

AGREEMENT ON THE ACQUISITION OF BANZAI MEDIA HOLDING

The transaction allows Mondadori Group to become the leading Italian digital publisher

Segrate, 10 May 2016 - Arnoldo Mondadori Editore S.p.A. announces that, following the meeting of the Board of Directors chaired by Marina Berlusconi, an agreement with Banzai S.p.A. on the acquisition of Banzai Media Holding S.r.l., the vertical content division of the Banzai Group, has been signed.

The transaction provides Banzai Media Holding an enterprise value of 45 million euro, split up into a fixed component of 41 million euro and an earn-out of 4 million euro.

The acquisition price at closing - net of an estimated net normalized financial debt of 16.4 million euro (including financial payables to the parent Banzai S.p.A. and 3.3 million euro for deferred price components related to previous acquisitions) - is 24.6 million euro.

The earn-out will be paid to Banzai S.p.A. if certain established results for the 2016-2018 three-year period are met.

Under the agreement, advertising spaces will be available for Banzai S.p.A. in a three-year period, with an estimated benefit of about 7 million euro.

In 2015, the acquired scope, which excludes the news segment¹, posted revenue of 24 million euro and EBITDA (before non-recurring items) of 4 million euro, with 17.1 million unique users.²

The transaction allows the Mondadori Group, led by CEO Ernesto Mauri, to become the leading Italian digital publisher and to benefit from the complementarity of the vertical segments of the two companies.

By adding to the over 8.9 million active unique users the audience acquired from Banzai - which includes established websites on the Italian market such as *PianetaDonna*, *Giallo Zafferano*, *Studenti.it* and *Mypersonaltrainer* - Mondadori will achieve leadership in the women, food, and health & wellness vertical segments, strategic areas which allow the integration and expansion of the multi-channel offering of the brands already in portfolio, with significant growth potential also through product innovation and brand extension initiatives.

The extensive know-how and solid technological expertise of Banzai Media Holding, complemented with the brand value and the high-quality publishing content of Mondadori, will enable the Group to step up the development process in the digital segment. Additionally, the combination will allow audience profiling into specific targets, offering greater monetization opportunities.

The agreement with Banzai also includes the opportunity to identify a number of Mondadori Retail stores to extend the Pick&Pay network of the Banzai Group.

The acquisition of Banzai Media Holding, which provides the customary representations and warranties in favour of the acquirer, will be settled by using existing credit lines and completed in the first half of 2016.

¹ Composed of the investment in *Il Post S.r.l.* and the *Giornalettismo* website BU.

² Audiweb View figures – total audience December 2015.