



*Disclosures to the public in accordance with CONSOB Resolution 11971 of 14 May 1998 and subsequent amendments*

**INFORMATION DOCUMENT PREPARED IN ACCORDANCE WITH ARTICLE 84 *BIS*,  
PARAGRAPH 1, OF CONSOB REGULATIONS 11971/1999 AND SUBSEQUENT AMENDMENTS  
REGARDING THE 2009/2010/2011 STOCK OPTION PLAN FOR SUBMISSION TO THE  
ORDINARY SHAREHOLDERS' MEETING OF 29/30 APRIL 2009**

## **Introduction**

After the expiry of the stock option plan for the previous three-year period, 2006/2007/2008, on 25 March 2009 the Board of Directors of Arnoldo Mondadori Editore S.p.A. resolved, at the suggestion of the Remuneration Committee, to submit the creation of a Stock Option Plan for the three-year period 2009-2011 (the "Plan") to the Ordinary Shareholders' Meeting for approval.

The new three-year Plan submitted to the Meeting for approval takes the form of the assignment to the recipients, during each year in its life, of personal and non-transferable option rights that can be exercised in the ratio of one share for each option exercised in order to buy the Company's own ordinary shares.

This Information Document is drawn up in accordance with Article 84 *bis*, paragraph 1, of Consob Regulations 11971/1999 as subsequently amended (the "Issuer Regulations").

This information is provided, where applicable, in accordance with model 7 of Annex 3A to the Issuer Regulations. As fully specified in the Information Document, some aspects related to the implementation of the Plan will be defined by the Board of Directors in the performance of the delegated powers that the Company's Shareholders' Meeting is called upon to vest in it.

After the decisions that the Board of Directors takes in order to put the Plan in hand, provided that the resolution creating it is approved by the Shareholders' Meeting and in conformity to the general criteria laid down in the said resolution, the consequent information will be provided in the manner and within the times prescribed in Article 84 *bis*, paragraph 5, of the Issuer Regulations. Specifically, Table 1 to the said model 7 of Annex 3A of the Issuer Regulations will be published when the resolutions regarding the actual assignment of the Options to the beneficiaries of the Plan are adopted.

The Ordinary Shareholders' Meeting to approve the creation of the Stock Option Plan is convened on 29 April 2009 in first call and on 30 April 2009 in second call.

## **DEFINITIONS**

The following terms used in this Information Document will have the meanings set out below:

“Assignments”: the allocations of Options for the Beneficiaries to be resolved by the Board of Directors in the performance of the delegated powers vested in it by the Ordinary Shareholders’ Meeting;

“Treasury Shares”: ordinary Arnoldo Mondadori Editore S.p.A. shares with a value of 0.26 euro each, traded in the blue chip segment of the On-Line Stock Market, held as Treasury Shares by the Company as per Article 2357 of the Italian Civil Code;

“Beneficiaries”: persons to be selected as assignees of the Options by the Board of Directors from the categories specified in the Shareholders’ Meeting that creates the Plan;

“Options”: personal, non-transferable rights that the Board of Directors is to assign to the Beneficiaries, which may be exercised to buy Treasury Shares in the ratio of one share with normal dividend rights for each Option exercised;

“Periods of Exercise”: the periods starting from the expiry of the vesting period after the Assignments of the Options during which the exercise of the Options is allowed;

“Plan”: The Stock Option Plan lasting over the three-year period 2009/2010/2011, submitted for the approval of the Company’s Shareholders’ Meeting called on 29/30 April 2009 in accordance with Article 114 bis of Legislative Decree 58 of 24 February 1998;

“Exercise Price”: the price at which the Beneficiaries pay for Treasury Shares exercising each Option that has been allocated to them. The Exercise Price is set by the Board of Directors having regard to the arithmetic mean of the reference prices of Mondadori shares recorded during the period starting from the date on which the Options are assigned back to the same day of the previous calendar month.

