

## **PRESS RELEASE**

### **MONDADORI AGM APPROVES 2010 RESULTS**

- **APPROVAL FOR THE PAYMENT OF A DIVIDEND OF €0.17**
  - **SHARE BUY-BACK AUTHORISATION RENEWED**
- **APPROVAL FOR THE CANCELLATION OF PART OF THE TREASURY STOCK**

*Segrate, 21 April 2011* - 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 Annual Report for the year ended 31 December 2010 and deliberated, in line with a proposal resolved by the board of directors on 21 March and previously communicated to the market, to distribute a dividend, net of taxation, of €0.17 for each ordinary share (net of treasury stock) in circulation of the date appointed for coupon detachment.

Dividends will be payable from 26 May 2011 (coupon detachment from 23 May 2011).

In his report to the shareholders, the deputy chairman and chief executive Maurizio Costa outlined the highlights of the group's performance during 2010, already announced on 21 March.

### **RENEWAL OF AUTHORISATION FOR THE BUY-BACK AND UTILISATION OF COMPANY SHARES**

Following the expiry of the term fixed for the authorisation issued at the Annual General Meeting of 27 April 2010, the shareholders renewed authorisation to effect share buy-backs, up to the 15% of the share capital, the equivalent of 38,914,474 ordinary shares.

By taking account of the shares previously in the portfolio, the total number of shares comprising treasury stock is now 22,367,587 (8,62% of the share capital), of which 17,850,101 are held directly in the Arnoldo Mondadori Editore S.p.A. portfolio and 4,517,486 are held by the subsidiary Mondadori International S.A., the authorisation allows for the purchase of an additional maximum of 16,546,887 shares.

It should be noted that, with regard to the authorisation of 27 April 2010, the company made no buy backs, given that the market conditions were not in line with the authorisation itself.

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.

In line with the provisions of art. 144 *bis* of Consob regulation 11971/1999, what follows is an outline of the buy-back programme authorised by the Shareholders:

- **Underlying motivation**

The renewal of authorisation for the buy-back and utilisation of company shares is aimed at maintaining the legal conditions for eventual further buy-back plans and, as a result, the possibility of taking advantage of investment opportunities or other treasury stock operations, giving to the board of directors the specific faculties to:

- 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, including conversion rights, deriving from financial instruments issued by the company, its subsidiaries or third parties;

- 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;
- take advantage, where and when considered strategic for the company, of investment opportunities, also in relation to available liquidity.

- **Duration**

Until the approval of the 2011 Annual Report.

- **Cap on the number of shares that may be bought**

In line with the expiring authorisation, the renewal concerns the possible acquisition of an additional 16,546,887 ordinary shares which, taking account of the shares already either directly or indirectly held in the portfolio, as outlined above, allows for the purchase of up to 15% of the share capital.

Following the cancellation of 12,971,492 shares, and the consequent reduction of the capital, as resolved by the Shareholders in extraordinary session, the authorisation will permit the buy-back of up to a total of 10.52% of the share capital.

- **Method of acquisition and the price range**

Buy backs would 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.

The corresponding minimum and maximum price of sale will therefore 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%.

In terms of price and daily volumes, acquisition operations will in any case be conducted in line with the norms foreseen by the EU regulation 2273/2003, in particular:

- the company will not buy shares at a price greater than the highest price of the last independent operation and the price of the highest current independent offer on the regulated market where the acquisition is made.
- in terms of daily volumes, the company will not purchase a quantity greater than 25% of the average daily volume of Mondadori shares traded on the regulated market and calculated on the basis of the average daily volume of trading of Mondadori shares in the 20 trading days prior to the dates of purchase.

Any operations that are effected will be communicated to the market as per the terms of art. 87bis, of Consob regulation 11971/1999.

## **CANCELLATION OF PART OF THE TREASURY STOCK HELD AND CORRESPONDING TO 5% OF THE SHARE CAPITAL**

As indicated above, Arnoldo Mondadori Editore S.p.A. directly holds 17,850,101 company shares, equivalent to 6.88% of the share capital and acquired at an average price of around €6.1697 per share.

The Shareholders, meeting in extraordinary session, approved a proposal for the cancellation of 12,971,492 shares, with a nominal value of €0.26 per share, and corresponding to 5% of the share capital, while keeping in the portfolio, also to service stock option plans, 4,878,609 shares, in addition to the 4,517,486 held by Mondadori International.

The proposal to cancel a part of the shares held as treasury stock is explained by the fact that, in recent years, there have not been opportunities to use such stock as foreseen by the authorisations made by the shareholders, such as share swaps or conversions in financial instruments.

Following the cancellation, and the consequent reduction in the number of shares making up the share capital, would - while maintaining the necessary solidity to support future growth objectives - result in the optimisation of the company's capital structure and have a positive impact in terms of increasing both earnings per share and dividend per share.

In terms of the impact on the company's accounts, the "treasury stock", in compliance with international accounting principles booked as a reduction in net assets, would be reduced by around €80,030,000, against a reduction in the share capital of a nominal €3,372,587.92 – corresponding to 12,971,492 shares with a cancelled nominal value of €0.26 – and a reduction of the "share premium reserve" of around €76,658,000.

The reduction in the share capital approved by the Shareholders will become effective, subject to no objections being submitted, only after a period of ninety days from the registration of the resolution, as foreseen by article 2445 of the Italian Civil Code.

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