

MONDADORI: SHAREHOLDERS' MEETING APPROVES 2016 FINANCIAL STATEMENTS

- **Renewal of the authorization to purchase and sell treasury shares**
- **Approval of the adoption of a 2017/2019 Performance Share Plan**
 - **Resolution of amendments to the by-laws**

Segrate, 27 April 2017 - Today, the Shareholders' Meeting of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, approved the financial statements for the year ended 31 December 2016, and reviewed the 2016 consolidated financial statements of the Mondadori Group, which show a net profit of 22.5 million euro, improving by 16.1 million euro, therefore tripling versus 6.4 million euro in 2015.

In his report, CEO Ernesto Mauri presented the key figures on the performance of the Mondadori Group in 2016, as disclosed to the market last 21 March.

The Shareholders' Meeting, in accordance with the Board of Directors' proposal, resolved to fully cover the loss for the year of 15.2 million euro of the Parent Company Arnoldo Mondadori Editore S.p.A. (versus 32 million euro in the prior year) by using a corresponding amount of reserves.

Moreover, the Shareholders' Meeting resolved, in ordinary session, on the following items on the agenda:

CONFIRMATION OF THE CO-OPTED DIRECTOR

The Meeting confirmed Paolo Ainio as Director - previously appointed by cooptation by the Board of Directors on 28 July 2016 - until the expiry of the term of the Board of Directors (approval of the financial statements for the year ending 31 December 2017).

The professional profile of Director Paolo Ainio is available on the website www.mondadori.it, Governance section.

Based on the information available to the Company, to date Paolo Ainio holds no shares of the Company.

BANZAI MEDIA S.R.L. FINANCIAL STATEMENTS APPROVED

The Shareholders' Meeting approved the financial statements for the year ended 31 December 2016 of Banzai Media S.r.l., merged by incorporation in Arnoldo Mondadori Editore S.p.A., with accounting and tax effects from 1 January 2017.

REMUNERATION REPORT

The Shareholders' Meeting approved Section One of the Remuneration Report on the policy adopted for 2017 regarding remuneration to directors and executive managers with strategic responsibilities.

RENEWAL OF THE AUTHORIZATION TO PURCHASE AND SELL TREASURY SHARES

Given the approaching expiry of the previous authorization resolved on 21 April 2016, the Shareholders' Meeting renewed the authorization to purchase treasury shares up to a cap of

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+39 02 7542.3159 - pressoffice@mondadori.it - www.mondadori.it

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10% of its share capital. The Shareholders' Meeting also authorized to sell the treasury shares acquired by the Company in compliance with art. 2357-ter of the Italian Civil Code.

To date, Arnoldo Mondadori Editore S.p.A. holds a total of no. 80,000 treasury shares, equal to 0.031% of the share capital.

Here below is the information provided on the authorization issued by the Shareholders' Meeting, also with reference to the provisions of art. 144-bis of Consob Regulation no. 11971/1999:

1. Motivations

- to use the treasury shares purchased as consideration in the acquisition of interests as part of the Company's investment policy;
- to use the treasury shares purchased in the exercise of option rights, including conversion rights, deriving from financial instruments issued by the Company, its subsidiaries or third parties, and to use the treasury shares for lending, exchange or transfer transactions or to support extraordinary transactions on the Company's capital or financing transactions implying the allocation or sale of treasury shares;
- to undertake any investments, directly or through intermediaries, including for the purpose of containing abnormal movements in share prices, stabilizing share trading and prices, supporting the liquidity of the share on the market, in order to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions;
- to rely on investment or divestment opportunities, if considered strategic by the Company, also in relation to available liquidity;
- to sell treasury shares as part of share-based incentive plans pursuant to art. 114-bis of the TUF, and of plans for the free allocation of shares to Shareholders.

2. Maximum number of purchasable treasury shares

The authorization refers to the purchase of a maximum number of ordinary shares with a nominal value of euro 0.26 each up to a cap of 10% of the Company's share capital.