“Company”: Arnoldo Mondadori Editore S.p.A., with registered office at Via Bianca di Savoia 12, Milan.

## **1. Beneficiaries**

**1.1 *Names of the beneficiaries who are members of the board of directors or of the managing committee of the issuer of the financial instruments, the issuer's controlling companies and the companies directly or indirectly controlled by the issuer***

**1.2 *Categories of employees or collaborators of the issuer of the financial instruments and of the companies controlling or controlled by the issuer***

The Plan is intended for persons to be selected from the following categories by the Company's Board of Directors at the proposal of the Remuneration Committee:

- executives of the Company and its subsidiaries that have key roles in the attainment of the Mondadori Group's strategic objectives;
- Directors of the Company and its subsidiaries;
- journalists employed by the Company and its subsidiaries who are editors and co-editors of newspapers and periodicals;
- executives of the parent company in managerial positions carrying out functions on behalf of the Company.

The Plan is such as to be considered "on a particularly large scale" in accordance with Article 114 *bis*, paragraph 3, of Legislative Decree 58/1998 and Article 84 *bis*, paragraph 2, of the Issuer Regulations, inasmuch as "relevant persons" may consequently also be selected that fall under the categories specified in Article 152-*sexies*, paragraph 1, sections c.1), c.2) of the Issuer Regulations, namely:

- a) members of the Company's Board of Directors;
- b) Company executives with regular access to inside information with the power to take management decisions that can influence the Company's progress and future prospects.

**1.3 *Names of beneficiaries of the plans belonging to the following groups:***

**1.3 a) *Beneficiaries with management functions specified in Article 152-*sexies*, paragraph 1, section c)-c.2, in the issuing company***

To be established after the Board of Directors' resolution regarding the implementation of the Plan.

**1.3 b) *Persons with management functions in a company that is a direct or indirect subsidiary of the issuer if the carrying value of the investment in the said subsidiary represents more than 50% of the issuer's assets as shown in the last approved***

**financial statements, as per Article 152-sexies, paragraph 1, section c)-c.3**

Not applicable.

**1.3 c) Natural persons that control the issuer who are employees or work as collaborators for the issuer**

This is not applicable, as no such persons are considered in the framework of the Plan.

**1.4 a) Description and numbers of the all executives with regular access to inside information with the power to take management decisions that can influence the issuer's progress and future prospects, as per 152-sexies, paragraph 1, section c)-c.2**

To be established after the Board of Directors' resolution regarding the implementation of the Plan.

These executives will be selected by the Board of Directors from the managers of the Company's Business and Head Office Departments, who are bound under Article 114, paragraph 7, of Legislative Decree 58/1998, to disclose transactions involving shares issued by the Company or other financial instruments linked to them.

**1.4 b) Description and numbers of the all executives with regular access to inside information with the power to take management decisions that can influence the progress and future prospects of a direct or indirect subsidiary of the issuer if the carrying value of the investment in the said subsidiary represents more than 50% of the issuer's assets as shown in the last approved financial statements, as per Article 152-sexies, paragraph 1, section c)-c.3**

Not applicable.

**1.4 c) Description and numbers of any other categories of employees or collaborators for whom different characteristics of the plans are envisaged**

Not applicable.

**1.4 d) Should exercise prices that differ according to the persons belonging to the two categories specified in sections (a) and (b) be envisaged for the stock option plans, such persons falling under sections (a) and/or (b) should be specified by name separately**

No different characteristics of the Plan are envisaged for the categories of its Beneficiaries,

and, specifically, the Exercise Prices of the Options, to be set in accordance with the criteria laid down in paragraph 4.19 below, will be the same for all the Beneficiaries.

## **2. Reasons for the adoption of the Plan**

### ***2.1 Objectives that it is intended to attain by implementing the plans***

The reasons for the proposal to adopt the Plan, as those specified with reference to the Stock Option Plans for the previous three-year periods, are substantially related to the following objectives:

- to provide the Company and its subsidiaries with a tool to build up its management's loyalty that will encourage managers to commit themselves to attaining strategic goals and will give them a share in the Company's results;
- to enable the management, and thus the Company, to improve its approach to value creation.

