the previous years some assets were redeemed, the most relevant being a warehouse property close to Casale Monferrato.

13. INVESTMENTS

“Investments booked at equity” and “Investments in other companies” amounted to euro 39,912 thousand.

Investments (euro/000)	30/06/2015	31/12/2014
Investments booked at equity	39,565	39,201
Investments in other companies	347	443
Total investments	39,912	39,644

In the first half of 2015 capital account payments or payments to cover the losses of Società Europea di Edizioni S.p.A. and Editions Mondadori Axel Springer S.A. were carried out for a total of comprehensively euro 3,602 thousand.

The pro-rata results in the period of the companies booked at equity were positive for a total of euro 1,521 thousand and negative for euro 1,738 thousand; Note 33 includes details broken down by company.

The dividends collected by the Group in the first half of 2015 were paid out by Harlequin Mondadori S.p.A., (euro 500 thousand) and Edizioni EL S.r.l. (euro 496 thousand).

Investments valued at equity – Details (euro/000)	30/06/2015	31/12/2014
Investments in joint ventures:		
- Grüner + Jahr/Mondadori S.p.A.	1,168	1,213
- Harlequin Mondadori S.p.A.	587	861
- Edizioni EL S.r.l.	2,993	3,198
- Attica Publications Group	19,179	19,306
- ACI - Mondadori S.p.A.	86	88
- Mediamond S.p.A.	1,075	1,281
- Mondadori Independent Media LLC	683	605
- Mondadori Seec Advertising Co. Ltd	3,790	2,613
Total investments in joint ventures	29,561	29,165
Investments in associated companies:		
- Mach 2 Libri S.p.A.	2,501	2,959
- Mach 2 Press S.r.l.	231	356
- Società Europea di Edizioni S.p.A.	7,170	6,617
- Venezia Accademia Società per i servizi museali S.c.ar.l.	52	52
- Campania Arte S.c.ar.l.	22	22
- Consorzio Covar (in liquidation)	2	2
- Consortium Forma	1	1
- Milano Cultura S.c. a r.l.	15	17
Consorzio Scuola Digitale	10	10
Total investments in associated companies:	10,004	10,036
Total investments booked at equity	39,565	39,201

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The value of “Investments in other companies” decreased by euro 96 thousand as a result of the reclassification of Monradio S.r.l.’s shareholding under “Assets held for sale/discontinued operations”.

Investments in other companies - Details (euro/000)	30/06/2015	31/12/2014
Investments in other companies:		
- Milano Distribuzione Media S.r.l.	164	164
- Società Editrice Il Mulino S.p.A.	101	101
- Consuledit S.r.l.	1	1
- Consorzio Sistemi Informativi Editoriali Distributivi	10	10
- Immobiliare Editori Giornali S.r.l.	52	52
- Audiradio	-	23
- Consorzio Forte Montagnolo	-	1
- Consorzio riqualificazione Monte Gennaro	-	1
- Consorzio Camaldoli 1	-	2
- Consorzio Antenna Colbuccaro	-	8
- Aranova Freedom S.c.ar.l.	-	30
- Club Dab Italia	-	30
- Consorzio Edicola Italiana	10	10
- CTAV	6	6
- Consorzio CEP	-	1
- Sem Issy Media	3	3
Total investments in other companies	347	443

Impairment test

Concurrent with the drafting of the annual financial statements, Mondadori Group carries out an impairment test in order to verify the recoverable value of equity investments according to the value in use methodology; when in determining this value an impairment loss is identified, before proceeding with devaluation, the fair value is calculated after having deducted the estimated cost of disposal.

Therefore, an impairment test was carried out to verify that the values identified at 31 December 2014 were still current at 30 June 2015.

In particular, due to the significant economic and financial turbulence that characterized the Greek market, in which the Group operates through the equity interest owned in Attica, it was deemed necessary to carry out further analyses.

The economic balance values of the first half of 2015 essentially confirmed budget data and, considering Attica's market positioning and business model, it was not deemed necessary to revise the long-term projections.

The performance of the rates taken into account for the calculation of the discount rate adopted in the impairment test at 31 December 2014 was characterized by high volatility and significant growth which, however, due to the decision by the financial community and international institutions to rescue the Greek economy, showed positive signs of stabilization.

In light of the foregoing, the Directors, though aware of the critical situation and the need for accurate and steady monitoring, did not deem it necessary to recognize an impairment loss on the value of the equity interest held, waiting for more stable indicators.

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14. PRE-PAID TAX ASSETS AND DEFERRED TAX LIABILITIES

(euro/000)	30/06/2015	31/12/2014
IRES on tax losses	29,365	30,890
Pre-paid IRES	40,383	45,337
Pre-paid IRAP	2,183	2,655
Pre-paid tax assets	71,931	78,882
Deferred IRES	69,140	77,258
Deferred IRAP	3,556	4,399
Deferred tax liabilities	72,696	81,657

Item "IRES on tax losses", equal to euro 29,365 thousand, referred to the possible benefits resulting from the compensatory use of the losses generated by the Mondadori Group in the last financial years, transferred to the fiscal unit under the parent company Fininvest S.p.A. following the adherence to the national tax consolidation regime (pursuant to Articles 117 and the following of the Italian Presidential Decree no. 917/1986) for the 2013-2015 three-year period.

The balance value is in line with the value at 31 December 2014 as a result of the decrease attributable to the reclassification under "Assets held for sale" of Monradio S.r.l. and the recognition of prepaid taxes on the losses posted in the first half of 2015 by the companies adhering to the tax consolidation regime; the loss amount, lower than budget projections, is subject to the seasonality of the school textbook segment.

Item “Other prepaid tax assets” decreased by euro 5,426 thousand as a result of the partial use of some provisions subject to taxation.

Temporary differences that led to the recognition of pre-paid taxes

(euro/000)	30/06/2015			31/12/2014		
	Amount of temporary differences	Current tax rate	Pre-paid taxes	Amount of temporary differences	Current tax rate	Pre-paid taxes
Differences between book and tax value of intangible assets	2,807	(*)	772	3,569	(*)	981
Difference between book and tax value of property investments and investments in property, plant and equipment	2,222	(*)	611	2,570	(*)	707
Provision for bad debt	27,338	(*)	7,596	30,285	(*)	8,406
Depreciation of inventory	13,953	(*)	3,837	13,776	(*)	3,788
Provision for advances to authors	18,735	(*)	5,152	21,617	(*)	5,945
Provisions	40,243	(*)	11,108	48,414	(*)	13,355
Post-employment benefits	12,912	(*)	4,154	14,075	(*)	4,473
Elimination of intercompany income	9,784	(*)	2,689	10,496	(*)	2,885
Other temporary differences	15,588	(*)	4,464	16,795	(*)	4,797
Total for IRES purposes	143,582		40,383	161,597		45,337
Differences between book and tax value of intangible assets	6,872	(*)	268	7,246	(*)	283
Difference between book and tax value of property investments and investments in property, plant and equipment	846	(*)	33	946	(*)	37
Depreciation of inventory	12,282	(*)	479	11,715	(*)	457
Provision for advances to authors	12,513	(*)	488	14,396	(*)	561
Provisions	2,077	(*)	81	11,403	(*)	445
Post-employment benefits	4,026	(*)	157	4,221	(*)	165
Elimination of intercompany income	9,784	(*)	382	10,496	(*)	410
Other temporary differences	7,564	(*)	295	7,629	(*)	297
Total for IRAP purposes	55,964		2,183	68,052		2,655

(*) It should be noted that, with reference to income tax, each Group company applied the tax rate applicable in the country of residence. As for IRAP, each Group company applied the tax rate in force taking into account taxable income differences by region.

“Deferred tax liabilities” posted a decrease equal to euro 8,961 thousand, mainly attributed to the reclassification of Monradio s.r.l.’s balance values under “Liabilities held for sale” and to the amortization of Mondadori France magazines.

Temporary differences that led to the recognition of deferred taxes

(euro/000)	30/06/2015			31/12/2014		
	Amount of temporary differences	Current tax rate	Deferred taxes	Amount of temporary differences	Current tax rate	Deferred taxes
Capital gains in instalments	-	(*)	-	-	(*)	-
Differences between book and tax value of intangible assets	216,461	(*)	67,049	244,679	(*)	75,111
Difference between book and tax value of property investments and investments in property, plant and equipment	2,135	(*)	587	2,449	(*)	673
Post-employment benefits	629	(*)	173	522	(*)	143
Assets in leasing	4,342	(*)	1,194	497	(*)	137
Other temporary differences	498	(*)	137	4,342	(*)	1,194
Total for IRES purposes	224,065		69,140	252,489		77,258
Capital gains in instalments	-	(*)	-	-	(*)	-
Differences between book and tax value of intangible assets	86,457	(*)	3,372	107,872	(*)	4,207
Difference between book and tax value of property investments and investments in property, plant and equipment	1,693	(*)	66	1,718	(*)	67
Post-employment benefits	421	(*)	16	436	(*)	17
Assets in leasing	2,128	(*)	83	497	(*)	19
Other temporary differences	487	(*)	19	2,282	(*)	89
Total for IRAP purposes	91,186		3,556	112,805		4,399

(*) It should be noted that, with reference to income tax, each Group company applied the tax rate applicable in the country of residence. As for IRAP, each Group company applied the tax rate in force taking into account taxable income differences by region.

Non sono stanziati imposte differite relativamente agli utili non distribuiti dalle società controllate e collegate.

15. OTHER NON-CURRENT ASSETS

“Other non current assets” posted a decrease equal to euro 140 thousand against 31 December 2014.

Other non-current assets (euro/000)	30/06/2015	31/12/2014
Guarantee deposits	1,549	1,637
Confirmation deposits	-	-
Receivables due to the Inland Revenue Office for IRE on post-employment	-	-
Receivables due from Fininvest for IRES	-	-
Other	159	211
Total other non-current assets	1,708	1,848

The reduction in item “Guarantee deposits” referred to the stipulation of some lease contracts in the Retail Area.

