



## CAIRO COMMUNICATION

### Press Release

#### **The Shareholders' Meeting has:**

- **approved the financial statements as at 31 December 2016 and the distribution of a dividend of EUR 0.05 per share;**
- **approved the renewal of the members of the Board of Directors and the Board of Statutory Auditors;**
- **expressed its favourable opinion on the Remuneration Policy pursuant to art. 123-ter of the Legislative Decree 58/98;**
- **approved the adjustment of the mandate of the auditing firm;**
- **authorized a new plan for the purchase and disposal of treasury shares.**

**Milan, 8 May 2017** – The Shareholders' Meeting of Cairo Communication S.p.A. (“**Cairo Communication**” or the “**Company**”) was held today in ordinary session.

#### **Approval of the financial statements as at 31 December 2016**

The Shareholders' Meeting approved the financial statements as at 31 December 2016 and the distribution of a dividend of EUR 0.05 per share, inclusive of tax, to be made payable through the authorized intermediaries who are member of Monte Titoli S.p.A.'s central management system from 24 May 2017 (with record date, pursuant to art. 83-terdecies of the Legislative Decree 58/98 (the “**TUF**”), on 23 May 2017), prior to detachment of coupon no. 11 on 22 May 2017. For tax purposes, the unit dividend of Euro 0.05 is considered to be originated from the distribution of share capital reserves, in the amount of Euro 0.0002, and from the distribution of profit reserves, in the amount of Euro 0.0498.

#### **Renewal of the corporate bodies**

Today's Shareholders' Meeting appointed the new Board of Directors and the new Board of Statutory Auditors of the Company, based on the list voting system in accordance with the law and Company's By-laws.

The following two lists were submitted for the renewal of the corporate bodies with regard to the appointment of both directors and statutory auditors:

- **List no. 1**, submitted by U.T. Communications S.p.A., holding a 33.95% interest in the share capital of the Company (which has resulted the most voted list at the Shareholders' Meeting); and
- **List no. 2**, submitted by a pool of shareholders formed of asset management companies and other investors <sup>(1)</sup>, holding a total interest of 4.13% in the share capital of the Company.

#### *Appointment of the Board of Directors*

The Shareholders' Meeting established that the Board of Directors be composed of eleven members, and set the term of office of the new Board of Directors at three financial years, expiring on the date of

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<sup>(1)</sup> They include: Aletti Gestielle SGR S.p.A., manager of the following funds: Gestielle Obiettivo Italia, Gestielle Italy Opportunity and Gestielle Obiettivo Europa; Anima SGR S.p.A. manager of the Anima Star Italia Alto Potenziale fund; Arca Fondi SGR manager of the Arca Economia Reale Equity Italia fund; Ersel Asset Management SGR S.p.A. manager of the Fondersel PMI fund; Eurizon Capital SGR S.p.A. manager of the following funds: Eurizon Progetto Italia 20, Eurizon Progetto Italia 70, Eurizon Azioni Italia, Eurizon Azioni PMI Italia and Eurizon Progetto Italia 40; Eurizon Capital SA manager of the following funds: Eurizon Fund - Equity Europe LTE, Eurizon Fund - Equity Italy and Eurizon Fund - Equity Small Mid Cap Italy; Kairos Partners SGR S.p.A. as management company of Kairos International SICAV — segments: Pegasus, Italia, Risorgimento and Target Italy Alpha; Mediolanum Gestione Fondi SGR S.p.A. manager of the following funds: Mediolanum Flessibile Italia, Mediolanum Flessibile Strategico and Mediolanum Flessibile Sviluppo Italia; Mediolanum International Funds - Challenge Fund - Challenge Italian Equity; Zenit Multistrategy Sicav and Zenit SGR S.p.A. manager of the following funds: Zenit Pianeta Italia and Zenit Obbligazionario.

the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019.

The Shareholders' Meeting resolved to appoint, through the list voting system, Urbano Cairo, Uberto Fornara, Marco Pompignoli, Roberto Cairo, Laura Maria Cairo, Antonio Magnocavallo, Paola Mignani, Marella Caramazza, Daniela Bartoli, Massimo Ferrari - drawn from List no. 1, the most voted list - and Giuseppe Brambilla di Civesio - drawn from List no. 2.

The Shareholders' Meeting also resolved to appoint Urbano Cairo as Chairman of the Board of Directors.

Paola Mignani, Marella Caramazza, Daniela Bartoli, Massimo Ferrari and Giuseppe Brambilla di Civesio have declared to be independent pursuant to art. 148, par. 3, of the TUF and the Corporate Governance Code for Listed Companies adopted by Borsa Italiana S.p.A. to which the Company adheres.