The number of Options to assign each Beneficiary will be decided by the Board of Directors at the proposal of the Remuneration Committee.

The Plan has a three-year time span (2009/2010/2011) with Periods of Exercise following each Plan reference year. These Periods of Exercise will start after the end of a 36-month vesting period from the dates on which the Options are allocated. This length of time is considered appropriate in order to attain the objectives of encouraging and building up the loyalty of the management that are those contemplated in the Plan.

### ***2.2 Key variables, also in the form of performance indicators, considered for the purposes of implementing plans based on financial instruments***

The implementation of the Plan, in terms of the Beneficiaries' actual possibility of exercising the Options allocated to them - as specified in paragraph 4.5 below - will be subject to the attainment of annual economic and/or financial performance targets to be set by the Board of Directors at the proposal of the Remuneration Committee.

The terms and conditions for the exercise of the Options will be applicable to all the Beneficiaries of the Plan and there are thus no different or special conditions for the various categories of Beneficiary.

### ***2.3 Elements forming the basis of the calculation of the amount of the share-based payments, or the criteria for their calculation***

The Board of Directors will decide the number of Options to be assigned to individual Beneficiaries at the proposal of the Remuneration Committee and within the limits laid down in paragraph 4 below, assessing the effective capacity of each Beneficiary to have a practical effect on the attainment of the results, progress and future prospects of the Company and the Group on the basis of their experience and ability and the function that they perform within the Company.

**2.4 *Reasons for any decision to allocate payment plans based on financial instruments not issued by the issuer itself, such as financial instruments issued by subsidiaries or controlling companies of the group in question, or third party companies; if the said instruments are not traded on regulated markets, information regarding the criteria adopted to measure their value***

Not applicable.

**2.5 *Considerations regarding material tax and accounting implications that had an effect on the decision regarding the plans***

No material tax or accounting implications had any effect on the proposal to adopt the Plan.

**2.6 *Support of the plans, if any, from the special fund for encouraging worker participation in enterprises in accordance with Article 4, paragraph 112, of Law 350 of 24 December 2003***

The Plan receives no support from the special fund for encouraging worker participation in enterprises in accordance with Article 4, paragraph 112, of Law 350 of 24 December 2003.

**3. Formalities for approval and timing of the Assignment of the financial instruments**

**3.1 / 3.2 *Scope of the powers and functions that the shareholders' meeting delegates to the board of directors for the implementation of the plans / names of the persons instructed to administer the plans, with their functions and responsibilities***

In accordance with the provisions of Article 114 *bis* of Legislative Decree 58 of 24 February 1998, the creation of the Plan will be submitted for the approval of the Ordinary Shareholders' Meeting of Arnaldo Mondadori S.p.A. that has been convened on 29 April 2009 in first call and on 30 April 2009 in second call.

The proposal to the Shareholders' Meeting will be that the Board of Directors be delegated the

functions necessary for the implementation of the Plan - in compliance with the basic features of the Plan as described in this Information Document - in terms of the selection of the Beneficiaries, setting their performance targets, assigning the Option rights and drawing up regulations to carry out the Plan in all its aspects.

Subject to the adoption of this Shareholders' Meeting resolution, the Board of Directors, in consultation with the Remuneration Committee, will then adopt the resolutions related to the implementation of the Plan, which will cover the following points in particular:

- a) approval of the regulations for the implementation of the Plan and any amendments thereto;
- b) selection of the Beneficiaries from the categories specified by the Shareholders' Meeting, referred to above;
- c) assignment of the Options to the Beneficiaries that have been selected;
- d) calculation of the Option Exercise Price in conformity to the principles laid down in paragraph 4 below;
- e) selecting and setting the performance targets to which the assignment of the Options is subject in every year of the duration of the Plan and verifying that these targets have been attained.

