



MONDADORI

Mandatory public notification as per CONSOB regulation n. 11971 of 14 May 1999 and subsequent modifications

PRESS RELEASE

MONDADORI STIPULATES A PRELIMINARY CONTRACT WITH POZZONI GROUP FOR THE SALE OF 80% OF MONDADORI PRINTING S.P.A.

Segrate, 14 October 2008 – Arnaldo Mondadori Editore today announced that it has signed a preliminary contract for the sale of 80% of the share capital of its subsidiary Mondadori Printing S.p.A. to Pozzoni Group.

The transaction price was defined on the basis of an enterprise value for 100% Mondadori Printing of €145 million. The impact of the operation on the Mondadori Group's consolidated net financial position will be in the region of €123 million.

The operation should be seen in the context of the general trend that increasingly characterises the printing sector at an international level: in which there is a growing tendency towards consolidation and aggregation among the most qualified operators in a market that is undergoing deep structural changes as a result of new competitive pressures, over-capacity in terms of production and a downturn in demand.

The agreement gives Pozzoni Group an option to acquire a further 20% stake in Mondadori Printing, to be exercised from December 2011 at a cost determined by the fair market value of the company at the time of the exercise of the option. Mondadori will retain an option to sell the same 20% stake from January 2017 at a price to be determined by the above mentioned criteria.

The agreement also includes a eight-year printing contract - renewable on terms in line with the best market benchmarks - guaranteeing Mondadori an improvement in terms of costs and the maintenance of high standards of quality. Additional continuity will be guaranteed by the confirmation of the current managing director of Mondadori Printing.

Mondadori Printing S.p.A. is the Mondadori Group company in which the activities of the Printing Division are concentrated, with four plants in Italy - located in Verona, Cles (TN), Pomezia (RM) and Melzo (MI) - and one in Spain at Toledo.

For the year ended 31 December 2007 the Mondadori Printing Division recorded revenues of €439,9 million and in the first half of 2008 the Division generated total revenues of €196,1 million.

Pozzoni Group is one of the most important players in the printing business and comprises 10 operating companies, nine plants (located in the provinces of Milan, Bergamo, Vicenza, Padua and Naples). In 2007, the company recorded consolidated revenues of €166 million, 20% of which from foreign sales.

With this operation Pozzoni Group completes its development strategy based on acquisitions and places the company among the leading European printers in terms of both revenues and staff.

The terms of the operation and the signing of the preliminary contract are subject to the legal notifications to the Italian Competition Authority.

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