

ARNOLDO MONDADORI EDITORE SpA

BOARD OF AUDITORS' REPORT

TO THE SHAREHOLDERS' MEETING CALLED

FOR THE APPROVAL OF THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013

(article 153 of Italian Legislative Decree no. 58/98)

Dear Shareholders,

in 2013 we have carried out auditing activities as required by law and in compliance with the provisions set out in Consob Communication no. 1025564 of 6 April 2001 and subsequent amendments, taking also the Code of Conduct recommended by the Italian National Association of Certified and Professional Accountants into account.

In particular:

- We have monitored compliance with the law, the Company's By-Laws and the principles of correct administration;
- We have attended the Shareholders' Meetings, the Board of Directors' meetings and the meetings of the Board Committees and we have obtained from the Directors, also pursuant to article 150 of Italian Legislative Decree 58/1998, periodic reports on the general performance of operations, its foreseeable evolution, as well as transactions of greater financial and economic relevance completed by the Company, making sure that the resolutions made and implemented were not openly incautious and risky, generating a potential conflict of interest, in contrast with the resolutions made by the Shareholders' Meeting or such to jeopardize the integrity of the Company's capital;
- We have obtained knowledge of and monitored the adequacy of the Company's organisation structure for the aspects falling under our competence, through direct auditing, collection of information and meetings with the representatives of Deloitte & Touche S.p.A., the independent auditing firm responsible for legal auditing on the

Group's consolidated and Company's financial statements as well as for the limited auditing on the Group's consolidated and Company's interim reports, for the purpose of also exchanging relevant data and information. In this respect, no specific aspects were identified which needed to be reported;

- We have assessed and monitored the adequacy of the internal control and risk management system, the activity performed by the Internal Audit Officer and of the administrative-accounting system, as well as the latter's reliability to correctly reflect data on operations by collecting information, examining corporate documents and analysing the outcomes resulting from the audits carried out by the independent auditors. We have also periodically met with the Internal Audit Officer, with whom we have exchanged information about the outcomes of the audits made on the subsidiaries and we have also attended the meetings of the Internal Control and Risk Committee;
- We have monitored the correct implementation of corporate governance rules as envisaged in the relevant Corporate Governance Code, with which the Company complies according to the criteria set out in the Report on Corporate Governance and Ownership Structure. In particular, we have checked, on an annual basis, the compliance with the independence requirements of non-executive Directors qualified as independent by the Board of Directors and we have also verified the fulfilment of the same requirements of independence by the Statutory Auditors;
- With reference to Italian Legislative Decree 39/2010 we have verified the compliance with independence requirements by the independent auditing firm, Deloitte & Touche S.p.A. also based on the statement released pursuant to article 17, par. 9, letter a) of the aforementioned Italian Legislative Decree 39/2010;

- We have assessed and monitored the adequacy of the guidelines given to subsidiaries pursuant to article 114, par. 2, of Italian Legislative Decree 58/1998. These guidelines enabled subsidiaries to promptly provide the parent company with the necessary information to comply with disclosure obligations required by law;
- We have verified compliance with law provisions in relation to the preparation of the Group's consolidated and Company's annual financial statements at 31 December 2013, drafted according to IAS/IFRS international accounting standards, the relevant reports on operations, through direct audits and information obtained from the independent auditors; this Board of Auditors shared the criteria adopted by the Board of Directors in relation to the impairment tests reflected in the Group's consolidated and Company's financial statements;
- We have monitored compliance with the procedures regarding transactions with related parties, adopted by the Board of Directors, following to the principles set out in Consob Regulation no. 17221 of 12 March 2010 and its implementation;
- We have given, pursuant to article 2389, par. 3, of the Italian Civil Code, our favourable opinion in relation to the proposals made to the Board of Directors by the Remuneration Committee in relation to the determination of the compensation to be paid to the directors holding special offices in compliance with the Company's By-Laws (CEO) and, pursuant to article 2386, par. 1, of the Italian Civil Code, we have approved the resolutions adopted by the Board of Directors with reference to the co-optation of two directors in replacement of the resigning ones.

In the performance of the auditing activities described above, no omissions, reprehensible events or irregularities were identified that would have required reporting to the competent supervisory boards or mentioning in this report.

In 2013 the Committee responsible for monitoring the effectiveness, compliance and updating of the Company's organizational, management and control model adopted pursuant to Italian Legislative Decree 231/2001, did not report to us any events.