3. Criteria for purchasing treasury shares and indication of the minimum and maximum purchasing cap

Purchases shall be made pursuant to the combined provisions of art. 132 of Legislative Decree no. 58/1998, of art. 5 of Regulation (EU) 596/2014, (ii) of art. 144-bis of the Issuer Regulation, (iii) of the EU and national legislation on market abuse, and (iv) of Accepted Practices.

Purchases shall be made on regulated markets, according to operating criteria which do not allow the direct combination of the purchase negotiation proposals with pre-determined sale negotiation proposals.

The minimum and maximum purchase price shall be determined under the same conditions established by the preceding Shareholders' Meeting authorizations, i.e. at a unit price not lower than the official Stock Exchange price of the day preceding the purchase transaction, reduced by 20%, and not higher than the official Stock Exchange price of the day preceding the purchase transaction, increased by 10%.

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In terms of daily prices and volumes, the purchase transactions shall be completed in compliance with the conditions established in art. 3 of the Delegated Regulation (EU) 2016/1052.

Any completed transaction shall be subject to disclosure pursuant to the terms and criteria set out in art. 87-bis of Consob Regulation no. 11971/1999.

Purchases instrumental in (a) the support to market liquidity and (b) the purchase of treasury shares to build a so-called "treasury shares" portfolio, shall also be made in accordance with the conditions provided by market practices, under the combined provisions of art. 180, par. 1, lett. C) of the TUF and of art. 13 of (EU) Regulation 596/2014.

With regard to the sale of treasury shares, the Shareholders' Meeting resolved to authorize the Board of Directors to sell purchased treasury shares: (i) through disposal of the shares on regulated markets; (ii) as consideration in the acquisition of interests as part of the Company's investment policy; (iii) in the exercise of option rights, including conversion rights, deriving from financial instruments issued by the Company or third parties; (iv) to service share-based incentive plans approved by the Shareholders' Meeting without any time limits.

4. Duration

Until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017.

ADOPTION OF A PERFORMANCE SHARE PLAN

The Shareholders' Meeting approved the adoption of a 2017/2019 Performance Share Plan, in accordance with art. 114-bis of Legislative Decree no. 58 of 24 February 1998, intended for certain executive directors, executives with strategic responsibilities and certain second-line executives of the Group, in accordance with the conditions previously disclosed to the market last 21 March, pursuant to art. 84 bis, par. 1, of Consob Regulation no. 11971/1999.

For details on the 2017/2019 Performance Share Plan, the beneficiaries and the main characteristics of the Regulations of the Plan, reference should be made to the information document drawn up by the governing body, pursuant to Consob Regulation no. 11971/1999, and to the explanatory report, published on the Company's website www.mondadori.it, "Governance/Shareholders' Meeting" section.

In extraordinary session, the Shareholders' Meeting resolved on:

AMENDMENTS TO THE BY-LAWS

The Shareholders' Meeting resolved on the amendments to art. 7 (adoption of increased voting rights pursuant to art. 127-quinquies of Legislative Decree no. 58/98) and art. 17 (amendments to appointment procedures for the Board of Directors by means of a so-called blocked lists system) of the Company by-laws.

For further information, reference should be made to the proposed resolution approved by the Board of Directors on 21 March 2017, as illustrated in the specific report prepared by the Board of Directors, pursuant to and for the purposes of art. 125-ter of the TUF, and of articles 72 and 84-ter, and of Annex 3A, Schedule 3, of the Regulation adopted through Consob Resolution no. 11971 of 14 May 1999, available at the registered office of the Company and on the Company's website www.mondadori.it, "Governance/Shareholders'



Meeting" section, and to the new text of the Company by-laws, which will be made available on the Company's website within the time limits established by current laws.

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The minutes of today's Shareholders' Meeting will be made available according to the procedures and time limits of law.

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