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Oggetto : TRANSFER OF RCS MEDIAGROUP AND
CAIRO PUBBLICITÀ ADVERTISING
SALES BUS TO A NEWLY-
INCORPORATED COMPANY

Testo del comunicato

Vedi allegato.



PRESS RELEASE

TRANSFER OF RCS MEDIAGROUP AND CAIRO PUBBLICITÀ ADVERTISING SALES BUS TO A NEWLY-INCORPORATED COMPANY

TRANSACTION TO TAKE EFFECT ON 1 JANUARY 2021

Milan, 23 December 2020 - RCS MediaGroup S.p.A. ("**RCS**") and Cairo Communication S.p.A. ("**Cairo Communication**") announce the signing today of a framework agreement governing the terms and conditions of a corporate and business cooperation transaction (the "**Transaction**") regarding the transfer to a newly-incorporated company, CAIORCS MEDIA S.p.A. ("**CAIORCS**"), by RCS and Cairo Pubblicità S.p.A. ("**Cairo Pubblicità**") of their respective advertising sales business units for, respectively, RCS's print and online titles in Italy (the "**RCS Business Unit**") and the print, television and online titles of Cairo Editore and La7 (the "**Cairo Business Unit**"), as well as a number of third-party media for both business units.

The transfers of the RCS Business Unit and the Cairo Business Units are to take effect on 1 January 2021.

Upon completion of the Transaction, CAIORCS will be equally owned by RCS and Cairo Pubblicità.

In the context of the transfers in kind to CAIORCS, the RCS Business Unit and the Cairo Business Unit were valued by KPMG Advisory S.p.A., for RCS, and by Ernst&Young Advisory S.p.A., for Cairo Pubblicità, pursuant to Article 2343-ter, paragraph two, letter b), of the Italian Civil Code.

Purpose of the Transaction

The purpose of the Transaction is to ensure the effective and unified management of the advertising agency business and sale of advertising space, maximizing synergies at the group level.

The business segments of the Advertising division of RCS and Cairo Pubblicità are, in fact, highly complementary and the transfer of advertising sales activities to CAIORCS will build a broader business proposition, concurrently covering all major areas of communication - from the web to magazines and television - and create a more effective offering as it is jointly promoted and with a greater client penetration.

Specifically, the integration of the activities of the advertising activities will allow RCS and Cairo

Pubblicità to leverage on each other's strengths on the market, by increasing the market shares of clients currently shared by the two companies, and by partaking both exclusive and loyal clients.

Additionally, the Transaction will enable the two companies to pool their wealth of experience and know-how, both in terms of knowledge of client acquisition models, and in identifying new models of market coverage, by implementing processes for sharing industrial and business best practices.

Related Party Transaction

The Transaction qualifies as a related party transaction for both RCS and Cairo Communication, pursuant to the Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented (the "**CONSOB RPT Regulation**") and to the procedures on related party transactions adopted by RCS and Cairo Communication, since Cairo Pubblicità and RCS are subject to joint control - pursuant to Article 93 of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**TUF**"), and to Article 2359, paragraph 1, no. 1, of the Italian Civil Code - of Cairo Communication, which holds, respectively, a 59.69% stake of the share capital and the voting rights of RCS and the entire share capital of Cairo Pubblicità. Cairo Pubblicità qualifies as a related party of RCS, and RCS qualifies as a related party of Cairo Communication and Cairo Pubblicità, pursuant to Article 1, letter (a)(i) of Annex 1 to the CONSOB RPT Regulation.

The Transaction also qualifies as a related party transaction of "greater significance", pursuant to Article 8, paragraph 1, of the CONSOB RPT Regulation and to the procedures for related party transactions adopted by RCS and Cairo Communication.

Approval of the Transaction by RCS and Cairo Communication

The Board of Directors of RCS unanimously approved the Transaction and the signing of the agreements governing the Transaction on 23 December 2020, with the previous issuance, on 19 December 2020, of a reasoned favourable opinion by the Control, Risk and Sustainability Committee of RCS (which has the remit for related party transactions pursuant to the Procedure for related party transactions adopted by RCS) (the "**RCS RPT Committee**") on RCS's interest in completing the Transaction, as well as on the convenience and substantial fairness of the conditions thereto.

The RCS RPT Committee was assisted by KPMG Advisory S.p.A., as independent expert pursuant to the procedure for related party transactions adopted by RCS.

The Board of Directors of Cairo Communication unanimously approved the Transaction and the signing of the agreements governing the Transaction, also by the subsidiary Cairo Pubblicità, on 22 December 2020, with the previous issuance, on 18 December 2020, of a reasoned favourable opinion by the Control, Risk and Sustainability Committee of Cairo Communication (which has the remit for related party transactions pursuant to the procedure for related party transactions adopted by Cairo Communication) (the "**Cairo RPT Committee**") on Cairo Communication's interest in completing the Transaction, as well as on the convenience and

substantial fairness of the conditions thereto.

The Cairo RPT Committee was assisted by Equita SIM S.p.A., as independent expert pursuant to the procedure for related party transactions adopted by Cairo Communication.

Publication of the information documents

Both RCS and Cairo Communication will publish, within the time limits set out in the CONSOB RPT Regulation, their respective information documents on the Transaction - as a related party transaction of greater significance - prepared pursuant to Article 5 and in compliance with the format set out in Annex 4 of the CONSOB RPT Regulation.

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This press release is available on the RCS website at www.rcsmediagroup.it and on the Cairo Communication website at www.cairocommunication.it, as well as on the authorized storage mechanism "EMARKET STORAGE" at www.emarketstorage.com.

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The Cairo Communication Group is one of the leading groups in the weekly magazine, TV publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach, beginning with magazines and expanding later into free, digital and pay TV and the Internet. With the acquisition of the control of RCS MediaGroup, Cairo Communication establishes itself as a major multimedia publishing group, well-positioned to become the main player on the Italian market, with a strong international presence in Spain, by leveraging on the high quality and diversification of products in the dailies, magazines, television, web and sporting events segments.

For further information:

Cairo Communication - Investor Relations

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RCS MediaGroup is one of the leading multimedia publishing groups, operating primarily in Italy and Spain across all publishing areas, from newspapers to magazines, from digital to books, from TV to new media and training, as well as being one of the top players on the advertising sales market, organizing iconic events and renowned sporting formats such as the Giro d'Italia. The RCS Group publishes the daily newspapers *Corriere della Sera*, *La Gazzetta dello Sport*, *El Mundo*, *Marca* and *Expansion*, as well as numerous magazines, the most popular including *Oggi*, *Amica*, *Io Donna*, *7*, *Yo Dona* and *Telva*.

For further information:

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