



MONDADORI

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PRESS RELEASE

MONDADORI: FOREIGN EXPANSION IN MAGAZINES
With an initial 20% stake in Attica Publications

*The Athens-based company, Greek market leader in magazines,
will provide an important platform for the launch of Mondadori titles in East Europe*

Segrate, 20 March 2003 – Arnoldo Mondadori Editore S.p.A. today signed an agreement to take a stake in Attica Publications S.A., a Greek publishing company listed on the Athens Stock Exchange.

Under the terms of the agreement, Mondadori will buy from the founding partners (owners of 80% of the share capital, the remaining 20% is on the market) an initial stake of 20% at a total cost of €18.2 million.

The agreement also gives Mondadori a call option on a further 20% of Attica that can be exercised over the next 18 months. This would bring Mondadori's stake to 40%, equal to the stake of the current majority shareholder.

Mondadori will have the right of representation on the Board of Directors of Attica from the next AGM. Should Mondadori decide to exercise its call option, the number of Mondadori nominated representatives on the Board would consequently increase.

The Attica Group, founded in 1994 as a magazine publisher, was listed on the Athens Stock Exchange in 1999. The capital raised by the IPO was invested in the core business with the launch of nine new titles and the acquisition of local publishing companies. Subsequently,

Attica has implemented a process of diversification that has turned company into an integrated multimedia operator in the media sector, with an articulated presence in a number of areas: magazines, radio, and film, video, DVD and recorded music distribution.

With 2002 revenues of more than €72 million and a high level of profitability, the Attica Group is the advertising market leader and has the second highest level of circulation. The company has a portfolio of products that ranges from its own original titles to titles published under licence from prestigious international publishing groups, including Hearst and Groupe Figaro; a balanced mix of titles covering the women's, television, men's and specialised segments.

Attica's presence in Eastern Europe - Hungary, Romania and Bulgaria – is already significant and the expansion policy for this region is based on the launch of titles with a strong brand able to achieve immediate results in terms of circulation.

Maurizio Costa, deputy chairman and chief executive of Mondadori, claims that the agreement «is the first step in a pre- announced strategy for expansion into other European markets. Attica is the Greek market leader in magazines and has a profitable and growing business. As far as Eastern European markets are concerned, this agreement will give us a geographically diversified platform for the launch of Mondadori titles.» Costa underlined the experience and dynamism of the management team, adding that, «we will work with our partners to exploit the synergies that derive from their detailed knowledge of the local markets and our consolidated editorial know-how.»

«Overall, this operation is entirely consistent, both with our strategic vision and from the point of view of profitability,» concluded Costa.

The participation of Mondadori in Attica Publications' share capital signals the beginning of a new, even more dynamic development of the group in the future. Mondadori's expertise, along with its international influence, will contribute to the further expansion of the company, both in the local market as well as in the developing markets of Eastern Europe.

From now on, Attica Publications becomes an active player in the European market place.

Together with Mondadori's management, we are determined to create a media company that will play a significant leading role in the whole region.

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