### **3.3 *Any procedures in place to review the plans, also in relation to possible variations in the basic targets***

The procedures for the review of the Plan, also in relation to possible variations in the basic targets, will be determined by the Board of Directors when it approves the Plan regulations.

### **3.4 *Description of the methods for the determination of the availability and assignment of the financial instruments on which the plans are based***

The Options to allocate in the framework of the Plan embody the rights to acquire - in a ratio of one share with normal dividend rights for each Option exercised - ordinary Mondadori Treasury Shares already held by the Company either directly or through subsidiaries, or to be bought in accordance with permission resolved by the Shareholders' Meeting in accordance with Article 2357 of the Italian Civil Code and Article 144 *bis* of the Issuer Regulations.

### **3.5 *Role played by each director in deciding the characteristics of the said plans: any situations of conflict of interests arising among the Directors involved***

The Plan's characteristics and guidelines were prepared by the Remuneration Committee and

submitted for collective appraisal by the Board of Directors so that it could draw up the necessary proposals for the creation of the Plan for submission to the Shareholders' Meeting. The subsequent resolutions of the Board of Directors were adopted in conformity to the proposals made by the Remuneration Committee, composed of three non-executive Directors who are not Beneficiaries of the Plan.

**3.6 *Date of the decision taken by the competent body to propose the plans to the shareholders' meeting and of the proposal, if applicable, of the remuneration committee***

The creation of the 2009/2010/2011 Plan is submitted to the Shareholders' Meeting for approval on 29/30 April 2009, after a decision taken by the Board of Directors on 25 March 2009, at the proposal of the Remuneration Committee on 19 March 2009.

**3.7 *Date of the decision taken by the competent body with regard to the assignment of the financial instruments and any proposal submitted by the remuneration committee, if applicable, to the said body***

This will be the date of the Board of Directors' resolution to implement the Plan and the relative Remuneration Committee proposal.

**3.8 *Market prices of the financial instruments on which the plans are based as recorded on the dates specified above, if traded on regulated markets***

The market prices (reference prices) of Mondadori shares recorded on the dates mentioned in paragraph 3.6 above were:

<b>Date</b>	<b>Reference price</b>
<b>19 March 2009</b>	<b>2.315</b>
<b>25 March 2009</b>	<b>2.5425</b>

**3.9 *For plans based on financial instruments traded on regulated markets, the terms in which and the methods according to which the issuer takes into account the possible concomitance between the following events in determining the timing for the assignment of the instruments in the implementation of the plans:***

- (i) *the assignment and any decisions taken with regard to the matter by the remuneration committee; and***



**(ii) any relevant information as per Article 114, paragraph 1; for example, if such information is:**

**a. not already in the public domain and likely to have a favourable effect on market prices; or**

**b. already in the public domain and likely to have an unfavourable effect on market prices.**

The Options will be allocated on the date of the Board of Directors' resolution setting, as specified above, the Option Exercise Price of the Options and allocating the Options to the persons selected as Beneficiaries.

As regards the need to avoid any significant interference between the effect on the price of the Shares of relevant information disseminated in accordance with Article 114, paragraph 1, of Legislative Decree 58 of 24 February 1998 and the setting of the Option Exercise Price, when the Options are allocated their Exercise Price is in any event set on the basis of the mean market price recorded over a relevant period of time, as fully specified in paragraph 4.19 below, thus diluting the effect of any sudden rises or falls in the price of the Shares.

#### **4. Characteristics of the financial instruments allocated**

##### **4.1 Description of the forms in which the share-based payment plans are structured**

For each year of its duration, the Plan is structured on the allocation of personal, non-transferable Option rights to the Beneficiaries, which they may subsequently purchase, settling their price at the time of their physical delivery, for ordinary Mondadori Treasury Shares in the ratio of one Share for each Option exercised. They are therefore stock options.

