



PRESS RELEASE

TELECOM ITALIA MEDIA AND GRUPPO EDITORIALE L'ESPRESSO: AGREEMENTS SIGNED TO MERGE THE RESPECTIVE NETWORK OPERATOR BUSINESSES FOR THE DIGITAL TERRESTRIAL TELEVISION

Rome, 9 April 2014

Telecom Italia Media (TIMedia) and Gruppo Editoriale L'Espresso (GRUPPO ESPRESSO) today signed agreements to merge the network operator businesses for DTTV controlled by Telecom Italia Media Broadcasting S.r.l. (TIMB) and Rete A S.p.A. (Rete A), respectively.

The merger between TIMB and Rete A, who own three and two digital multiplexes respectively, will give rise to the leading independent network operator in Italy featuring a nationwide high-coverage infrastructure of five digital multiplexes, based on latest-generation technologies. The group resulting from the transaction will be the primary supplier of the main non-integrated national and foreign television publishers operating on the Italian market. The merger will also lead to significant industrial synergies. The new group will be able to rely on an annual turnover of approximately 100 million euro, a positive income result and healthy cash generation.

The merger will be carried out through GRUPPO ESPRESSO's contribution of 100% of Rete A shares to TIMB. On completion of the transfer, TIMedia and GRUPPO ESPRESSO will each hold 70% and 30% of shares in TIMB which will control Rete A's entire capital. GRUPPO ESPRESSO will continue to own the equity investment in All Music S.p.A.

With regards to the new TIMB, TIMedia will be entitled to appoint the majority of Directors including the CEO, whilst GRUPPO ESPRESSO will appoint the company's Chairman.

The agreement signed also states that, once the merger is completed, a valorisation process will be started entailing the search for investors interested in the combined entity.

In light of the uncertainty surrounding legislative developments on frequency use, TIMedia has also reserved the option to purchase the right to use (thus excluding the infrastructure and the customers) one of the five frequencies controlled by the combined entity.

The transaction is expected to be finalised by June, subject to AGCOM authorisation being obtained.

In the transaction, Mediobanca and Banca IMI were the financial advisors of TIMedia and GRUPPO ESPRESSO, respectively.

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