16. TAX RECEIVABLES AND PAYABLES

Tax receivables (euro/000)	30/06/2015	31/12/2014
Receivables due from the Inland Revenue Office for IRAP	1,905	1,393
Receivables due from the Inland Revenue Office for IRES	3,772	2,890
Receivables due from Fininvest for IRES	6,875	8,625
Receivables from Inland Revenue Office for VAT, direct taxes to recover and advances on disputes	40,139	37,132
Total tax receivables	52,691	50,040

The Group's position in relation to tax receivables recorded an increase by euro 2,651 thousand:

- "Receivables due from the Inland Revenue Office for IRAP" increased against 31 December 2014 as a result of advance payments made in the month of June;
- "Receivables due from the Inland Revenue Office for IRES" did not include receivables relating to Monradio S.r.l. in application of article 2 of the Italian Legislative Decree no. 225 of 29 December 2010, amended by Italian Law n.214 of 22 December 2011, which introduced a new provision allowing companies with a tax loss and/or a statutory loss to "transform" pre-paid taxes resulting from misalignments relative to the value of goodwill and other intangible assets into to-be-compensated tax receivables. The amount reclassified under "Assets held for sale" totalled euro 2,619 thousand. The balance value is mainly attributable to the advance payments made by some Mondadori France Group companies;
- "Receivables due from Fininvest for IRES" included:
 - IRES amount to be recovered following the partial deductibility of IRAP for the 2008-2011 period. The relevant application forms for reimbursement have been filed in 2013 (euro 5,729 thousand). In the first half of 2015 the amount subject to reimbursement for 2006 and 2007 for a total of euro 2 million was collected;
 - withholding taxes paid in the previous years and in the period of reference for a total of euro 1,146 thousand;
- "Receivables from Inland Revenue Office for VAT", direct taxes to recover and advances on disputes included:
 - VAT subject to reimbursement for euro 8,754 thousand;
 - VAT carried forward (euro 14,774 thousand), whose application for reimbursement will be filed in 2015 for at least euro 10,476 thousand;
 - VAT receivable due to Fininvest S.p.A., following the implementation of the consolidation regime for Mondadori Group companies (euro 5,400 thousand);
 - VAT receivable relative to Mondadori France for euro 3,248 thousand;
 - receivables for tax disputes for a total of euro 7,811 thousand. The amounts referred to the temporary payment of some tax forms received by Group companies in relation to pending tax disputes. Following tax audits by the Finance Police, a few reports were made on a number of subsidiaries:
 - Arnoldo Mondadori Editore S.p.A. for the years 1996-1997-1998-1999, following completion of the inspection by the Italian Social Security Division for Journalists and the Finance Police, the Inland Revenue Office notified tax assessments containing the request for additional IRPEF amounts for a total of euro 186 thousand plus applicable ancillary charges as a result of failed payment of withholding taxes.

The Company filed an appeal before the Tax Commission. In this respect the following should be noted:

- for the tax assessments relative to 1996 and 1998 the Provincial Tax Commission rejected the appeal filed by the company, pending the terms for a second appeal.
- the tax assessment relative to 1999 was cancelled by the Provincial Tax Commission; the Division filed an appeal before the Regional Tax Commission; the Regional Tax Commission suspended the proceedings pending resolution of the proceedings before the labour judge.
- Arnoldo Mondadori Editore S.p.A. for the year 2004: the Central Division of the Lombardy Region submitted findings relative to the application of a 12.50% withholding tax on the interest paid on a loan stock in favour of a subsidiary for a total of euro 999 thousand, plus applicable ancillary charges; against such assessment proceedings have been filed with the Court of Cassation.
- Arnoldo Mondadori Editore S.p.A. for the year 2005: the Central Division of the Lombardy Region challenged the omitted payment of a 12.50% withholding tax for a total of euro 3,051,000 plus applicable ancillary charges by means of a tax assessment in relation to interest paid on a loan stock stated in 2004. Against such assessment proceedings have been filed with the Court of Cassation.
- Mondadori Direct S.p.A. received tax assessments for IRES, IRAP and VAT relative to the 2003-2006 tax years. All these tax assessments have been challenged before the Provincial Tax Commission, which accepted the appeals. The Division appealed before the Regional Tax Commission and the date of the hearing has not been established yet. As for IRAP for 2004, the Division filed an appeal before the Court of Cassation after receiving the cancellation of the assessment notice from the Regional Tax Commission;
- As for Giulio Einaudi Editore S.p.A. the years from 2005 to 2009 are yet still pending; all tax assessments relative to these years have been challenged before the Provincial Tax Commission, which issued a resolution accepting the appeals filed by Einaudi on 25 September 2014. The Inland Revenue Office filed an appeal before the Regional Tax Commission. On 4 May 2015 the Regional Tax Commission of Rome filed a decision by which it accepted the appeal against the second level notice on the same issues pending on the 2006 fiscal year.

Income tax payables (euro/000)	30/06/2015	31/12/2014
Payables due to Inland Revenue Office for IRAP	84	49
Payables due to Inland Revenue Office for IRES	4,019	90
Payables due to Fininvest for IRES	-	-
Total income tax payables	4,103	139

“Payables due to Inland Revenue Office for IRES” included the tax position of Mondadori France Group companies; “Payables due to Inland Revenue Office for IRAP” referred to Edizione Piemme S.p.A. and Mondadori Libri S.p.A.

17. OTHER CURRENT ASSETS

“Other current assets” posted an increase (euro 8,066 thousand) due to the position towards agents and authors of the Books Area regarding commissions and advance payments not yet fully accrued.

Other current assets (euro/000)	30/06/2015	31/12/2014
Receivables due from agents	4,056	317
Receivables due from authors and employees	91,023	89,155
Provision for advances to authors	(29,452)	(31,807)
Receivables due from suppliers	5,495	6,571
Receivables due from personnel	669	798
Receivables for insurance compensation	-	-
Receivables due from social security institutions	2,461	2,381
Receivables for guarantee deposits	445	176
Other receivables due from associated companies	3,454	3,081
Prepayments	1,481	2,816
Other	16,121	14,199
Total other current assets	95,753	87,687

18. INVENTORY

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“Inventory” was up by euro 6,921 thousand as a result of the typical seasonality of some business segments in which the Group operates.

Inventory (euro/000)	30/06/2015	31/12/2014
Raw materials and consumption materials	10,306	9,884
Depreciation for raw materials and consumption materials	(225)	(225)
Total raw materials and consumption materials	10,081	9,659
Work in progress and semi-finished goods	10,251	13,647
Depreciation of work in progress and semi-finished goods	(1,435)	(1,232)
Total work in progress and semi-finished goods	8,816	12,415
Contract work in progress	2,561	2,671
Depreciation of contract work in progress	(106)	(102)
Total contract work in progress	2,455	2,569
Finished products and goods	108,204	98,029
Depreciation of finished products and goods	(14,270)	(14,307)
Total finished products and goods	93,934	83,722
Advances	-	-
Total inventory	115,286	108,365

In the period the policy changes regarding the paper procurement process were completed, envisaging that, starting from 2014, the process shall be directly managed by Arnoldo Mondadori S.p.A. for the magazines and by Mondadori Libri S.p.A. for the production of books.

In the period the Group revised its policy regarding the production of editorial content in the Books Area with a view to reducing the number of new, selected products and quantities printed.

These actions, together with the stock rationalization process in the Retail Area, generated a reduction of the balance value of “Work in progress and semi-finished goods” and “Finished products and goods”.

The gross value of the latter items, due to the typical seasonality of the school textbook segment and the books area in general, should be compared to the euro 110,896 thousand posted in the first half of 2014.

Inventory depreciation was calculated separately and analytically by each Group company, taking into account finished product marketability and any failed revenue generation from orders in progress and semi-finished products.

Inventory - Depreciation (euro/000)	Raw materials	Work in progress and semi-finished products	Contract work in progress	Finished products and goods
Balance at 31/12/2013	150	1,255	227	13,802
Changes in the period:				
- provisions	173	-	79	4,803
- utilizations	(98)	(23)	(204)	(4,300)
- other changes	-	-	-	2
Balance at 31/12/2014	225	1,232	102	14,307
Changes in the period:				
- provisions	-	203	4	2,295
- utilizations	-	-	-	(2,332)
- other changes	-	-	-	-
Balance at 30/06/2015	225	1,435	106	14,270

No inventory was subject to restriction to cover liabilities.

Decrease (increase) of inventory

The economic effects resulting from the changes in inventory and the provisions for their value adjustments are detailed below.

Decrease (increase) of inventory (euro/000)	First half of 2015	First half of 2014
Changes in finished products and goods	(10,175)	13,094
Provision for finished products and goods	2,295	4,803
Utilization of the provisions for finished products and goods	(2,332)	(4,300)
Total changes in inventory of finished products and goods	(10,212)	13,597
Changes in work in progress and semi-finished products	3,397	820
Provision for work in progress and semi-finished products	203	-
Utilization of work in progress and semi-finished products	-	(23)
Total changes in work in progress and semi-finished products	3,600	797
Changes for contract work in progress	110	283
Provision for contract work in progress	4	79
Utilization of contract work in progress	-	(204)
Total changes in contract work in progress	114	158
Changes in raw, ancillary and consumption materials	(465)	(875)
Provision for raw, ancillary, consumption materials	-	173
Utilization of the provisions for raw, ancillary, consumption materials	-	(98)
Total changes in inventory of raw, ancillary, consumption materials	(465)	(800)
Total decrease (increase) in inventory	(6,963)	13,752

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19. TRADE RECEIVABLES

Trade receivables (euro/000)	30/06/2015	31/12/2014
Receivables due from customers	199,159	223,741
Receivables due from associated companies	60,008	44,341
Receivables due from parent companies	24	29
Receivables due from affiliated companies	916	625
Total trade receivables	260,107	268,736

“Trade receivables” decreased by euro 8,629 thousand against 31 December 2014 as a result of the seasonality of revenues and efficient management of operations.

“Receivables due from associated companies”, mainly reflecting the exposure of Arnoldo Mondadori Editore S.p.A. vis-à-vis Mediamond S.p.A. for the transfer of the advertising business relative to magazines and of Mondadori Libri S.p.A. vis-à-vis Mach 2 Libri S.p.A. for the distribution of books to large retailers, increased against 31 December 2014 as a result of different billing flows.

Receivables from associated companies, parent company and affiliated companies are detailed in Annex “Transactions with related parties”; transactions with related parties are carried out under normal market conditions.

Item “Customers - returns to receive”, equal to euro 131,951 thousand, posted a reduction in the Magazines Area, both in Italy and in France, due to dropping revenues, while the Books Area is essentially in line with the value of the previous year.