##### **4.2 / 4.3 / 4.4 period of actual implementation of the plan, specifying any different cycles involved / termination of the plan / maximum number of financial instruments, also in the form of options, assigned in each tax year with respect to the persons specified by name or the categories specified**

The Plan lasts for the three-year period 2009/2010/2011.

The Options allocated to the Beneficiaries may be exercised, in every year of the duration of the Plan, at the end of the 36-month vesting period from the date of assignment during pre-determined Periods of Exercise falling between the first day of the thirty-seventh month and the last day of the seventy-second month after the said Option assignment dates.

The maximum total number of Options to be assigned throughout the duration of the Plan will

be decided in such a way that the Shares underlying the Options - in a ratio of 1 Share for each Option exercised - do not exceed 3% of the Company's share capital, which corresponds to 7,782,895 shares.

The Exercise Period of the Plan and the number of Options assigned in each year of its duration to the persons falling under the categories of Beneficiaries as specified in paragraph 1.2 above will be determined after the Board of Directors' resolutions regarding the implementation of the Plan.

**4.5 *Methods and implementation clauses of the plan, stating whether the actual allocation of the financial instruments is subject to meeting conditions or attaining certain results, including performance results; description of such conditions and results***

The methods and the implementation clauses of the Plan are set out in paragraphs 4.1, 4.2, 4.3 and 4.4 above.

The Board of Directors, at the proposal of the Remuneration Committee, will establish and decide the conditions on which the Options allocated to the Beneficiaries may be actually exercised, on the basis of the attainment of economic and/or financial performance targets on an annual basis.

The satisfaction of the conditions for the exercise of the Options will be verified by the Board of Directors in each year of the duration of the Plan within the first six months of the financial period after that in which the Options have been allocated.

The conditions for the exercise of the Options will apply to all the Beneficiaries and there are therefore no different conditions for different categories of Beneficiary.

**4.6 *Any restrictions on the availability of the financial instruments allocated, or on the instruments given when the options are exercised, particularly as regards the periods of time during which it is allowed or forbidden to transfer the instruments to the Company itself or to third parties***

The Options to allocate in the framework of the Plan are personal and non-transferable, and they are not available *inter vivos*; they cannot be pledged or guaranteed in favour of the Company or third parties.

There are no restrictions on the availability of the Shares to be distributed when the Options are exercised.

**4.7 *Description of any conditions subsequent related to the allocation of the plans if the***

***beneficiaries carry out any hedging transactions that allow them to neutralise any prohibitions on the sale of the financial instruments assigned, also in the form of options, or of the financial instruments received after the exercise of such options***

Any conditions subsequent related to the allocation of the Plan should the Beneficiaries carry out hedging transactions that enable them to neutralise any prohibitions on the sale of the Options allocated will be determined in the Plan regulations to be drawn up by the Board of Directors.

***4.8 / 4.9 Description of the effects of termination of employment / other possible causes of the cancellation of the plans***

The effects of the various ways in which a Beneficiary may leave his position as a Director and/or terminate his employment, and the indication of other possible causes of cancellation of the Plan, will be determined in the Plan regulations to be approved by the Board of Directors.

***4.10 Justification for any provision for the company's redemption of the financial instruments in the plans envisaged under Article 2357 ff of the Italian Civil Code; the beneficiaries of the redemption should specify whether the provision is only intended for special categories of employee; the effects of termination of employment on this redemption***

Not applicable.

***4.11 Any loans or other facilitations intended to grant for the purchase of the stock as per Article 2358, paragraph 3, of the Italian Civil Code***

Not applicable.

***4.12 Assessments of the expected cost to the company on the date the stock is assigned, as measurable on the basis of terms and conditions that have already been decided, by total amount and with regard to each instrument in the plan***

The expected cost to the Company is not measurable at present because it depends on the amount of Options that are allocated on their respective assignment dates and on the Exercise Price.

