



# MONDADORI

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## **MONDADORI ANNOUNCES AN OFFERING OF CONVERTIBLE BONDS RESERVED TO INSTITUTIONAL INVESTORS**

*Segrate, 19 September 2003* – Arnoldo Mondadori Editore S.p.A. (“Mondadori”) announces the launch of an offering of Convertible Bonds of approximately Euro 110 million due 2008.

The bonds will be issued by Mondadori’s Luxembourg subsidiary Mondadori Finance S.A. and guaranteed by Mondadori. They will be convertible into existing ordinary shares Mondadori (the “Shares”) part of which are already held as treasury stock and part that will be acquired by Mondadori in the market pursuant to the resolution of the shareholders’ meeting of Mondadori passed on 28 April 2003.

The bonds will be issued at par and will be marketed to investors with an annual coupon range of 1.75% - 2.25% and a conversion price to be set at a premium of 25% - 30%. The Issuer can call the bonds at any time, for the principal amount, after year three, subject to the Share price being greater than 130% of the conversion price. There is no over allotment option.

Application will be made for the bonds to be admitted to trading on the Luxembourg Stock Exchange.

The bonds will be placed exclusively with institutional investors outside the US in reliance on Regulation S under the US Securities Act of 1933, as amended, and outside Australia, Canada and Japan. No public offer of the bonds is being made in any jurisdiction.

This convertible offering allows Mondadori to raise attractive financing without diluting existing shareholders. Mondadori will use the net proceeds of the issue to further strengthen the company’s balance sheet and increase its financial flexibility. The bonds provide the company with improved liquidity to pursue its strategic goals.

JPMorgan is sole *bookrunner* and *lead manager* to the offering.

### *Disclaimer*

*This announcement is not an offer to sell securities or the solicitation of any offer to buy securities. In particular the securities mentioned in this announcement have not been and will not be registered in the United States under the United States Securities Act of 1933, as amended.*

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