



MONDADORI

Mandatory public notification (as per CONSOB Regulation N° 11971 of May 14, 1999).

PRESS RELEASE

MONDADORI AGM APPROVES 2003 RESULTS

DIVIDEND OF €0.30 PER SHARE (+20% ON 2004)

Segrate, 26 April 2004 – The Annual General Meeting of the Shareholders of Arnoldo Mondadori Editore S.p.A., which met today under the Chairmanship of Marina Berlusconi, approved the company's consolidated results and management report for the year ended 31 December 2003 and deliberated the distribution of a dividend of €0.30 per each ordinary share in circulation. The dividend will be payable from 27 May 2004 (detachment date of coupons: 24 May 2004).

The proposed dividend is 20% higher than the ordinary dividend of €0.25 distributed in 2003 (and relative to 2002): overall shareholders will receive €72,532,956.

In his report, the Deputy Chairman and Chief Executive Maurizio Costa, outlined the highlights of the Group's performance already announced on 25 March: Mondadori ended 2003 with revenues of €1,536 million, an increase of 5.3%, on 2002, including the €28.2 million generated by the fully consolidated Edizioni Piemme. Gross operating profit rose from the €208.5 million of 2002 to €212.2 million (+1.8%), which translates as 13.8% as a proportion of revenues. Operating profit rose to €173.9 million (+0.9%) from the €172.4 million of the previous year. As a proportion of revenues, this means 11.3%, compared with the 11.8% of 2002. Pre tax profit came to €150.2 million, an increase of 12.8% on the €133.2 million of 2002. Net profit rose to €82.1 million (+1.2% on the previous year), after making amortisations for a total of €61.6 million and reserves for taxes of €67.5 million. The Group's net financial position showed a surplus of €72.9 million, after the payment of ordinary dividends of €62.4 million, acquisitions for €6.9 million and investments in share buy-backs of €57.4 million.

Maurizio Costa also announced a positive performance in all the Group's activities in the first three months of 2004, underlining the success of the new launches made by the magazine division and the acquisition of world rights to the new book by Pope John Paul II, *Alzatevi, andiamo!*.

The Shareholders, as part of the ordinary meeting, also passed resolution on the following:

Acquisition and availability of company shares

A proposal by the Board of directors was approved for the renewal of authorisation to buy back and utilise company shares in line with artt. 2357 e 2357-ter of the Civil Code. In particular, the renewal of authorisation to buy company shares – valid until the approval of the results for 2004 – is in line with the legal limit of 10% of the company's share capital.

Considering the number of shares already in the company's portfolio (currently 17,653.311 or 6.8% of the share capital), the new authorisation permits the Board to make acquisitions of up to 8,289,000 shares.

The corresponding minimum and maximum acquisitions has been fixed at the same conditions as the previous authorisation, i.e. at a unit price of not less than the official stock exchange price of the day preceding the acquisition, less 20%, and not more than the official stock exchange price of the day preceding the acquisition, plus 10%.

Appointment of external auditors

Following the expiry of the previous three-year contract, the Shareholders, in line with Art.159 of Legislative Decree. 58/1998, resolved to renew the contract for the auditing of the company's consolidated annual reports and the limited audit of the interim reports for the years 2004-2005 and 2006 with Reconta Ernst & Young S.p.A..

During an extraordinary meeting, the Shareholders also passed resolution on a series of modifications to the company statute in line with recent changes introduced by Legislative Decree n.6/2003 which enacts recent Government legislation for the reform of corporate law.

The statute, in order to conform to the already introduced model of corporate governance, maintains the so-called traditional system of management, characterised by a Board of Directors, a Board of Statutory Auditors and an external auditor.