The Shareholders' Meeting then resolved to grant to the members of the Board of Directors, for each year of office, a total remuneration of Euro 320 thousand, without prejudice to any additional remuneration paid to directors with particular responsibilities, pursuant to art. 2389, par. 3, of the Italian Civil Code.

The Shareholders' Meeting also exempted the members of the Board of Directors of the Company from competition restrictions under art. 2390 of the Italian Civil Code.

Based on the information available to the Company, the following directors are to date holders of direct interests in the Company's share capital: (i) Urbano Cairo, holder of 67,644,246 Cairo Communication shares; (ii) Uberto Fornara, holder of 14,703 Cairo Communication shares; (iii) Marco Pompignoli, holder of 112,000 Cairo Communication shares; (iv) Roberto Cairo, holder of 100,000 Cairo Communication shares; and (v) Laura Maria Cairo, holder of 200 Cairo Communication shares.

The CVs of the new members of the Board of Directors are available on the Company's website [www.cairocommunication.it](http://www.cairocommunication.it).

#### *Appointment of the Board of Statutory Auditors*

The Shareholders' Meeting appointed for a three-year term, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019, the Board of Statutory Auditors, composed by:

- three standing auditors - Michele Paolillo, Chairman - drawn from List no. 2 - and Marco Moroni and Gloria Marino - drawn from List no. 1, the most voted list;
- two alternate auditors - Domenico Fava - drawn from List no. 2 - and Laura Guazzoni - drawn from List no. 1, the most voted list,

establishing a total remuneration based on minimum professional fees and, in any case, in a total maximum annual amount of Euro 100 thousand.

The CVs of the new members of the Board of Statutory Auditors are available on the Company's website [www.cairocommunication.it](http://www.cairocommunication.it).

#### **Remuneration Policy**

The Shareholders' Meeting expressed its favourable opinion on Section 1 - containing the 2017 remuneration policy of the Company - of the Remuneration Report, drawn up pursuant to art. 123-ter of the TUF and to art. 84-*quater* of the Regulations adopted by Consob Resolution no. 11971/99 (the "**Issuer's Regulation**") and approved by the Board of Directors on 27 March 2017. The Remuneration Report is available on the Company's website [www.cairocommunication.it](http://www.cairocommunication.it).

#### **Adjustment of the mandate of the auditing firm**

On the basis of the reasoned proposal of the Board of Statutory Auditors, the Shareholders' Meeting resolved on the adjustment of the mandate of KPMG S.p.A. - the auditing firm of the Company -,

taking account of the change in the scope of the consolidation following the acquisition of the control of RCS MediaGroup S.p.A. completed in 2016.

### **Authorization of a new plan for the purchase and disposal of treasury shares**

Lastly, the Shareholders' Meeting, after revoking a similar resolution adopted on 27 April 2016, approved the proposal to authorize the purchase and disposal of treasury shares, in accordance with art. 2357 and subsequent of the Italian Civil Code, for the purpose of stabilizing the Company share price and sustaining liquidity, and, if deemed necessary by the Board of Directors - through an independent intermediary - of establishing a "shares stock" as set out in Practice no. 2 of Consob Resolution no. 16839/2009.

Specifically, the Board of Directors was authorized to purchase treasury shares up to the maximum number permitted by law, for a period of 18 months from the date of today's authorization, by use of available reserves, including the share premium reserve, as resulting from the last approved annual financial statements. The Board of Directors will be authorized to purchase treasury shares on one or more occasions, purchasing shares directly on the market, in accordance with the procedures under art.144 *bis*, par. 1, lett. b of the Issuer's Regulation, through authorized intermediary, according to applicable laws and, in case such operations are carried out according to accepted market practices under Consob Resolution no. 16839/2009, in accordance with the provisions of such Resolution.

Minimum price and maximum purchase price per share are set at an amount equal to the average official purchase price of the share on Borsa Italiana S.p.A. for the 15 trading days before the purchase, respectively reduced or increased by 20%. In case such operations are carried out according to accepted market practices under Consob Resolution no. 16839/2009, the purchase of treasury shares shall be subject to further limits, including price limits, provided therein.

The Board of Directors was authorized to sell, on one or more occasions, any purchased treasury shares, setting the minimum sale price per share no lower than the minimum price calculated following the criteria adopted for their purchase. Should the treasury shares be sold according to accepted market practices under Consob Resolution no. 16839/2009, the sale of treasury shares shall be subject to further limits, including price limits, provided therein.

As part of the previous buyback plan approved by the Annual General Meeting on 27 April 2016, no treasury shares were sold or purchased. To date, the Company holds no. 779 treasury shares, amounting to 0.001% of the share capital; the subsidiary companies do not hold any Company's shares.

*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 sport events segments.*

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This press release is also available on the Company's website [www.cairocommunication.it](http://www.cairocommunication.it)  
in the section NOTICES AND DOCUMENTS / PRESS RELEASES