

PRESS RELEASE

MONDADORI AGM APPROVES 2000 RESULTS REVENUES UP 9%, OPERATING PROFIT UP 21.6%

Segrate, 24 April 2001. The Annual General Meeting of Arnoldo Mondadori Editore S.p.A. met today, under the Chairmanship of Leonardo Mondadori, to examine the Mondadori Group's consolidated results and directors' report for 2000 and approve the results of the parent company for the same period. The Chief Executive, Maurizio Costa, outlined the highlights for the year.

Consolidated revenues for the year totalled 2,870.8 billion lire, an increase of 9% on the 2,634.1 bn lire of 1999.

Gross operating profit grew by 15.6%, reaching 373.6 billion lire compared with 323.1 bn lire in the previous year. As a proportion of revenues this represents 13% (compared with 12.3% in 1999).

Operating profit increased by 21.6% to 310.1 billion lire, compared with 255 bn lire in 1999. This represents an increase, as a proportion of revenues, from 9.7% to 10.8%.

Consolidated net profit for the year came to 137.3 billion lire (152.8 bn lire in the previous year). In 1999 the net profit figure included extraordinary income deriving from an active surplus for deferred taxes of 37.1 bn lire. Therefore, on a like for like basis, net profit for 2000 increased by 18.6% (from the 115.8 bn lire of 1999).

The net profit figure was obtained after making **amortisations** for a total of 109.3 bn lire and a **tax reserve** of 122 bn lire.

The positive performance during the year, confirmed by all the economic and financial indicators, should be considered even more positively given the level of investments made in new initiatives. In particular it should be noted that, with a view to transparency and rendering the year's figures comparable with those of the previous year, figures relating to the Group's internet activities, fully itemised in the income statement, have been reclassified separately as start-up costs.

The effects of cost controls and the reduction in the level of capital employed are reflected in the **return on investment (ROI)** figure which reached 38%, compared with 33.4% in 1999 and which has more than doubled from the 17.4% of 1996.

The Group's **net financial position** at year-end showed a surplus of 332.3 bn lire, an increase of 48.9 bn on the previous year.

The Group's overall **capital investments** for the year came to 58.7 billion lire, of which 30.7 bn lire was for plant and machinery for the printing area.

Cash flow (profit + depreciations) totalled 244.3 billion lire. In 1999 the cash flow figure was affected by the deferred taxes. Consequently, on a comparable basis, the figure for 2000 represents an increase of 8.1 bn lire or 3.4%.

Group **personnel**: the average headcount for the year was 5,714, compared with 5,214 in 1999.

Nomination of new director

The Shareholders nominated a new director, Mario Resca, who will join the existing 10 directors nominated for three years by the AGM last year. Resca, aged 55, has had long experience in multinational companies and is currently the Chairman and Chief Executive of McDonald's Italy.

Dividend proposal

The Shareholders, approved the proposal of the Board of Directors for a dividend payout of 400 per ordinary share and 410 per savings share. Taking account of the share split that was carried out during the year, which had the effect of doubling the number of company shares in circulation, this represents an increase of around 18% on the dividends of last year (680 per share for ordinary shares and 700 for savings shares)

The detachment date of coupons will be 21st May, and payment will be from 24th May 2001.

Trends in the first months of 2001

The extraordinary part of the shareholders' meeting approved the conversion of the company's share capital from lire into euros. The nominal value of the company's ordinary and savings shares, currently worth 500 lire, will be converted (on the basis of the lira/euro exchange rate rounded up) into 0.26 euros, with a resulting free capital increase from 129,714,916,000 lire to 67,451,756.32 euros (corresponding to 130,604,812,209 lire), through the use of 889,896,209 lire from the extraordinary reserve. The conversion will be effective from August 1st 2001.

ARNOLDO MONDADORI EDITORE S.p.A.