“Trade receivables” decreased by euro 22,827 thousand against 30 June 2014. The variation was attributable to:

- improved management, which resulted in a reduction of the collection days, calculated with the count back method, from 92.4 of 30 June 2014 to 87.6 of 30 June 2015;
- dropping revenues, which also affected associated companies to which the advertising spaces are billed regarding the magazines and the books for the distribution to the large retailer segment;
- reduced revenues generated by the subscription channel;
- the reclassification of the value of Monradio S.r.l. attributable to Mediamond S.p.A., equal to euro 4,570 thousand, under “Assets held for sale”.

There were no trade receivables due over five years.

Trade receivables Receivables due from customers (euro/000)	30/06/2015	31/12/2014
Receivables due from customers	367,648	388,339
Customers – returns to receive	(131,951)	(129,048)
Provision for bad debt	(36,538)	(35,550)
Total receivables from customers	199,159	223,741

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The amount for the provision for bad debt is calculated by each Group company after an accurate analysis of each individual debt item position, considering also the customer solvency rating; the increase against 31 December 2014 totalled euro 1 million.

Item “Other changes” included a reclassification of item “Other provisions for risks” corresponding to the amount allocated to adjust receivables due from the advertising agency, which - by contract - is required to compensate the publisher for any losses suffered on the receivables.

Trade receivables Receivables from customers - Bad debt provision (euro/000)	30/06/2015	31/12/2014
Balance at beginning of year	35,550	46,365
Changes in the period:		
- provisions	4,388	8,378
- utilizations	(7,272)	(15,024)
- changes in consolidation area	-	(745)
- other changes	3,872	(3,424)
Total bad debt provision	36,538	35,550

20. FINANCIAL ASSETS

Non-current financial assets (euro/000)	30/06/2015	31/12/2014
Financial receivables due from associated companies	-	-
Financial receivables	316	316
Financial assets at fair value with adjustments recognised under income statement	-	-
Held-for-sale financial assets	-	-
Assets resulting from derivative instruments	-	-
Total non-current financial assets	316	316

“Non current financial assets”, equal to euro 316 thousand, included amounts coming due over 12 months towards third party relating to Mondadori Magazines France S.a.s.

“Other current financial assets”, equal to euro 7,927 thousand, included the credit positions on current accounts held by the Parent Company towards some associated companies, as well as the loan to Mondadori SEEC Advertising Co. Ltd. The item decreased by euro 3,989 thousand against 31 December 2014.

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Other current financial assets (euro/000)	30/06/2015	31/12/2014
Financial receivables due from customers	13	300
Financial receivables due from associated companies	1,512	5,429
Financial receivables due from parent company	-	-
Financial receivables due from affiliated companies	-	-
Financial receivables due from others	6,402	6,187
Total financial receivables	7,927	11,916
Financial assets at fair value with adjustments recognized under income statement	-	-
Held-for-sale financial assets	-	-
Assets resulting from derivative instruments	-	-
Total other current financial assets	7,927	11,916

Assets and liabilities resulting from derivative instruments

Assets and liabilities in derivative instruments - Details (euro/000)	Type of derivative instrument	Fair value at 30/06/2015	Fair value at 31/12/2014
Non-current financial assets (liabilities)			
- Rate derivatives	<i>Cash flow hedge</i>	(1,358)	(1,723)
Current financial assets (liabilities)			
- Currency derivatives	<i>Trading</i>	-	-

The Group has adopted a Financial Risk Management policy. The use of derivative instruments is in line with the guidelines contained in such policy. In order to verify hedging efficiency, the Group performs a series of perspective and retroactive tests at least on a quarterly basis.

Trading derivatives refer to transactions that, though established for hedging purposes, do not fully meet the requirements envisaged by the international accounting standards to qualify for hedge accounting. In the case of the Mondadori Group, trading derivatives only referred to exchange risk management, which is not present in the Group's financial statements at 30 June 2015.

Perspective tests envisage that at the beginning of a hedge transaction and for its entire duration, each individual hedge proves highly effective. This means that any changes in the fair value or cash flow of the hedged item almost completely offset any changes in the fair value or cash flow of the hedged instrument.

Retroactive tests envisage that a hedge proves highly effective, when its results fall in a 80%-125% range. Group criteria to test effectiveness include statistic regression analyses and the Dollar Offset Method or Ratio Analysis.

In addition, the Group calculates the fair value of current hedge transactions on a quarterly basis.

At 30 June 2015 there were only exchange risk hedge contracts:

- three Interest Rate Swap (IRS) floating to fix contracts of euro 86.3 million, converting the floating rate (1 month Euribor) into fixed at 0.42% on average, with expiry on 31 December 2016, referring to the portion of the Term Loan stipulated in November 2013;
- an Interest Rate Swap (IRS) floating to fix contract of euro 47.5 million, converting the floating rate (1 month Euribor) into fixed at 0.61% with expiry on 15 December 2017 to hedge the Term Loan contract underwritten with Mediobanca;

The table below shows the hedge impact on income statement and shareholders' equity:

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Cash flow hedge reserve (euro/000)	30/06/2015	31/12/2014
Initial balance gross of the tax impact	(4,350)	(3,512)
Amount recognised in the period	668	(321)
Amount endorsed from reserve and recognised under income statement:		
- adjustments to expenses	(385)	(725)
- adjustments to revenues	16	208
Final balance gross of the tax impact	(4,051)	(4,350)
Inefficient part of hedge	0	0

21. CASH AND CASH EQUIVALENTS

This item, totalling euro 6,676 thousand, decreased by euro 6,290 million against 31 December 2014 as a result of a better management of liquidity.

Cash and cash equivalents (euro/000)	30/06/2015	31/12/2014
Cash and cash on hand	229	1,117
Bank deposits	5,844	11,360
Postal deposits	603	489
Total cash and cash equivalents	6,676	12,966

Item "Bank deposits" included current account balances of Arnoldo Mondadori Editore S.p.A. and Mondadori International Business S.r.l. (euro 13.0 million at 31 December 2014).

The fair value of cash and cash equivalents at 30 June 2015 was equal to the relevant book value.

For more details relative to the changes in cash and cash equivalents reference should be made to the Group consolidated cash flow statement.

The table below shows the Group net financial position in accordance with Consob recommendations.

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Net financial position (euro/000)	30/06/2015	31/12/2014	30/06/2014
A Cash	229	1,117	811
- Bank deposits	5,844	11,360	13,778
- Postal deposits	603	489	3,681
B Other cash and cash equivalents	6,447	11,849	17,459
C Cash and cash equivalents and other financial assets (A+B)	6,676	12,966	18,270
D Securities held for trading			
- Financial receivables due from associated companies	1,512	5,429	8,793
- Financial assets at fair value	-	-	-
- Held-for-sale financial assets	-	-	-
- Derivatives and other financial assets	6,415	6,487	8,497
E Receivables and other current financial assets	7,927	11,916	17,290
F Current financial assets (D+E)	7,927	11,916	17,290
G Current payables due to banks	18,351	9,509	46,792
- Bonds	-	-	-
- Loans	-	-	-
- Borrowings	50,009	35,000	10,479
H Current portion of non-current debt	50,009	35,000	10,479
- Financial payables due to associated companies	3,584	2,891	3,898
- Derivatives and other financial liabilities	2,801	3,296	2,279
I Other current financial liabilities	6,385	6,187	6,177
L Payables due to banks and other current financial liabilities (G+H+I)	74,745	50,696	63,448
M Current net financial position (C+F-L)	(60,142)	(25,814)	(27,888)
- Bonds	-	-	-
- Loans	-	-	-
- Borrowings	261,460	260,716	334,883
N Debt non-current portion	261,460	260,716	334,883
O Other non-current financial liabilities	5,246	5,611	6,474
P Non-current net debt (N+O)	266,706	266,327	341,357
Q Net debt (M-P)	(326,848)	(292,141)	(369,245)

Should the balance of “Non-current financial assets”, equal to euro 316 thousand and not included in the Consob format, be added to the above data, the Group net financial position would be negative for euro 326,532 thousand.

The higher net debt amount against 31 December 2014 is attributable to the seasonal fluctuation of the performance of some business segments - mainly school textbooks - concentrating revenue generation and collections in the second half of the year.

The significant growth of the Group’s net financial position against 30 June 2014 was attributable to the cash generation from ordinary operations (euro 31.5 million) and to the contribution from extraordinary items (euro 10.9 million) mainly referred to the collection of VAT receivables from the previous years.

Further information regarding the Group’s net financial position is detailed in the Notes 20, 21 and 25.

22. SHAREHOLDERS’ EQUITY

Shareholders’ equity at 30 June 2015, equal to euro 278,358 thousand, dropped by euro 10,763 thousand, mainly corresponding to the Group’s result for the period, and it comprised the devaluation of discontinued operations - equal to euro 7,090 thousand, which was deemed necessary to align the value to the fair value. Changes are detailed in the corresponding table of reference.

Third shareholders’ reserves refer to company Edizioni Mondadori Axel Springer S.n.c., NaturaBuy S.a.s. and Kiver S.r.l.

Other changes mainly referred to “Reserve for cash flow hedge” and “Reserve for post-employment discounting”.

23. PROVISIONS

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“Provisions”, equal to euro 53,365 thousand, dropped by euro 15,744 thousand.

Provisions (euro/000)	31/12/2014	Provisions	Utilizations	Other changes	30/06/2015
Provision for agents' contractual risks	5,108	-	(97)	-	5,011
Provision for personnel downsizing risks	16,983	1,509	(6,560)	147	12,079
Provision for legal risks	22,106	25	(3,258)	(147)	18,726
Provision for equity investment risks	5,114	-	-	(2,340)	2,774
Provision for tax disputes	3,528	-	-	-	3,528
Other risk provisions	16,270	807	(1,235)	(4,595)	11,247
Total provisions	69,109	2,341	(11,150)	(6,935)	53,365

The reduction in item “Provisions” was attributable mainly to the partial utilization of the amount allocated in the previous years for staff downsizing measures, in particular in the Magazines Italy Area, including the payment of employee indemnities in the first half of 2015 and also to the settlement of some disputes pending both in the Magazines Area and Books Area.

Item “Provision for equity investment risk” mainly referred to the capital increase transaction in favour of Emas Digital S.a.s. (euro 3,120 thousand), which enabled it to adjust the provision made to hedge against the losses accrued in the past years, exceeding shareholders’ equity; based on the result for the period it was deemed necessary to increase the provision by euro 780 thousand.

“Other risk provision” included the reclassified amounts of Monradio S.r.l. under “Liabilities held for sale” and the provision for receivable adjustments regarding the advertising agency, resulting from the decrease in the corresponding item under assets for euro 4,131 thousand.

