



CALTAGIRONE EDITORE S.p.A.
REGISTERED OFFICE - ROME - VIA BARBERINI N.28
SHARE CAPITAL EURO 125,000,000

**SHAREHOLDERS' AGM
OF
April 16, 2014**

**DIRECTORS' REPORT RELATING TO THE PROPOSAL TO AUTHORISE THE PURCHASE AND
UTILISATION OF TREASURY SHARES**



DIRECTORS' REPORT RELATING TO THE PROPOSAL TO AUTHORISE THE PURCHASE AND UTILISATION OF TREASURY SHARES

The Board of Directors of Caltagirone Editore S.p.A. (the “Company”) have decided to call you to discuss and resolve upon the proposal to authorise the purchase and sale of treasury shares in accordance with Article 2357 of the Civil Code and applicable regulations following revocation of the Shareholders’ Meeting resolution of April 17, 2013 which authorised treasury shares operations up to a maximum of 3,750,000 shares for a value of Euro 5,000,000, with a validity of 18 months and therefore expiring on October 16, 2014.

Pursuant to that requested by Attachment 3A of the Issuers’ Regulations, the present Report, prepared by the Board of Directors of the Company in accordance with Article 73 of Consob Regulation No. 11971 of May 14, 1999, as subsequently amended (“Issuers’ Regulation), sets out the motivations behind the authorisation request, as well as the terms and methods according to which the company intends to carry out the purchase and utilisation of treasury shares, as per Articles 2357 and 2357 ter of the Civil Code.

1. Reasons for the requested authorisation to purchase and utilise treasury shares

The authorisation to purchase and/or utilise treasury shares is required in order to construct the so-called “Securities Reserve”, in accordance with Consob resolution No. 16839 of March 9, 2009 in order to use such within the Company operations in compliance with that established by the applicable regulation.

The Board of Directors also consider it necessary that the Company can sell treasury shares purchased to enable the maximisation of the value on the market.

The authorisation request would permit the Board of Directors to carry out repeated purchase and sales operations (or other utilisation operations) of treasury shares, also for fractions of the maximum authorised quantity, within the legal limits and based on that authorised by the Shareholders’ Meeting of the Company.



2. Maximum number, category and nominal value of the shares relating to the authorisation

The authorisation is requested for the purchase, in one or more solutions, of ordinary shares of the Company, of a nominal value of Euro 1.00, which taking account of the treasury shares already held by the Company, is not greater than 3% of the share capital, and therefore 3,750,000 shares, with the further condition that the amount of the shares to be purchased, including shares already acquired, does not exceed Euro 5,000,000.

The authorisation is required also for the sale, in one or more solutions, of the treasury shares in portfolio, also before the maximum quantity of shares to be purchased has been reached, however in line with that established by Consob resolution No. 16389 concerning the governance of the Securities Reserve.

3. Conformity of sale in accordance with paragraph 3 of article 2357 of the Civil Code

The nominal value of shares to be purchased will be determined within the limits of the previous point, taking account of any shares held by the subsidiary Companies.

In no case, therefore, in conformity with article 2357, paragraph 3 of the Civil Code, the number of treasury shares purchased (and taking account of any shares held by the subsidiary companies) will exceed one-fifth of the total number of shares issued.

The purchase of treasury shares must be within the limits of the distributable profits and available reserves from the latest approved financial statements.

In order to establish compliance with Article 2357, paragraph 3 of the Civil Code, it is stated that at the date of the present report, the Company held 942,269 treasury shares, comprising 0.7538% of the share capital and that no subsidiary companies holds treasury shares.

4. Duration of authorisation

Authorisation to carry out the operations mentioned for a maximum duration of 18 months from the date of the resolution of the Shareholders' Meeting is requested.

The authorisation to utilise treasury shares which will be purchased is requested without time limit.



5. Minimum and maximum price, as well as the market valuation based on which the prices are determined.

Both for the buyback and for the Securities Reserve:

- a. The purchase price of the operations will be determined in conformity with the regulations introduced by CONSOB Resolution No. 16839 of March 19, 2009, or rather an amount not above the higher between the last independent price and the highest current trading price for independent purchases on the market in which the purchase proposal was included.
- b. The sales prices will not be below the lower of the last independent price and the current price of the lowest current trading price for independent sales on the market in which the sales proposal is included.

In any case, the above price limit for purchase and sale of treasury shares will not be above any limits set out in applicable regulations.

6. Method through which the purchases can be carried out

The purchase operations will be carried out on regulated markets according to the operating manner established by the organisation and management regulations of the markets, which do not allow the direct subscription of a purchase trading proposal with a corresponding predetermined sales proposal.

For the carrying out of purchase operations of treasury shares, the Board of Directors proposes to utilise the Share Premium Reserve included under the Shareholders' Equity of the Company, as stated in the financial statements at December 31, 2013.

In relation to the placement operations, the Board of Directors proposes the authorisation to allow the adoption of any method considered appropriate. In addition the sale of shares under Article 6, paragraph 3, letters a) and b) of Regulation (EC) No. 2273/2003 must not conflict with the objective to increase the quantity of shares to be allocated to the "Securities Reserve" within the period established for the programme



7. Reduction of the share capital

The Board of Directors state that presently no plans are in place for purchases in order to reduce the share capital.

Rome, March 11, 2014

for the Board of Directors
THE CHAIRMAN
FRANCESCO GAETANO CALTAGIRONE