



MONDADORI

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

PRESS RELEASE

MONDADORI AGM APPROVES 2005 RESULTS AND APPOINTS NEW BOARD OF DIRECTORS: MARINA BERLUSCONI CONFIRMED AS CHAIRMAN

DIVIDEND DISTRIBUTION OF €0.60 PER SHARE APPROVED (OF WHICH €0.25, EXTRAORDINARY) +71% ON THE €0.35 PER SHARE FOR 2004

MAURIZIO COSTA CONFIRMED AS DEPUTY CHAIRMAN AND CHIEF EXECUTIVE

Segrate, 26 April 2006 – 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 2005 and deliberated the distribution of a dividend of €0.60 - of which €0.25 is of an extraordinary nature drawn in part from the profit for the year and in part from the extraordinary reserve - per each ordinary share in circulation on the date of coupon detachment.

The dividend payable is 71% higher than the dividend of €0.35 distributed in 2005 and drawn from the net profit for the year 2004.

In line with regulations for markets organised and managed by Borsa Italiana S.p.A., the dividend will be payable in a single solution from 25 May 2006 (detachment date of coupons: 22 May 2006).

In his report, the Deputy Chairman and Chief Executive Maurizio Costa, outlined the highlights of the Group's performance already announced on 29 March:

The Shareholders also passed resolution on the following:

APPOINTMENT OF THE BOARD OF DIRECTORS

The new Board of Directors will have 11 members and will remain in office until the approval of the Annual Report for the financial year 2008.

The directors appointed are: Marina Berlusconi (Chairman), Piersilvio Berlusconi, Pasquale Cannatelli, Maurizio Costa, Bruno Ermolli, Martina Mondadori, Roberto Poli, Mario Resca, Marco Spadacini, Umberto Veronesi and Carlo Maria Vismara.

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors – that will remain in office for the next three years – is composed as follows: Ferdinando Superti Furga (Chairman); Achille Frattini and Franco Carlo Papa (Acting Statutory Auditors); Francesco Antonio Giampaolo and Francesco Vittadini (Substitute Statutory Auditors).

STOCK OPTION PLAN FOR THE THREE-YEAR PERIOD 2006/2007/2008

Following the termination of the Stock Option plan for the previous three-year period 2003/2004/2005, the Shareholders approved a Stock Option Plan for the three-year period 2006/2007/2008.

The purpose of the Plan is essentially to give the company and its subsidiaries a tool with which to promote loyalty and render the management more directly involved in the results. In conformity with art. 114 bis of legislative decree N°58 of 24 February 1998, the fundamental characteristics of the Plan approved by the shareholders are as follows:

Participants in the Plan

Participants in the Plan will be identified by the Board of Directors from: managers of the company or its subsidiaries with functions critical for the attainment of the group's strategic objectives; directors of the company and its subsidiaries; journalists of the company and its subsidiaries with the position of editor or co-editor; managers of the holding company who carry out their function in the interest of the company.

Implementation of the Plan

The Plan is organised in annual allocations to the participants of options, which are personal and non-transferable, for the acquisition of shares of the company, held in the portfolio or through subsidiary companies. Implementation of the plan is subordinate to the attainment of the company's performance objectives as determined by the Board of directors. Exercise of the allocated options will be further subordinate to a lock-up period and will be possible only within a defined period.

Criteria for the determination of the purchase price of shares

The price of such shares will be calculated on the basis of the normal trading price of Mondadori ordinary shares, in conformity with current legislation.

The Board of directors will define, in the light of the above, Guidelines for the implementation of the Stock Option Plan.

RENEWAL OF AUTHORISATION FOR THE ACQUISITION AND UTILISATION OF COMPANY SHARES

The Shareholders also renewed– until the approval of the Annual Report for 2006 – authorisation to effect share buy-backs up to the legal limit of 10% of the share capital, authorisation previously granted by the AGM of 20 April 2005 and which expired with the approval of the Annual Report for 2005.

The Shareholders also authorised, as per Art. 2357 of the Civil Code., the use of shares involved in such buy back operations or already in the company's portfolio.

Underlying motivation

This authorisation to effect buy backs and make use of Company shares is will allow the Board of Directors to:

- take advantage, where and when considered strategic for the company, of investment opportunities, also in relation to available liquidity;
- use company shares, either bought or in the portfolio, as part or whole payment in any eventual acquisitions or equity investments that fall within the company's stated investment policy;
- use company shares for the exercise of options for the purchase of shares assigned to participants in the stock option plans put in place by the Shareholders;

- use company shares, either bought or in the portfolio for the exercise of rights, also conversions rights, deriving from financial instruments issued by the company, its subsidiaries or third parties.

Cap on the number of shares that may be bought

Given that the company currently holds **14,516,581** of its own shares and that a further **4,517,486** Mondadori shares are held by the subsidiary Mondadori International SA – making an overall total of 19,034,067 shares, corresponding to 7.33% of the share capital – the new authorisation gives the Board the faculty to buy back a further 6,908,916 ordinary shares.

As per art 2357 of the Civil Code, buy backs will be carried out within the limits of the share premium booked in the most recently approved financial statements.

Method of acquisition and the price range

Buy backs may be effected on regulated markets as per art. 132 of the legislative decree of 24 February 1998 n. 58 and art. 144 bis, para. 1, B of Consob regulation 11971/99 according to operating procedures established by the regulations for the organisation and management of the markets themselves, which, does not permit the direct combination of offers to buy with predetermined offers to sell.

Consequently, the corresponding minimum and maximum price of sale will be determined at the same conditions that applied to previous authorisations agreed by the Shareholders, i.e. at a unit price not less than the official market price on the day prior to any operation, less 20%, and not more than the official market price on the day prior to any operation, plus 10%.

After the annual General Meeting a meeting of the Board of Directors was during which Maurizio Costa was confirmed as deputy chairman and chief executive, with the conferral of necessary powers.

The Board also nominate the members of the Internal Control Committee (Bruno Ermolli, Mario Resca, Marco Spadacini) and the members of the Remuneration Committee (Bruno Ermolli, Roberto Poli and Marco Spadacini).

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