24. POST-EMPLOYMENT BENEFITS

“Provisions”, equal to euro 44,234 thousand, dropped by euro 2,475 thousand.

Post-employment benefits (euro/000)	30/06/2015	31/12/2014
Provision for post-employment benefits (TFR)	36,702	39,013
Provision for supplementary agents' indemnity (FISC)	7,276	7,369
Provision for retirement and similar obligations	256	327
Total post-employment benefits	44,234	46,709

Post-employment benefits and the supplementary agents' indemnity have been determined by applying an actuarial method in compliance with IAS 19 and IAS 37.

It should be noted that for both calculations a discounting rate based on the iBoxx benchmark, euro area, rating AA and with a 10+ duration was used consistently with past valuations.

Actuarial assumptions to measure TFR	30/06/2015	31/12/2014
Economic assumptions:		
- increase in cost of living	1.5%	0.6% - 1.5%
- discounting rate	2.06%	1.49%
Demographic assumptions:		
- probability of death	IPS 55 tables	IPS 55 tables
- probability of disability	INPS 2000 tables	INPS 2000 tables
- probability of leaving for other reasons	from 5.00% to 18.51%	from 5.48% to 18.41%
- retirement age	Applicable regulations	Applicable regulations

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The balance amount of “Provision for post-employment benefits (TFR)” dropped against 31 December 2014 despite the fact that a higher discount rate was used (2.06% instead of 1.49%) as a result of the headcount reduction.

The effect resulting from the rate variation is equal to euro 0.9 million; by increasing or decreasing the discounting rate by 0.5%, the effect on the “Post-employment benefits provision” item would be equal to approximately euro 0.8 million.

Post-employment benefits - Details (euro/000)	TFR	FISC	Provision for retirement
Balance at 31/12/2014	39,013	7,369	327
Changes in 2015:			
- provisions under income statement	30	477	-
- provisions under Shareholders' equity	(274)	-	-
- utilizations	(1,711)	(570)	(71)
- discounting	252	-	-
- reclassified liabilities held for sale	(608)	-	-
- changes in the consolidation area and other changes	-	-	-
Balance at 30/06/2015	36,702	7,276	256

Following the application of revised IAS 19 as of 1 January 2013, envisaging the recognition of actuarial profits (losses) under a specific reserve of Shareholders' equity, post-employment benefits cost items, booked under income statement, included the service cost of the companies with less than 50 employees for euro 30 thousand and financial costs for euro 215 thousand.

The variation in "Provision for supplementary agents' indemnity (FISC)" reflected the provision made for the period and the payments relating to the turnover in the sales force of the Group in 2014.

Actuarial assumptions to measure FISC	30/06/2015	31/12/2014
Economic assumptions:		
- discounting rate	2.06%	1.49%
Demographic assumptions:		
- probability of death/disability	1.0%	1.0%
- probability of leaving service	5.0%	1.0%
- probability of voluntary resignation	1.5% - -2.0%	1.5% - -2.0%
- average age of agency contract termination	Applicable regulations	Applicable regulations

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"Provision for retirement" was not subject to discounting because the effects were irrelevant.

25. FINANCIAL LIABILITIES

Current and non-current financial liabilities, equal to euro 266,706 thousand, were essentially in line with the values recorded at 31 December 2014.

Non-current financial liabilities (euro/000)	Actual interest rate	Expiry 1-5 years	Expiry over 5 years	30/06/2015	31/12/2014
Bonds		-	-	-	-
Convertible bonds		-	-	-	-
Borrowings	4.556%	261,460	-	261,460	260,716
Payables due to suppliers		-	-	-	-
Payables due to associated companies		-	-	-	-
Payables due to parent companies		-	-	-	-
Payables due to affiliated companies		-	-	-	-
Payables due for lease agreements		-	-	-	-
Payables for shareholders' contributions		-	-	-	-
Liabilities resulting from derivatives		1,358	-	1,358	1,723
Other financial liabilities		3,888	-	3,888	3,888
Total non-current financial liabilities		266,706	0	266,706	266,327

Item "Non-current financial liabilities" equal to euro 266,706 thousand mainly included:

- euro 170,185 thousand regarding the amortized cost of the Amortizing Term Loan underwritten with a pool of banks and expiring in 2016/2017/2018;
- euro 44,057 thousand regarding the use of the Term Loan of the bilateral contract stipulated with Intesa Sanpaolo, coming to maturity in December 2016;
- euro 47,349 thousand regarding the use of the Term Loan of the contract stipulated with Mediobanca, coming to maturity in December 2017;
- euro 1,358 thousand regarding the fair value of the stipulated derivative contracts;
- euro 3,888 thousand regarding the fair value of the options relative to the acquisition of the residual 20% of NaturaBuy S.a.s. and the residual 24.78% of Kiver S.r.l. and the fair value of the earn out relative to the acquisition of Mondadori UK.

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The actual interest rate relative to "Borrowings" corresponded to the weighted average of the actual rates calculated on borrowings.

Payables due to banks and other financial liabilities (euro/000)	Actual interest rate	30/06/2015	31/12/2014
Bank deposits		18,351	9,509
Bonds		-	-
Convertible bonds		-	-
Borrowings	1.479%	50,009	35,000
Payables due to suppliers		5	5
Payables due to associated companies		3,584	2,891
Payables due to parent companies		-	-
Payables due to affiliated companies		-	-
Payables due for lease agreements		-	-
Payables for shareholders' contributions		-	-
Liabilities resulting from derivatives		-	-
Other financial liabilities		2,796	3,291
Total payables due to banks and other financial liabilities		74,745	50,696

“Payables due to banks and other financial liabilities” were equal to euro 74,745 thousand and mainly included:

- euro 10,000 thousand regarding the use of the revolving portion of the bilateral loan contract stipulated with Intesa Sanpaolo, coming to maturity in December 2016;
- euro 40,000 thousand regarding the use of “Hot Money” lines;
- euro 3,584 thousand relative to financial payables due to associated companies using the intercompany current accounts. For more information reference should be made to “Transactions with related parties”.

These increased in the period due to seasonal fluctuations.

At 30 June 2015 the Financial Covenant (Net Financial Position) resulting from the consolidated half year report was equal to euro -326,532 thousand, below the cap of euro -500,000 thousand envisaged in the corresponding loan contracts.

For information relative to the financial instruments reference should be made to Note 21 – “Financial assets” in these Notes.

26. OTHER CURRENT LIABILITIES

Item “Other current liabilities” dropped by euro 14,046 thousand.

“Tax liabilities”, including withholdings and VAT amounts, and “Payables due to welfare and social security bodies”, including contributions, decreased by euro 872 thousand against 31 December 2014, mainly as a result of a different incidence of the 14th monthly salary bonus amount compared to the 13th monthly salary bonus amount.

Other current liabilities (euro/000)	30/06/2015	31/12/2014
Advances to customers	26,879	25,639
Tax payables	12,958	13,830
Payables due to welfare and social security entities	23,053	27,921
Payables due to associated companies	515	452
Other payables	126,773	136,382
Total other current liabilities	190,178	204,224

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Item “Other payables” is broken down below:

Other current liabilities – Other payables (euro/000)	30/06/2015	31/12/2014
Payroll and other amounts due to personnel	26,752	27,536
Payables due to authors and workers	51,227	44,945
Payables due to agents	3,463	8,169
Payables to subscription and instalment customers	37,323	42,271
Payables to directors and statutory auditors	1,261	3,255
Deferred income for anticipated rents	8	-
Other payables, accrued expense and deferred income	6,739	10,206
Total other payables	126,773	136,382

“Other current liabilities - Other payables” posted a reduction of euro 9,609 thousand in the following items:

- “Payroll and other amounts due to personnel” as a result of the headcount reduction;
- “Payables due to agents” as a result of the seasonal fluctuations typical of the school textbook market, as revenues and commissions are accrued and concentrated in the second half of the year;
- “Payables to subscription and instalment customers” as a result of the reduction in the number of subscriptions for magazines.

“Payables due to authors and workers” increased as a result of the rights accrued and not yet compensated by the advance payments made.

27. TRADE PAYABLES

(euro/000)	30/06/2015	31/12/2014
Payables due to suppliers	282,663	271,182
Payables due to associated companies	10,394	15,150
Payables due to parent company	40	24
Payables due to affiliated companies	2,849	4,723
Total trade payables	295,946	291,079

“Trade payables”, amounting to euro 295,946 thousand, increased against 31 December 2014 as a result of the typical seasonality of some business segments characterized by a concentration of the editorial content production in the first half of the year.

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“Payables due to associated companies” decreased as a result of lower purchases of products distributed by Harlequin Mondadori S.p.A. and Edizioni EL S.r.l. in the Books Area and by Società Europea di Edizioni S.p.A. and Grüner und Jahr Mondadori S.p.A. in the Magazines Italy Area.

Compared to 30 June 2014 the reduction totalled euro 9,701 thousand. The variation was attributable to the following:

- improved payment punctuality and consequent reduction of overdraft;
- reduction in the volume of purchases, associated with revenue performance;
- the reclassification of the Monradio S.r.l.’s balance value, equal to euro 4,063 thousand, under “Liabilities held for sale”.

There were no trade receivables due over five years.

Payables due to associated companies, parent company and affiliated companies are detailed in Annex “Transactions with related parties”; transactions with related parties are carried out under normal market conditions.

28. REVENUES FROM SALES AND SERVICES

Revenues from sales and services (Euro/migliaia)	First half of 2015	First half of 2014	Var. %
Revenues from the sale of products:			
- books	82,322	89,259	(7.8%)
- magazines	218,685	230,449	(5.1%)
- <i>direct</i>	8,497	8,926	(4.8%)
- <i>retail</i>	74,567	79,738	(6.5%)
- other assets	1,491	1,405	6.1%
Revenues from the sale of services			
- transfer of publication rights	1,977	1,943	1.7%
- sale of e-books	4,569	3,854	18.6%
- revenues from book e-commerce	4,773	4,599	3.8%
- advertising services	80,944	85,697	(5.5%)
- direct marketing	5,653	5,983	(5.5%)
- ticket sale and organisation of exhibitions	7,625	7,260	5.0%
- other services	26,034	24,190	7.6%
Total revenues from sales and services	517,137	543,303	(4.8%)

“Revenues from sales and services”, equal to euro 517,137 thousand, dropped by 4.8% as a result of the following:

as for Products:

- dropping revenues from book sales (-7.8%), resulting from the fall recorded in the Trade segment (also driven by a targeted publishing policy), despite the increase in the Education segment (which was characterized by the seasonal performance of the school textbook market in the period);
- the reduction in the Magazines Area, affected by the performance of the markets of reference in terms of circulation (newsstands and subscriptions) both in France and in Italy, except for the growth recorded in the number of subscriptions in France (+0.6%);
- lower revenues from the sale of books by mail order (-4.8%), in line with the downward trend recorded in the past few years;
- dropping revenues generated by the stores of the Retail Area (-6.5%), also as a result of the disposal of the flagship store located in corso Vittorio Emanuele in Milan;

as for Services:

- reduced revenues from the sale of advertising spaces recorded in the Magazines Area both in Italy and in France;
- despite the growing trend, significant in terms of percentage (+18.6% and +3.4%, respectively) but still relatively insignificant in absolute value, of the sale of e-books and e-commerce, as well as the growing trend recorded in the activities related to the management of museum concessions (+5%).