Also, the annual Report on Corporate Governance and Ownership Structure drafted by the Board of Directors did not identify any issues that would need to be submitted to your attention.

In compliance with the recommendations and indications provided by CONSOB, this Board of Auditors also points out that:

- it verified that no atypical and/or unusual transactions, both at intercompany level or with related parties, were carried out;

The information provided by the Board of Directors also with specific reference to intercompany transactions and transactions with related parties is considered adequate. In particular, the latter transactions are to be considered correlated and inherent to the Company's purpose. The characteristics and the economic effects of the ordinary transactions performed are reported in the Notes to the Financial Statements and are considered congruent and fulfilling the Company's interests. In addition, in this respect, no conflicts of interest were identified.

Also, as a result of the motivated opinion in favour expressed to the Board of Directors by the Committee of Independent Directors "related parties" in relation to the Company's interest in fulfilling the transaction, the suitability and substantial correctness of the relevant conditions, this Board of Auditors shared the resolutions made by the Board of Directors in the matter of approval of the general guidelines regarding a transaction with a related party as envisaged in the provisions set out in Consob Regulation no.17221/2010 and subsequent amendments and the procedure adopted by the Company as transaction "of greater relevance". The transaction referred to the transfer from subsidiary Mondadori Pubblicità S.p.A. to Mediamond S.p.A., with

effective date on 1 January 2014, of the business relative to the sale of advertising space in magazines and on radio stations.

Detailed information about the transaction is reported in the Directors' Report on Operations also making reference to the memorandum and relevant supplement, advertised pursuant to article 5, par. 1 of Consob Regulation no. 17221 /2010 on 21 November 2013 and 23 December 2013, respectively, and available for download on the Company's website at [www.mondadori.it](http://www.mondadori.it) –Governance section;

- The Company has adhered to the Code of Corporate Governance of listed companies issued by Borsa Italiana S.p.A., as specified in the relevant report by the Board of Directors.

During the financial year of reference:

- the Board of Auditors periodically met and exchanged information with the representatives of Deloitte & Touche S.p.A. and, though not yet relying on the auditing reports regarding the Group's consolidated and the Company's financial statements, it may reasonably believe that no events need to be reported on the same;
- the Board of Directors had no. 6 meetings and the Board of Auditors had no. 10 meetings;
- the Company assigned to Deloitte & Touche S.p.A., the independent auditing firm responsible for auditing the Group's consolidated and the Company's financial statements, also the following tasks:
  - ADS audits for 2012 for a price of euro 51,500.
  - auditing of the Company's financial statements at 31 December 2013 for a price of euro 15,000;

- audits for the underwriting of the tax returns for a price of euro 30,600 (of which euro 2,650 relative to the parent company) and euro 15,000 relative to the “approval of compliance” for VAT statements.
- The company assigned to entities having ongoing relations with, and correlated to the independent auditing firm the following tasks:
  - Deloitte ERS Entrerprise Risk Service S.r.l. was given the task to provide technical-methodological support for the “privacy” project for a price of euro 10,000;
  - Deloitte & Associates S.A. was given the task to carry out audits for the purpose of obtaining reduced mail fees for a price of euro 3,000;

The Board of Auditors did not receive any reports pursuant to article 2408 of the Italian Civil Code nor complaints.

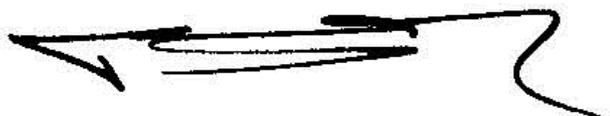
In brief, taking into account the foregoing and for the activities under its competence, this Board of Auditors did not identify any events or facts that may prevent the approval of the financial statements at 31 December 2013, showing a loss of euro 314,970,500.44 nor of the proposal to cover said loss through the entire utilization of the “Share premium reserve” amounting to euro 170,624,621.21 and for the residual amount of euro 144,345,879.23 through the use of additional reserves available included under item “Other reserve and profit carried forward”, as proposed by the Board of Directors.

Segrate, 7 April 2014

For the Board of Auditors

The Chief Statutory Auditor

(Ferdinando Superti Furga)

A handwritten signature in black ink, appearing to be 'Ferdinando Superti Furga', written over a horizontal line.