



MONDADORI

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PRESS RELEASE

MONDADORI FORMALIZES ACQUISITION OF MESSAGGERIE MUSICALI

The Group reinforces its position in Milan and Rome with more than 25,000 square metres of new retail space in the two cities

Segrate, 29 December 2006 – Following appropriate authorisations from the Italian competition body, Mondadori Retail S.p.A., a wholly-owned subsidiary of Arnoldo Mondadori Editore S.p.A., today finalised the definitive agreement for the acquisition of the entire share capital of Messaggerie Musicali S.p.A.

The operation was completed in line with the preliminary agreement signed on 22 November and previously announced to the market. The value of the transaction is €24 million.

The acquisition of Messaggerie Musicali will allow Mondadori to add to its existing network the two megastores - which will be managed directly by Mondadori - in Via del Corso in Rome and Corso Vittorio Emanuele/Galleria del Corso in Milan, further developing its position in two cities of particular relevance and expanding its assortment of books and multimedia products.

In addition, Milan will also see the opening in the spring of 2007 of a new megastore - the *Duomo Center* - in Piazza del Duomo, in a prestigious location of architectural value.

The inclusion in the Mondadori chain of outlets of this new sales outlet and the store in Corso Vittorio Emanuele/Galleria del Corso will result in a significant increase in the sales space dedicated to books and multimedia products, which, including the existing Multicenter in Via Berchet, in the centre of Milan alone will rise from 2,500 to over 10,000 square metres.

Overall the network of retail outlets operated by Mondadori in Milan and Rome will amount to a floor space of over 25,000 square metres.

In the context of the Group's development plan in the retail sector and the optimisation of its presence in the Milan area, Mondadori Retail has also reached an agreement for the sale, to Corso Vittorio Emanuele 2428 Retail S.r.l., at a price of €14.25 million, of the business activity in the retail space currently occupied by the Libreria Mondadori bookstore in Largo Corsia dei Servi in Milan.

The activities of the bookstore will move to the nearby Messaggerie Musicali store in Corso Vittorio Emanuele, and will provide customers with an expanded offer along with a marked continuation of service.

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