For more information on revenues and performance of the different business segments in which the Group operates, reference should be made to the “Annual Report”.

29. COST OF RAW, ANCILLARY, CONSUMPTION MATERIALS AND GOODS

Cost of raw, ancillary, consumption materials and goods (euro/000)	First half of 2015	First half of 2014
Paper	36,724	32,442
Other production materials	-	-
Total cost of raw and ancillary materials	36,724	32,442
Goods for re-sale	55,919	54,978
Consumption and maintenance materials	832	756
Other	3,039	4,438
Total cost of consumption materials and goods	59,790	60,172
Total cost of raw, ancillary, consumption materials and goods	96,514	92,614

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“Costs for raw, ancillary, consumption materials and goods” were not consistent with those taken into account in the first half of 2014, the period during which Arnoldo Mondadori Editore S.p.A. was purchasing only a few types of paper for the magazine printing.

This item must be considered jointly with item “Third party processing” included under “Cost of services”, due to the changes applied to the paper procurement policy.

The cost relative to “Goods for re-sale” was essentially in line with the 2014 value; the reduction in the sale of third publishers’ books was compensated by increased sale of products in the stores of the Retail Area and in museum bookshops.

30. COST OF SERVICES

“Cost of services”, totalling euro 299,877 thousand, posted a significant reduction resulting also from the effects of the comments made above

Cost of services (euro/000)	First half of 2015	First half of 2014
Rights and royalties	42,004	42,107
Consultancy services and third party collaborations	30,863	31,866
Commissions	20,914	21,264
Third party graphical processing	70,827	89,993
Transport and shipping	34,052	29,782
Purchase of advertising space and promotion expenses	25,474	25,868
Preparation and layout of trade shows and exhibitions	2,732	3,043
Travel and other expense reimbursements	3,337	3,098
Maintenance expenses	2,048	1,991
Telephone and postal expenses	3,353	3,741
Catering and cleaning services	3,608	3,872
Market research	2,528	3,073
Insurance	1,412	1,566
Subscriptions management	19,511	16,255
Publisher's share	1,666	1,876
Electricity, water, gas and fuel	1,893	2,751
Bank services and commissions	1,060	1,207
EDP services	3,396	3,258
Directors' and statutory auditors' fees	2,221	2,148
Temporary work fees	4,456	4,670
Rents and service expenses	11,773	13,312
Leases and rentals	2,866	3,080
Other services	7,883	16,908
Total cost of services	299,877	326,728

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As a result of dropping revenues, which affected all Group activity areas, also other strictly related costs, including “Rights and royalties”, “Commissions” and the already mentioned “Third party graphical processing”, recorded significant reductions.

“Transport and shipping” and “Subscriptions management” increased as a result of the revised postage fees in France; costs for “Rents and service expenses” and “Leases and rentals” posted a significant reduction mainly due to the shutting down of the store located in Corso Vittorio Emanuele in Milan, completed in December 2014, and to the revision of other lease contracts stipulated in the Retail Area.

Item “Directors’ and statutory auditors’ fees” comprised fees paid to Directors and Statutory Auditors for euro 1,985 thousand and euro 236 thousand, respectively.

31. COST OF PERSONNEL

Cost of personnel (euro/000)	First half of 2015	First half of 2014
Salaries and wages	78,037	82,854
Stock options	-	-
Social security charges	23,897	26,756
Post-employment benefits TFR	30	33
Supplementary pension scheme plans	3,657	3,808
Retirement indemnity and similar obligations	-	4
Other costs	7,725	3,038
Total cost of personnel	113,346	116,493

Employees	Actual 30/06/2015	Actual 30/06/2014	Average First half of 2015	Average First half of 2014
Executives	104	112	107	139
White collars, middle managers and journalists	2,859	2,980	2,874	3,294
Blue collars	106	121	108	141
Total	3,069	3,213	3,089	3,574

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Employees with a fixed-term or permanent labour contract employed by the Group companies at 30 June 2015 totalled 3,069 people, down 4.5% against the first half of 2014.

Cost of personnel in the first half of 2015 posted a 2.7% reduction; net of restructuring costs and the effect of the transactions which have had an impact on the consolidation perimeter, the reduction would be equal to 4.9%.

Information about stock option plans

With reference to the stock option plans applied by parent company Arnoldo Mondadori Editore S.p.A. for the three year 2009-2010-2011 time spans and described in the Remuneration Report pursuant to article 123-ter of Italian Legislative Decree no. 58 of 24/2/1998, advertised concurrently with the Annual Report at 31 December 2014, the table below summarizes the situation of the options assigned and still to be exercised at 30 June 2015.

The granting of loans or other facilities for the purchase of shares is not admitted pursuant to art. 2358, par. 3, of the Italian Civil Code.

Stock option	2009	2010
In circulation at 01/01/2015	1,100,000	720,000
- assigned during the year	-	-
- cancelled during the year	-	-
- exercised during the year	-	-
- expired during the year	-	-
In circulation at 30/06/2015	1,100,000	720,000
Vesting period	16/10/2012- 16/10/2015	22/07/2013- 21/07/2016
Price in euro	3,4198	2,4693
Exercisable at 30/06/2015	1,100,000	720,000

Options assigned after 7 November 2002 were measured at fair value on the basis of a binomial tree numerical calculation method using the following parameters:

Parameters for the option measuring model	2009	2010
Exercise price of the option	3.4198	2.4693
Option term (residual years)	0.33	1.08
Market price of the underlying shares at the grant date in euro	3.53	2.415
Expected volatility of the share price	32.00%	35.40%
<i>Dividend yield</i>	5.66%	8.28%
Risk free interest rate for the option term	2.18%	2.16%

As of 2011, the Board of Directors of Arnoldo Mondadori Editore S.p.A. resolved, upon proposal made by the Remuneration Committee, to waive the assignment of options, given the availability of other forms of incentives and loyalty schemes considered appropriate to provide the Group with a significant advantage in the medium-long period.

The cost of share-based payments recognized in item "Cost of Personnel" under income statement in the period, deriving from share-based payments, totalled euro zero.

32. OTHER (INCOME) COST

Other (income) cost (euro/000)	First half of 2015	First half of 2014
Other revenues and income	(7,011)	(10,453)
Other operating costs	2,205	(5,681)
Total other (income) cost	(4,806)	(16,134)

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"Other revenues and income" posted a reduction against the first half of 2014 as a result of:

- lower capital gains from the disposal of assets: in 2014 the *Ciak* and *PC Professionale* magazines were transferred;
- lower income from costs borne for publishers and third party customers and charged back in the framework of the performance of logistics services for books and magazines also accompanied by revenue reduction;
- item "Other" dropped against 2014, as it included the capital gain deriving from the transfer of the business unit from Mondadori Pubblicità S.p.A. to Mediamond S.p.A.

Other (income) cost – Other revenues and income (euro/000)	First half of 2015	First half of 2014
Year's contributions	12	-
Capital gains from the transfer of assets	24	494
Supplier rebates and other third party contributions	775	240
Insurance reimbursements	315	-
Rentals	566	622
Contingent assets	539	1,193
Third party expense reimbursements	3,193	5,383
Other	1,587	2,521
Total other revenues and income	7,011	10,453

Item "Other (income) cost" posted a cost amount of euro 2,205 thousand against an income amount of euro 5,681 thousand of the first half of 2014.

The variation was attributable to the performance of the provisions for risks and adjustments made to assets items which in 2014 included provision amounts in excess compared to the estimates that had led to the relevant allocation in the previous years.

Other (income) cost – Other operating costs (euro/000)	First half of 2015	First half of 2014
Compensation and settlements	603	1,155
Bad debt	3,372	3,203
Provisions / (Utilization) of provisions for legal and other risks	(8,519)	(19,120)
Contributions and grants	255	164
Capital loss from the transfer of assets	48	213
Entertainment expenses, gifts and information material	2,022	3,016
Other taxes and duties	2,587	2,321
Other	1,837	3,367
Total other operating costs	2,205	(5,681)

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33. RESULT FROM INVESTMENTS VALUED AT EQUITY

The economic results of consolidated companies valued at equity showed an increase against the first half of 2014 equal to euro 1,996 thousand, mainly as a result of:

- the performance of Società Europea di Edizioni S.p.A., publisher of Il Giornale, and the capital gain deriving from the transfer of a portal for euro 1,254 thousand;
- the containment of the losses of ACI-Mondadori S.p.A., which in 2014 accounted for the effects relative to the filing of the procedure for voluntary liquidation of the company, and the losses of Mediamond S.p.A. (euro 187 thousand against euro 631 thousand);
- higher profit generated by the Chinese Mondadori SEEC Advertising Co. Ltd joint venture, the advertising agency for the local Grazia edition (euro 950 thousand against euro 455 thousand), partially compensated by the increased loss generated by the French EMAS Digital S.a.s. joint venture (euro 780 thousand against euro 431 thousand).

