

## **PRESS RELEASE**

*Mandatory public notification (as per CONSOB Regulation N° 11971 of May 14, 1999 and subsequent modifications).*

### **MONDADORI AND MEDIASET: MEDIAMOND TO MANAGE ADVERTISING SALES FOR THE WEB, RADIO AND MAGAZINES**

*Project approved: operation expected to become effective from 1 January 2014*

Segrate-Cologno Monzese, 14 November 2013 – The boards of Arnoldo Mondadori Editore S.p.A. and Mediaset S.p.A. have approved the general outline of the plan to integrate the advertising sales activities of Mondadori Pubblicità S.p.A., a subsidiary of Arnoldo Mondadori Editore S.p.A., in Mediamond S.p.A., a joint venture established in 2009 and owned 50-50 by Mondadori Pubblicità S.p.A. and Publitalia '80 S.p.A.

Specifically, the plan concerns the integration in Mediamond - which already manages the sale of advertising on the web sites of the Mondadori Group, RTI and third-party publishers - of advertising sales activities for magazine titles and the radio stations, currently managed by Mondadori Pubblicità S.p.A.

The operation will make it possible create, under a single company - Mediamond S.p.A. - the most complete, integrated advertising sales company for magazines, radio and the web in Italy.

For Mondadori this operation - which is part of a more extensive process of innovating the business model - will contribute to further reinforcing the Group's leadership, thanks to a new approach that offers significant synergies and types of offer more in line with the new needs of the market. Advertising clients need to be able to respond to the needs of their potential customers across all possible platforms and at any time of the day: the new Mediamond, with digital, magazines and radio, will be able to help them in this regard.

For Mediaset the reinforcement of Mediamond makes it possible to profile the Group's offer at the high end of innovation in the sector and to interpret the new needs of advertising clients. Companies will now find, within a single sales company, both the leading media for their sector of reference and the possibility of developing multimedia plans in order to ensure that their communication is more creative and effective.

In detail, the operation will involve:

(i) the contribution by Mondadori Pubblicità S.p.A. to Mediamond S.p.A. of the business activity concerning the sale of magazine and radio advertising for titles and stations run owned Mondadori and by third party publishers.

The business activity has been the subject of an evaluation conducted by independent experts;

(ii) an increase in the capital of Mediamond S.p.A. underwritten by Publitalia '80 S.p.A. thereby maintaining the existing 50-50 balance of the ownership of Mediamond S.p.A. by the existing shareholders.

The activities of Mondadori Pubblicità S.p.A. will henceforth concentrate on the management of operations, i.e. the provision of operational support services for advertising sales.

The expected benefits of the operation aim to gradually absorb the losses made by Mondadori Pubblicità S.p.A. by improving the capacity to generate new revenues.

At the same time the Mediaset Group will see the enhancement of its advertising sales on its web sites that will be offered through a more experienced sales network in typically “vertical” sectors. The online commercial offer will be further enhanced by enabling clients to access, in both integrated and stand-alone ways, media that are complimentary to the web, such as magazines and radio. Mediamond, meanwhile, will not be active in the TV area: advertising sales on Mediaset's free-to-air channels will continue to be managed exclusively by Publitalia and sales for pay TV channels exclusively by Digitalia.

### **Related parties**

The operation is defined as being one between related parties: Mondadori Pubblicità S.p.A., a wholly-owned subsidiary of Arnoldo Mondadori Editore S.p.A.; Publitalia '80 S.p.A., a company that is a wholly owned subsidiary of Mediaset S.p.A.; Mediamond S.p.A., a company jointly owned (50-50) by Mondadori Pubblicità S.p.A. and Publitalia '80 S.p.A..

The general outline of the operation has been approved by the boards of both companies, after receiving favourable evaluations by their respective committees of independent directors for operations with related parties, in line with the rules laid down by Consob regulation 17221 of 12 March 2010 and subsequently modified and integrated (“Consob Regulations”) and the relative procedures adopted by the boards of directors.

With regard and limited to the procedure adopted by the board of directors of Arnoldo Mondadori Editore S.p.A. concerning operations with related parties, it should be noted that the operation is defined as being of “significant relevance”, involving, with regard to the consolidated assets of Mondadori at 30 September 2013, a higher level of significance in the relevance to assets and

liabilities, as identified, in line with art. 4 of the Consob Regulation, and endorsed (on a ratio of 2.5%) in the relative procedure adopted by the board of directors.

Following the definition of the terms of the operation, in line with art. 5 of the Consob Regulation, Arnoldo Mondadori Editore S.p.A. will proceed with the publication of a detailed prospectus, in line with the provisions of the same art. 5.

With regard to the procedure adopted by the board of directors of Mediaset S.p.A. regarding operations with related parties, this operation is defined as being of "minor significance". The internal committees of independent directors on operations with related parties unanimously agreed that the operation was in the interest of the company and its shareholders, as well as approving the substantial correctness of the relative conditions.

The definition of the operation, which is subject to the regular completion of information procedures foreseen by law for trade unions, is expected by the end of 2013 and to become effective from 1 January 2014, having secured definitive approval also by the relevant corporate bodies of the subsidiaries affected as well as the completion of the legal documentation for the contribution and the increase of capital of Mediamond S.p.A.

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