

ANTITRUST CLEARANCE RECEIVED FOR SALE OF MONDADORI FRANCE TO REWORLD MEDIA

Segrate, 24 July 2019 - Arnoldo Mondadori Editore S.p.A. announces that today the sale of its subsidiary Mondadori France S.A.S. to Reworld Media S.A. has received clearance from the *Autorité de la Concurrence*.

In accordance with the remedy set out in the clearance, Reworld Media undertakes to sell a title of its choice that could be either *L'Auto-Journal*, published by the joint venture EMAS (Editions Mondadori Axel Springer), or *Auto Moto*, published by Reworld Media.

In this context, as an update to the announcement made last 18 February, the parties have agreed to supplement, as indicated in point (iii), the structure of the consideration from the transaction, which remains - as expected - of €70 million (cash free/debt free), also adding an earn-out of €5 million:

- (i) 86% of the value of the investment - equal to €60 million - will be paid in cash, €50 million of which at the closing date, and €10 million 24 months from the closing date; the deferred payment is not subject to any condition;
- (ii) the remaining 14% of the value of Mondadori France S.A.S., equal to a nominal value of €10 million, will be paid through issue of no. 3,558,718 Reworld Media S.A. shares, to be subscribed by Arnoldo Mondadori Editore S.p.A. at a price equal to €2.81 per share;
- (iii) Arnoldo Mondadori Editore S.p.A. additionally undertakes to subscribe - in the period from the closing date to 31/1/2020 - to a capital increase for a maximum amount of €12.6 million in Reworld Media shares, at a price equal to the average of the closing trading price over the 20 days prior to the date of approval of the capital increase.

Following the subscriptions, Arnoldo Mondadori Editore S.p.A. is expected to hold an investment between 14% and 16% in Reworld Media S.A.; the estimated improvement in the Mondadori Group's net financial position will be approximately €63 million, up versus the announcement made last 19 April.

As already disclosed to the market, completion of the sale is subject to the fulfilment of two conditions precedent:

- approval of the reserved capital increase by the shareholders of Reworld Media (referred to in point ii);
- provision of a bank loan, already authorized, to Reworld Media.

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