

Press Release**DE AGOSTINI ACQUIRES CONTROL OF MAGNOLIA**

Milan, 10 January 2007. Today **De Agostini** S.p.A. and **Magnolia** S.p.A. announced the signing of a contract for a 53.5% acquisition of Magnolia share capital by **De Agostini Communications** Srl, a 100% subsidiary of De Agostini Spa.

The remaining 46.5% of Magnolia capital will be retained by the current shareholder apparatus, comprised of the company's key managers. In particular, following the conclusion of the relative operation, **Giorgio Gori** will continue to own 25% of capital and will stay on as the company's managing director; similarly, the talented team that enabled Magnolia to achieve such a brilliant performance in recent years, including Ilaria Dallatana and Francesca Canetta, will continue to hold their current management roles.

Lorenzo Pellicoli, managing director of De Agostini SpA, will be appointed President of the company, and De Agostini has appointed Pietro Boroli, Paolo Ceretti, Stefano Di Bella and Marco Sala to join the Board of Directors.

De Agostini and Magnolia's key managers have also signed a stability agreement, accompanied by earn-out mechanisms when significant development targets are reached, in a mutual four-year industrial plan that also includes listing the company in the mid-term.

Acquiring control of Magnolia has been a major step for the De Agostini Group, as part of an overall development and reinforcement scenario of their Media & Communication sector strategy at international level.

Magnolia is one of Italy's leading producers of television entertainment content and, in general, digital content sector, and the company will flank the other businesses the Group currently owns in broadcasting and in the cinema sector.

Lorenzo Pellicoli, managing director of De Agostini SpA, declared: *"The acquisition of a company like Magnolia is an important opportunity for the De Agostini group, allowing it to enter a new market, that of television audiovisual content production, which not only has interesting growth potential in the current "digital revolution" context, but could also show synergic development possibilities with other Group activities, with particular reference to the 'Games' and 'Editorial' sectors.*

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Through this acquisition, De Agostini will reinforce its Italian and overseas position, in the key Media sector."

Giorgio Gori, managing director of Magnolia, declared: *"We are extremely pleased with the agreement reached with the De Agostini Group, whom we feel to be the ideal industrial partner for supporting Magnolia in its ambitious development plans both at home and abroad. In fact, by joining the De Agostini Group we are sure that we will be able to gather the full benefits that derive from the Group's strong international vocation and from potential synergies with other sectors where De Agostini operates"*.

Magnolia was established in 2001 by Giorgio Gori, Ilaria Dallatana and Francesca Canetta. The company specializes in the concept and production of original format entertainment and fiction, as well as adaptation of international formats for television and interactive media.

Thanks to the success of shows like "L'isola dei famosi", "L'Eredità", "Markette" and "Camera Cafè", Magnolia is now one of the Italian market's leading independent producers, and its clients include all major public and private TV stations. The company began to develop its business overseas in 2004, opening branches in France and Spain, where it contained significant results, for instance with the Spanish edition of "Camera Cafè" and "Isola dei Famosi".

Recently, thanks to the acquisition of the company Neo Network, Magnolia has extended its offers portfolio to include development of Value Added Services (VAS) and digital-type multimedia services distributed via technological platforms (mobile phones, internet, etc.).

In 2006, Magnolia achieved an overall product of about 67,000,000 euros.

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