Revenues (costs) from investments valued at equity (Euro/migliaia)	First half of 2015	First half of 2014
- Grüner + Jahr/Mondadori S.p.A.	(45)	(106)
- Harlequin Mondadori S.p.A.	209	238
- ACI - Mondadori S.p.A.	(2)	(582)
- Attica Publications Group	(121)	127
- Società Europea di Edizioni S.p.A.	71	(1.012)
- Mach 2 Libri S.p.A.	(458)	(359)
- Mach 2 Press S.r.l.	(125)	(99)
- Mondadori Independent Media LLC	(18)	48
- Edizioni EL S.r.l.	291	146
- Mediamond S.p.A.	(187)	(631)
- Venezia Accademia Società per i servizi museali S.c.ar.l.	-	(7)
- Mondadori Seec Advertising Co. Ltd	950	455
- EMAS Digital S.a.s.	(780)	(431)
- Milano Cultura S.c. ar.l.	(2)	-
Total income (cost) from investments valued at equity	(217)	(2.213)

34. FINANCIAL INCOME (COSTS)

Financial income (costs) (euro/000)	First half of 2015	First half of 2014
Interest from banks and post offices	2	22
Financial income from derivatives	3	183
Financial income	77	310
Other interest	25	268
Total interest and other financial income	107	783
Interest to banks	67	99
Interest on bonds, loans and borrowings	6,819	9,498
Financial costs from derivatives	349	373
Other financial costs for discounting assets/liabilities	215	1,037
Other interest	1,612	2,295
Total interest expense and other financial costs	9,062	13,302
Realised positive currency differences	500	213
Unrealised positive currency differences	63	48
Realised negative currency differences	(137)	(34)
Unrealised negative currency differences	(20)	(3)
Total income (loss) on currency transactions	406	224
Income (cost) from financial assets	1	-
Total financial income (costs)	(8,548)	(12,295)

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Net financial costs increased by euro 3,747 thousand over the same period of the previous year mainly as a result of lower interest due for euro 2,679 thousand resulting from a significant reduction in the Group's debt.

The difference against the previous year was attributable to other financial cost items and, specifically:

- higher net income from currency exchange transactions for euro 182 thousand;
- lower discounting costs on post-employment benefits for euro 822 thousand;

35. IMPOSTE SUL REDDITO

Income tax (Euro/migliaia)	First half of 2015	First half of 2014
IRES tax on income for the period	3,655	3,495
IRAP for the period	614	1,767
Total current taxes	4,269	5,262
Deferred / pre-paid taxes for IRES	(1,073)	(2,310)
Deferred / pre-paid taxes for IRES	201	136
Total deferred / pre-paid taxes	(872)	(2,174)
Other tax items	(602)	(1,008)
Total income taxes	2,795	2,080

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In the first half of 2015 the tax burden was up by approximately euro 0.7 million:

- current taxes, including IRES and IRAP for the companies having legal offices in Italy, and income tax of foreign companies posted a significant increase against 2014 as a result of the improved income performance of all business areas in which the Group operates;
 - "IRES tax on income for the period", equal to euro 3,655 thousand, included taxes paid by the Mondadori France Group. The Italian subsidiaries show a positive net balance amount booked under prepaid taxes;
 - "IRAP for the period", equal to euro 614 thousand, posted a reduction despite the improved economic performance, as a result of the amended law allowing the deduction of labour costs;
- the changes in deferred and prepaid taxes resulted in a lower positive effect in income statement compared to the first half of 2014, mainly due to lower tax losses.
- "Other tax items" included the benefits recognized by Fininvest S.p.A. for the application of the tax consolidation regime.

36. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit for the year attributable to the Group by the weighted average number of outstanding ordinary shares in the period of reference.

	First half of 2015	First half of 2014
Net income for the period (Euro/000)	(12,200)	(11,034)
Average number of outstanding ordinary shares (no./000)	261,458	234,001
Basic earnings per share (Euro)	(0.047)	(0.05)

Diluted earnings per share are calculated by dividing net profit for the year attributable to the Group by the weighted average number of outstanding ordinary shares in the period of reference.

	First half of 2015	First half of 2014
Net income for the period (Euro/000)	(12,200)	(11,034)
Average number of outstanding ordinary shares (no./000)	261,458	234,001
Number of options with diluted effect (no./000)		
Diluted earnings per share (Euro)	(0.047)	(0.05)

37. COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2015 Mondadori Group has commitments underwritten for a total amount of euro 89,191 thousand (euro 88,062 thousand at 31 December 2014) mainly represented by guarantees issued on VAT receivables subject to reimbursement and prize contests transactions.

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38. NON-RECURRING (INCOME) COST

In accordance with Consob Resolution no. 15519 of 27 July 2006, it should be noted that in the first half of 2015 the Mondadori Group did not record non-recurring income nor non-recurring costs; in the same period of 2014 restructuring costs and income value adjustments for deferred IRAP were booked, resulting from the rate variation indicated in Italian Legislative Decree 66/14 of 24 April 2014, converted into Law 89/14 of 23 June 2014.

The effect in income statement amounted to euro 2.1 million.

39. RELATED PARTIES

Transactions carried out with related parties, including intercompany transactions, do not qualify as either atypical or unusual, since they refer to standard business activities performed by Group companies. When performed out of the scope of standard conditions or when they are imposed by specific regulatory conditions, transactions with related parties were in any case carried out under market conditions.

The details provided also include Monradio S.r.l. amounts due to related parties, classified as discontinued operations pursuant to IFRS 5. For further information reference should be made to Note 9.

TRANSACTIONS WITH RELATED PARTIES: FIGURES AT 30 JUNE 2015

(euro/000)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables
Parent companies:					
- Fininvest S.p.A.	24	-	12,275	-	40
Associated companies:					
- Grüner + Jahr/Mondadori S.p.A.	382	-	-	3,429	1,486
- Mach 2 Libri S.p.A.	16,482	5	-	-	10
- Venezia Musei Società per i servizi museali S.c.ar.l.	260	-	-	12	-
- Harlequin Mondadori S.p.A.	1,171	-	-	-	-
- Attica Publications Group	128	500	-	-	14
- Edizioni EL S.r.l.	816	-	-	9	4,146
- Società Europea di Edizioni S.p.A.	546	-	-	-	1,969
- ACI - Mondadori S.p.A.	38	-	-	-	-
- Consorzio Covar (in liquidation)	-	-	-	4	-
- EMAS Digital S.A.S.	-	12	-	-	-
- Campania Arte S.c.a r.l.	23	134	-	-	42
- Mondadori Independent Media LLC	43	-	-	-	-
- Venezia Accademia Soc. per i serv. museali S.c.ar.l.	25	25	-	-	30
- Mediamond S.p.A.	45,039	-	-	-	3,587
- Mondadori Seec Advertising Co. Ltd	341	836	-	-	139
- Mach 2 Press S.r.l.	-	-	-	-	224
Total associated companies	65,294	1,512	0	3,454	11,647

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Financial payables	Tax payables	Other current payables	Revenues	Purchases of raw materials	Purchases of services	Other costs (Rev.)	Financial revenues (Costs)
-	-	1,315	-	-	24	(20)	-
1,217	-	129	942	2	251	(60)	-
23	-	-	6,728	-	10	-	-
-	-	-	-	-	-	-	-
2,071	-	39	183	2,257	-	(33)	(1)
-	-	1	-	-	9	-	13
-	-	2	439	3,133	2	(322)	-
-	-	123	1,365	165	-	(10)	-
100	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8
-	-	-	-	-	-	-	-
-	-	-	65	-	-	-	-
-	-	-	-	1	27	-	-
173	-	221	46,373	1,523	2,317	(364)	-
-	-	-	365	-	125	-	-
-	-	-	-	179	453	-	-
3,584	0	515	56,460	7,260	3,194	(789)	20

TRANSACTIONS WITH RELATED PARTIES: FIGURES AT 30 JUNE 2015

(euro/000)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables
Affiliated companies:					
- RTI - Reti Televisive Italiane S.p.A.	869	-	-	(1)	1,611
- Publitalia '80 S.p.A.	120	-	-	-	1,123
- Digitalia '08 S.r.l. (former Promoservice Italia S.r.l.)	-	-	-	-	51
- Banca Mediolanum S.p.A.	51	-	-	-	-
- El Towers S.p.A.	-	-	-	-	-
- Towertel S.p.A.	-	-	-	-	138
- Isim S.p.A.	-	-	-	-	2
- Mediaset S.p.A.	-	-	-	-	-
- Media Shopping S.p.A.	-	-	-	-	-
- Il Teatro Manzoni S.p.A.	-	-	-	-	-
- Mediolanum Comunicazione S.p.A.	-	-	-	-	-
- Fininvest Gestione Servizi S.p.A.	6	-	-	-	66
- A.C. Milan S.p.A.	-	-	-	-	-
- Milan Entertainment S.r.l.	-	-	-	-	-
- Mediaset Premium S.p.A.	-	-	-	-	-
- Promoservice Italia S.r.l.	-	-	-	-	-
- Mediobanca S.p.A.	-	-	-	-	-
Total affiliated companies	1,046	0	0	(1)	2,991
Total related parties	66,364	1,512	12,275	3,453	14,678
of which related parties from discontinued operations	4,411	-	-	-	390
% of incidence	23.8%	19.1%	23.3%	3.6%	4.8%

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Financial payables	Tax payables	Other current payables	Revenues	Purchases of raw materials	Purchases of services	Other costs (Rev.)	Financial revenues (Costs)
-	-	-	262	(112)	688	(633)	-
-	-	-	324	-	1,940	-	-
-	-	-	-	-	39	-	-
-	-	-	52	-	-	-	-
-	-	-	-	-	188	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7	-	7	-	-
-	-	-	21	-	-	-	-
-	-	-	-	-	39	(6)	-
-	-	-	-	-	-	-	-
-	-	-	30	-	-	-	-
-	-	-	108	-	-	-	-
-	-	-	-	-	-	1	-
48,238	-	-	-	-	-	-	(1,418)
48,238	0	0	805	(112)	2,901	(638)	(1,418)
51,822	0	1,830	57,265	7,148	6,119	(1,447)	(1,398)
-	-	-	5,181	-	629	112	-
15.2%	n.s.	1.0%	10.1%	7.4%	1.8%	n.s.	16.4%

TRANSACTIONS WITH RELATED PARTIES: FINANCIAL FIGURES AT 31 DECEMBER 2014 AND ECONOMIC FIGURES AT 30 JUNE 2014

(euro/000)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables
Parent companies:					
- Fininvest S.p.A.	29	-	10,440	-	24
Associated companies:					
- Grüner + Jahr/Mondadori S.p.A.	386	-	-	2,917	1,494
- Mach 2 Libri S.p.A.	20,159	1	-	-	107
- Venezia Musei Società per i servizi museali S.c.ar.l.	260	-	-	-	-
- Harlequin Mondadori S.p.A.	149	-	-	151	308
- Attica Publications Group	119	500	-	-	10
- Edizioni EL S.r.l.	744	-	-	9	4,232
- Società Europea di Edizioni S.p.A.	557	-	-	-	2,095
- ACI - Mondadori S.p.A.	38	-	-	-	-
- Consorzio Covar (in liquidation)	-	-	-	4	-
- EMAS Digital S.A.S.	-	2,625	-	-	-
- Campania Arte S.c.ar.l.	23	134	-	-	42
- Mondadori Independent Media LLC	62	-	-	-	-
- Venezia Accademia Soc. per i serv. museali S.c.ar.l.	25	25	-	-	17
- Mediamond S.p.A.	21,326	-	-	-	6,426
- Mondadori Seec Advertising Co. Ltd	493	2,144	-	-	67
- Mach 2 Press S.r.l.	-	-	-	-	352
Total associated companies	44,341	5,429	0	3,081	15,150

