

Random House Mondadori agreement signed Riccardo Cavallero the CEO of the new joint venture, the world's second largest Spanish-language book publisher

Maurizio Costa, chief executive of the Mondadori Group and Peter Olson, chief executive of Random House, today signed the definitive agreement in Barcelona for the creation of *Grupo Editorial Random House Mondadori*. With revenues of over \$100 million, the new 50-50 joint venture will become the world's second largest Spanish-language book publisher.

Random House Mondadori will bring together all of the imprints of Random House and Mondadori operating in the book markets of Spain and Latin America. The operation is subject to the approval of the European Union, which is expected by the end of the summer.

Olson and Costa also outlined the organizational structure of *Grupo Editorial Random House Mondadori* and announced the name of the company's operational head.

The board of the joint venture will be made up of six members; three nominated by Random House and three by Mondadori. The chief executive of the new company will be Riccardo Cavallero, 38, who, since 1998, has been the chief executive of Grijalbo Mondadori, Mondadori's main company in Spain and Latin America.

Based in New York, Cavallero will have responsibility for all of the global activities of *Grupo Editorial Random House Mondadori*, which will be divided into three regional divisions to be known as *Grupo Editorial Plaza & Janés* for Spain (to be headed by Juan Pascual); *Grupo Editorial Sudamericana* for Argentina, Chile and Uruguay (to be headed by Faustino Linares); and *Grupo Editorial Grijalbo* for Mexico, Colombia and Venezuela (to be headed by Giancarlo Corte).

Each of the divisional heads will report to Cavallero, and will be responsible for the Random House Mondadori imprints and companies of the group in their area. The different divisions and imprints of the group will maintain full editorial autonomy, in line with the long-standing traditions of the two owners.

"With this joint venture Mondadori achieves an important objective: to play a leading role in the very significant Spanish-language markets," said Maurizio Costa. "The high levels of demographic and economic growth in the countries concerned and the possibility of reaching the Spanish-speaking market in the US offer our new company interesting new prospects. And, for Mondadori, we believe, there are also interesting opportunities in the school textbook and magazine publishing markets."

"Today's signing and the agreement with Mondadori represents a moving and significant moment in the history of Random House," declared Peter Olson. "With *Grupo Editorial Random House Mondadori* we have created a fundamental juncture for books, authors and all those operating at a high level in the book industry. Our most important commitment is to generate the highest levels of circulation possible for our authors, not only in Spain and Latin America, but generally around the world."

"The Grupo Editorial Random House Mondadori has been given a business mandate by its owners focused on maintaining a strong independence at a local level in the identification and implementation of its editorial programmes for each of the imprints in the group," said Riccardo Cavallero. "We will guarantee to each of our divisions a high level of autonomy, while at the same time ensuring they benefit from efficient

centralised operational support and technological resources at an international level.”

Random House is the world’s biggest book publisher and constitutes the book division of Bertelsmann AG, the world’s biggest media, e-commerce and interactive content group. Mondadori is Italy’s leading publisher of books and magazines and one of Europe’s leading media groups.

ARNOLDO MONDADORI EDITORE

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