The total economic charge of the Plan will be measured in accordance with IFRS 2 accounting principles, according to which stock options are measured at fair value at the time of assignment. Fair value is determined using a binomial method, having regard to the Plan regulations.

These benefits are recognised as staff costs through profit and loss during the period of service, consistently with the vesting period, starting from the assignment date, with a contra-entry in equity under “Stock option reserve”.

The benefits awarded to employees/Directors of subsidiaries by parent company Arnoldo Mondadori Editore S.p.A. are recognised as increases in the cost of the investment, with a contra-entry in equity under “Stock option reserve”.

After the assignment date, a change in the number of Options will entail an adjustment to the total cost of the Plan, which will be recognised according to the method described above. At the end of each financial period, the fair value amount of each Option previously measured is neither reviewed nor adjusted, but remains finally in the balance sheet; on this date, on the other hand, the estimate of the number of Options that will accrue up to expiry (and thus of the number of employees that will be entitled to exercise the Options) is adjusted. The variation in the estimate is taken away from the “Stock option reserve” item with a contra-entry in profit and loss among staff costs, or reducing “Equity investments” if they are benefits awarded to employees/Directors of subsidiaries.

When Options are exercised, the portion of “Stock option reserve” related to the options exercised is reclassified under “Equity premium reserve”; the portion of “Stock option reserve” related to Options cancelled or that have not been exercised when they expire is reclassified under “Other reserves”.

**4.13 *Any dilution effects on capital caused by payment plans***

Not applicable, since the Plan does not entail any increase in the Company’s share capital.

**4.14 *Any limits envisaged on the exercise of voting rights and the allocation of ownership rights***

No limits are envisaged on the exercise of voting rights or the allocation of ownership rights on the Shares purchased after the Options have been exercised.

**4.15 *In the event of the shares not being traded on a regulated market, all necessary information regarding a reliable assessment of their value***

Not applicable.

**4.16 *Number of financial instruments underlying each option***

Each Option allocated entitles the Beneficiary to purchase one Share.

#### **4.17 Expiry of the options**

The Options expire on the first day after the end of the relative Exercise Period. Options not exercised before they expire are forfeited and consequently do not give the Beneficiaries any rights.

#### **4.18 Methods and timing of exercise, special conditions**

As already stated in paragraph 4.2 above, the Options may be exercised, in each year of the duration of the Plan, only during the Periods of Exercise that start from the end of the specific 36-month vesting period from the date on which they are allocated.

#### **4.19 Exercise price of the options, or the methods and criteria for its calculation, particularly as regards:**

- a) the formula for the calculation of the exercise price in relation to a determinate market price (fair market value); and**
- b) the methods for the calculation of the market price adopted to determine the exercise price**

The Option Exercise Price will be set by the Board of Directors - when it resolves the Assignment of the Options - having regard to the arithmetical mean of the reference prices of the Shares recorded by Borsa Italiana S.p.A. during the period starting from the date on which the Options are assigned back to the same day of the previous calendar month.

#### **4.20 If the exercise price is not the same as the market price calculated as specified in paragraph 4.19 (b) (fair market value), the justification for the difference**

Not applicable.

#### **4.21 Criteria for providing for different exercise prices for different beneficiary or different categories of beneficiary**

Not applicable.

#### **4.22 If the financial instruments underlying the options are not traded on a regulated market, the value attributable to the underlying instruments or the criteria for calculating this value**

Not applicable.

**4.23 Criteria for the adjustments made necessary as a result of extraordinary capital transactions and other transactions entailing a change in the number of underlying instruments (capital increases, extraordinary dividends, grouping and splitting of underlying shares, mergers and demergers, conversions into other classes of share, etc.)**

The criteria for the adjustments made necessary as a result of extraordinary capital transactions and other transactions entailing a change in the number of underlying instruments will be determined in the Plan regulations that are to be approved by the Board of Directors.

*Segrate, 9<sup>th</sup> April 2009*