Financial payables	Tax payables	Other current payables	Revenues	Purchases of raw materials	Purchases of services	Other costs (Rev.)	Financial revenues (Costs)
-	-	841	-	-	27	(35)	-
22	-	166	957	20	275	(62)	(1)
-	-	-	8,519	-	27	-	-
-	-	-	-	-	-	-	-
2,593	-	-	162	1,731	-	(37)	(6)
-	-	1	12	-	8	-	13
-	-	6	422	2,700	3	(278)	-
-	-	123	1,415	105	-	(9)	-
100	-	-	149	-	3	(45)	26
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	15
-	-	-	-	-	-	-	-
-	-	-	56	-	-	-	-
-	-	-	-	-	23	(5)	-
176	-	156	48,975	99	2,734	(349)	130
-	-	-	167	-	33	-	-
-	-	-	-	-	583	-	-
2,891	0	452	60,834	4,655	3,689	(785)	177

TRANSACTIONS WITH RELATED PARTIES: FINANCIAL FIGURES AT 31 DECEMBER 2014 AND ECONOMIC FIGURES AT 30 JUNE 2014

(euro/000)	Trade receivables	Financial receivables	Tax receivables	Other current assets	Trade payables
Affiliated companies:					
- RTI - Reti Televisive Italiane S.p.A.	223	-	-	62	1,648
- Publitalia '80 S.p.A.	373	-	-	-	2,815
- Digitalia '08 S.r.l. (former Promoservice Italia S.r.l.)	-	-	-	-	65
- Banca Mediolanum S.p.A.	9	-	-	-	-
- Medusa Film S.p.A.	-	-	-	-	154
- The Space Cinema 1 S.p.A.	-	-	-	-	-
- Isim S.p.A.	-	-	-	-	2
- Mediaset S.p.A.	10	-	-	-	-
- Media Shopping S.p.A.	8	-	-	-	-
- Il Teatro Manzoni S.p.A.	-	-	-	-	-
- Mediolanum Comunicazione S.p.A.	-	-	-	-	-
- Fininvest Gestione Servizi S.p.A.	2	-	-	-	20
- A.C. Milan S.p.A.	-	-	-	-	-
- Milan Entertainment S.r.l.	-	-	-	-	1
- Alba Servizi Aerotrasporti S.p.A.	-	-	-	-	11
- Promoservice Italia S.r.l.	-	-	-	-	7
- Mediobanca S.p.A.	-	-	-	-	-
Total affiliated companies	625	0	0	62	4,723
Total related parties	44,995	5,429	10,440	3,143	19,897
- of which related parties from discontinued operations	-	-	-	-	-
% of incidence	16.7%	45.6%	20.9%	3.6%	6.8%

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Financial payables	Tax payables	Other current payables	Revenues	Purchases of raw materials	Purchases of services	Other costs (Rev.)	Financial revenues (Costs)
-	-	-	315	24	81	3	-
-	-	-	-	142	4,315	-	-
-	-	-	-	-	39	1	-
-	-	-	57	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	6	-	-
-	-	-	-	-	-	-	-
-	-	-	3	-	-	-	-
-	-	-	9	-	-	3	-
-	-	-	-	-	-	-	-
-	-	-	70	-	-	-	-
-	-	-	-	-	-	10	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,923	-	-	-	-	-	-	(1,906)
50,923	0	0	454	166	4,441	17	(1,906)
53,814	0	1,293	61,288	4,821	8,157	(803)	(1,729)
-	-	-	5,328	-	272	(7)	-
17.0%	n.s.	0.6%	10.3%	5.2%	2.4%	n.s.	14.1%

40. EVALUATIONS AT FAIR VALUE

Some of the Group's financial assets and liabilities were valued at fair value.

Financial assets (liabilities) (euro/000)	Fair value at 30 June 2015	Fair value hierarchy	Valuation method and main inputs
Interest rate swap contracts	(1,358)	Level 2	Discounted cash flow. Projected flows are discounted based on the forward rate curve expected at the end of the period of reference and on the contractual fixing rates, also taking the counterparty default risk into account.
Investments in other companies	347	Level 3	Based on the nature of the interests held in other enterprises - mainly consortia - the cost may be considered representative of the fair value.

41. OPERATING SEGMENTS

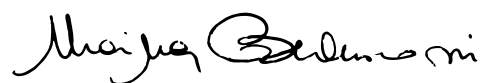
Change in the graphical description following IFRS 8 - Operating segments

The disclosure required by IFRS 8 - Operating segments - is provided by taking into account the Group's organizational structure, based on which the periodic reporting is made, used by the Top Management to define actions and strategies, evaluate investment opportunities and allocate resources.

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This representation takes into account the classification of Monradio S.r.l. under discontinued operations pursuant to IFRS 5.

For the Board of Directors
The Chairman
Marina Berlusconi



SEGMENT INFORMATION: FIGURES AT 30 JUNE 2015

(euro/000)	Books	Magazines Italy	Magazines France
Revenues from sales and services from external customers	106,263	151,557	166,549
Revenues from sales and services from other sectors	16,756	1,426	7
Revenues (costs) from investments valued at equity	40	452	(780)
EBITDA	5,230	9,775	14,444
EBIT	3,532	9,686	8,772
Financial income (costs)	-	-	-
Result before taxes and minority interests	3,532	9,686	8,772
Income tax	-	-	-
Minority profit	-	(120)	1,337
Result from discontinued operations	-	-	-
Net result	3,532	9,806	7,435
Amortization and impairment	1,698	89	5,672
Non-monetary costs	3,200	2,283	2,152
Non-recurring revenues (costs)	-	-	-
Capital expenditures	2,114	42	1,054
Investments valued at equity	6,183	26,212	-
Total assets	286,912	216,561	484,188
Total liabilities	146,615	189,689	148,173
Italy			
France			
Other EU countries			
USA			
Other countries			
Consolidated result			

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	Retail	Other Business, Corporate and Digital Innovation	Non-allocated items and adjustments for consolidation	Consolidated result
	85,380	7,388	-	517,137
	306	9,903	(28,398)	0
	-	71	-	(217)
	(2,813)	(8,396)	712	18,952
	(4,130)	(9,342)	712	9,230
	-	(8,548)	-	(8,548)
	(4,130)	(18,015)	712	557
	-	2,795	-	2,795
	-	(88)	-	1,129
	-	-	(8,833)	(8,833)
	(4,130)	(20,722)	(8,121)	(12,200)
	1,317	946	-	9,722
	3,154	253	-	11,042
	-	-	-	0
	2,620	165	-	5,995
	-	7,170	-	39,565
	91,912	180,046	31,500	1,291,119
	69,842	462,886	(4,445)	1,012,760
		Revenues from sales and services		Fixed assets
		340,346		175,184
		156,907		404,869
		16,712		2,132
		349		-
		2,823		-
		517,137		582,185

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SEGMENT DATA: ECONOMIC FIGURES AT 30 JUNE 2014 AND FINANCIAL FIGURES AT 31 DECEMBER 2014

(euro/000)	Books	Magazines Italy	Magazines France
Revenues from sales and services from external customers	111,383	162,206	169,940
Revenues from sales and services from other sectors	17,142	739	6
Revenues (costs) from investments valued at equity	18	(788)	(431)
EBITDA	4,675	9,112	15,315
EBIT	3,538	8,909	9,677
Financial income (costs)	-	-	-
Result before taxes and minority interests	3,538	8,909	9,677
Income tax	-	-	-
Minority profit	-	(7)	1,203
Result from discontinued operations	-	-	-
Net result	3,538	8,916	8,474
Amortization and impairment	1,137	203	5,638
Non-monetary costs	3,238	1,772	1,942
Non-recurring revenues (costs)	(462)	-	(756)
Capital expenditures	6,530	2,268	3,340
Investments valued at equity	7,122	25,462	-
Total assets	291,173	194,833	482,208
Total liabilities	143,214	191,227	146,900
Italy			
France			
Other EU countries			
USA			
Other countries			
Consolidated result			

Retail	Radio	Other Business, Corporate and Digital Innovation	Non-allocated items and adjustments for consolidation	Consolidated result
91,546	-	8,228		543,303
1,027	-	6,360	(25,274)	0
-	-	(1,012)	-	(2,213)
(5,514)	-	(6,785)	761	17,564
(7,934)	-	(7,954)	761	6,997
-	-	(12,295)	-	(12,295)
(7,934)	-	(20,249)	761	(5,298)
-	-	2,080	-	2,080
-	-	-	-	1,196
-	-	-	(2,460)	(2,460)
(7,934)	-	(22,329)	(1,699)	(11,034)
2,420	-	1,169	-	10,567
1,978	-	1,967	-	10,897
(412)	-	(454)	-	(2,084)
1,010	920	2,325	-	16,393
-	-	6,617	-	39,201
101,723	58,953	195,322	(25,151)	1,299,061
85,337	6,255	451,662	(14,655)	1,009,940
		Revenues from sales and services		Fixed assets
		363,812		227,032
		159,940		409,493
		15,609		2,136
		421		-
		3,521		-
		543,303		638,661

**TABLES
OF SIGNIFICANT
INVESTMENTS**

TABLES OF SIGNIFICANT INVESTMENTS (interest equal to or higher than 10% of the share capital held directly or indirectly through subsidiaries)

ARNOLDO MONDADORI EDITORE SPA

Company name		Share Capital	% Of interest	Ownership method
ACI-Mondadori SpA in liquidazione (Italia)	EUR	590,290	50%	direct
Aranova Freedom Soc. Cons. a r.l. (Italia)	EUR	19,200	16.67%	indirect
Campania Arte S.c. a r.l. (Italia)	EUR	100,000	22%	indirect
Cemit Interactive Media SpA (Italia)	EUR	3,835,000	100%	direct
Club Dab Italia Società consortile per azioni (Italia)	EUR	240,000	12.5%	indirect
Edizioni EL Srl (Italia)	EUR	620,000	50%	indirect
Edizioni Piemme SpA (Italia)	EUR	566,661	100%	indirect
Giulio Einaudi Editore SpA (Italia)	EUR	23,920,000	100%	indirect
Glaming Srl in liquidazione (Italia)	EUR	20,000	100%	direct
Gruner + Jahr/Mondadori SpA (Italia)	EUR	2,600,000	50%	direct
Harlequin Mondadori SpA (Italia)	EUR	258,250	50%	indirect
Mach 2 Libri SpA (Italia)	EUR	646,250	34.91%	indirect
				indirect
Mach 2 Press Srl (Italia)	EUR	200,000	40%	indirect
MDM Milano Distribuzione Media Srl (Italia)	EUR	611,765	17%	indirect
Mediamond Spa (Italia)	EUR	2,400,000	50%	indirect
Mondadori Retail SpA (Italia)	EUR	2,700,000	100%	direct
Mondadori Education SpA (Italia)	EUR	10,608,000	100%	indirect
Mondadori Electa SpA (Italia)	EUR	1,593,735	100%	indirect
Mondadori International Business Srl (Italia)	EUR	2,800,000	100%	direct
Mondadori Pubblicità SpA (Italia)	EUR	3,120,000	100%	direct
Monradio Srl (Italia)	EUR	3,030,000	100%	direct
press-di Distribuzione Stampa e Multimedia Srl (Italia)	EUR	1,095,000	100%	direct
Società Europea di Edizioni SpA (Italia)	EUR	2,528,875	36.89838%	direct
Sperling & Kupfer Editori SpA (Italia)	EUR	1,555,800	100%	indirect
Venezia Accademia Società per i servizi museali Scarl (Italia)	EUR	10,000	25%	indirect
Venezia Musei Società per i servizi museali Scrl in liquidazione (Italia)	EUR	10,000	34%	indirect
Attica Publications SA (Grecia)	EUR	4,590,000	41.987%	direct
Editions Mondadori Axel Springer SNC (Francia)	EUR	152,500	50%	indirect
EMAS Digital SAS (Francia)	EUR	20,675,400	50.000%	indirect
Mondadori France SAS (Francia)	EUR	50,000,000	100%	direct
Mondadori Independent Media LLC (Russia)	RUBLO	92,232,160	50%	direct
Mondadori Magazines France SAS (Francia)	EUR	60,557,458	100%	indirect
Mondadori Seec (Beijing) Advertising Co. Ltd	CNY	40,000,000	50%	indirect
Mondadori UK Limited (Regno Unito)	GBP	2,895,19	100.000%	indirect
Naturabuy SAS (Francia)	EUR	9,150	80%	indirect
Kiver S.r.l. (Italia)	EUR	93,177	75.22%	direct
Milano Cultura S.c.a. r.l. (Italia)	EUR	40,000	50%	indirect
Mondadori Libri S.p.A. (Italia)	EUR	30,050,000	100%	direct

DATA AT 30 JUNE 2015

Shareholder	% Owned	Legal offices	Tax code	Date of establishment
Arnoldo Mondadori Editore S.p.A.	50%	Milan, Via Bianca di Savoia 12	13277400159	11/17/2000
Monradio S.r.l.	16.67%	Bologna, Via Guinizzelli 3	02532501208	24/01/2005
Mondadori Electa S.p.A.	22%	Rome - Via Tunisi 4	09086401008	18/07/2006
Arnoldo Mondadori Editore S.p.A.	100%	Turin - Corso Giulio Cesare 268	04742700018	13/12/1984
Monradio S.r.l.	12.5%	Milan - Foro Buonaparte 71	97174850152	01/02/1996
Giulio Einaudi Editore S.p.A.	50%	Trieste - San Dorligo della Valle - Via J. Ressel 5	00627340326	07/05/1984
Mondadori Libri S.p.A.	100%	Milan, Via Bianca di Savoia 12	00798930053	29/09/1982
Mondadori Libri S.p.A.	100%	Turin - Via U. Biancamano 2	08367150151	03/06/1986
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	07428570969	21/04/2011
Arnoldo Mondadori Editore S.p.A.	50%	Milan - Via Luisa Battistotti Sassi 11/a	09440000157	19/09/1988
Mondadori Libri S.p.A.	50%	Milan - Via Marco D'AViano 2	05946780151	15/10/1980
Mondadori Libri S.p.A.	30.91%	Peschiera Borromeo (MI) - Via Galileo Galilei 1	03782990158	06/05/1983
Sperling & Kupfer Ed. S.p.A.	4%			
Press-Di Distribuzione Stampa e Multimedia S.r.l.	40%	Peschiera Borromeo (MI) - Via Galileo Galilei 1	07014150960	27/04/2010
Press-Di Distribuzione Stampa e Multimedia S.r.l.	17%	Milan - Via Carlo Cazzaniga 19	10463540152	02/10/1991
Mondadori Pubblicità S.p.A.	50%	Milan, Via Bianca di Savoia 12	06703540960	30/07/2009
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	00212560239	19/11/1946
Mondadori Libri S.p.A.	100%	Milan, Via Bianca di Savoia 12	03261490969	10/01/2001
Mondadori Libri S.p.A.	100%	Milan, Via Bianca di Savoia 12	01829090123	23/02/1989
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	08009080964	29/10/2012
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	08696660151	12/02/1987
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	04571350968	15/10/2004
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	03864370964	19/02/2003
Arnoldo Mondadori Editore S.p.A.	36.89838%	Milan - Via G. Negri 4	01790590150	27/02/1974
Mondadori Libri S.p.A.	100%	Milan, Via Bianca di Savoia 12	00802780155	03/11/1927
Mondadori Electa S.p.A.	25%	Venice - Via L. Einaudi 74	03808820272	11/01/2008
Mondadori Electa S.p.A.	34%	Venice - Via L. Einaudi 74	03534350271	22/04/2004
Arnoldo Mondadori Editore S.p.A.	41.987%	Greece - Athens - Maroussi, 40 Kifissias Avenue		01/08/1994
Mondadori France SAS	50%	France - Montrouge Cedex - 8, rue Francois Ory		12/09/1999
Mondadori France SAS	50.000%	France - Montrouge Cedex - 8, rue Francois Ory		13/09/2011
Arnoldo Mondadori Editore S.p.A.	100%	France - Montrouge Cedex - 8, rue Francois Ory		23/06/2004
Arnoldo Mondadori Editore S.p.A.	50%	Russia - Moscow - 3, Bldg. 1, Polkovaya Str.		26/12/2007
Mondadori France SAS	100%	France - Montrouge Cedex - 8, rue Francois Ory		30/03/2004
Mondadori Pubblicità S.p.A.	50%	China - Beijing - Chaoyang District - Fan Li Plaza, 22, Chaowai Avenue, Level 10, Room B2		04/06/2008
Mondadori International Business S.r.l.	100.000%	UK - London 10 Salisbury Square - St. Bride's House		18/03/2010
Mondadori France SAS	80%	France - Montrouge Cedex - 8, rue Francois Ory		25/04/2007
Arnoldo Mondadori Editore S.p.A.	75.22%	Milan, Via Bianca di Savoia 12	04237910965	30/01/2004
Mondadori Electa S.p.A.	50%	Milan - Via Monte Rosa 91	08795350969	26/09/2014
Arnoldo Mondadori Editore S.p.A.	100%	Milan, Via Bianca di Savoia 12	08856650968	02/12/2014

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**STATEMENT OF THE
GROUP'S ABBREVIATED
CONSOLIDATED FINANCIAL
STATEMENTS PURSUANT
TO ART. 81-TER OF CONSOB
REGULATION NO. 11971
OF MAY 14, 1999 AND
SUBSEQUENT CHANGES AND
SUPPLEMENTS**

STATEMENT OF THE GROUP'S ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUBSEQUENT CHANGES AND SUPPLEMENTS

1. The undersigned Ernesto Mauri, in his capacity as CEO and Oddone Pozzi, in his capacity as Executive Manager responsible for the drafting of the corporate accounting documentation of Arnoldo Mondadori Editore S.p.A., also in compliance with the provisions set out in art. 154-bis, par. 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, hereby declare:

- the adequacy in relation to the Group's characteristics and
- the application of the administrative and accounting procedures for the drafting of the Group's abbreviated consolidated financial statements at 30 June 2015.

2. The valuation of the adequacy of the administrative and accounting procedures for the drafting of the Group's abbreviated consolidated financial statements at 30 June 2015 was carried out based on a specific process defined by Arnoldo Mondadori Editore consistently with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which groups together a set of general principles of reference generally accepted at the international level.

3. We also hereby declare that:

3.1 the Group's abbreviated consolidated financial statements at 30 June 2015:

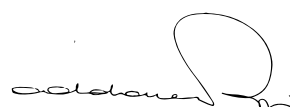
- a) were drafted in compliance with the applicable international accounting standards acknowledged at the EU level pursuant to EC regulation no. 1606/2002 of the EU Parliament and Council of July 19, 2002 and, in particular, IAS 34 - Interim Financial Reporting, as well as the provisions set out for the implementation of art. 9 of Italian Legislative Decree no. 38/2005;
- b) reflect the accounting books and entries;
- c) provide a true and fair description of the financial position and results of operations of the Company and the group of companies included in the consolidation area.

3.2 this half-year report on operations includes a reliable analysis of the significant events that have occurred in the first six months of the year and their incidence on the Group's abbreviated consolidated half-year report, together with a description of the main risks and uncertainties for the second half of 2014. The half-year report also includes an analysis of the information provided on the transactions with related parties.

28 July 2015

The CEO
(Ernesto Mauri)

The Executive Manager responsible for the
drafting of accounting documents
(Oddone Pozzi)



**INDEPENDENT AUDITORS'
REPORT ON THE GROUP'S
CONSOLIDATED INTERIM
REPORT**

REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ARNOLDO MONDADORI EDITORE S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Arnaldo Mondadori S.p.A. and subsidiaries (the "Mondadori Group"), which comprise the consolidated balance sheet as of June 30, 2015 and the consolidated income statement, consolidated comprehensive income statement, table of changes in the Group's consolidated Shareholders' equity and consolidated cash flow statement for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Mondadori Group as at June 30, 2015 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Patrizia Arienti
Partner

Milan, Italy
July 29, 2015

This report has been translated into the English language solely for the convenience of international readers.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Venezia

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