

Caltagirone Editore S.p.A. – Integration of the communication released on last July 20, pursuant to article 103, paragraph 3, of the Legislative Decree no. 58/98 and article 39 of the Regulation adopted by Consob with resolution no. 11971/99 (“Issuers’ Regulation”) concerning the voluntary and totalitarian tender offer launched by Chiara Finanziaria S.r.l.

With reference to the communication released on last July 20, pursuant to article 103, paragraph 3, of the Legislative Decree no. 58/98 and article 39 of the Regulation adopted by Consob with resolution no. 11971/99 (“Issuers’ Regulation”) and in particular to the opinions issued in favor of the Board of Directors and of the Independent Directors respectively by the Advisor Leonardo & Co S.p.A (hereunder the “Advisor”), and by Prof. Enrico Laghi (hereunder “Opinions” or, individually, the “Leonardo Opinion” and the “Laghi Opinion”), Caltagirone Editore S.p.A. (hereunder, the “Company” or “Caltagirone Editore” or “CED”) announces the following:

1. Relative significance granted to each evaluation method adopted for the purposes of the drawing up of Opinions.

1.1 The Advisor, for the purposes of drawing up its Opinion, has applied evaluation methods in line with the national and international practice, to be interpreted as inseparable and complementary parts of the same evaluation process without adopting specific quantitative weighting factors.

As outlined in the Opinion, and in particular inside the paragraph “Evaluation approach and methods”, the Advisor has taken into consideration the peculiar characteristics of Caltagirone Editore; during the years, the Company has combined the traditional activity in the publishing sector with a series of strategic/financial participations which Caltagirone Editore has acquired and also partly transferred during the last few years, always maintaining consistent “free” and “available” financial resources for new investments. From a quantitative point of view, the financial participations, together with the available liquidity, represent in the last few years a relevant part (if not the main one) of the Company’s assets. As a consequence of the above, Caltagirone Editore is treated as a holding company and the evaluation exercise must therefore pay particular attention to the comprehensive estimation of the value (according to the main methods) of the owned assets.

In light of the abovementioned elements and taking into account that:

- a) the Caltagirone Editore shares seem to be objectively illiquid;
- b) the Company, in the last few years, has generated operating losses and has not distributed dividends among its shareholders;
- c) the implicit premiums of the Offer are in line with the premiums of similar transactions which took place in Italy during the 2007-2017 period,

the Advisor deems that, at the date hereof, even if the Consideration is not in line with the Company's intrinsic value (calculated by using the methodologies described above), the Offer may be deemed consistent, from a financial standpoint, with the practice of similar offers and with the performance of the price and of the liquidity of the Caltagirone Editore shares.

In light of the conclusions contained in the opinions issued by the advisors, as already indicated in the communication released pursuant to article 103, paragraph 3, of the Legislative Decree no. 58/98, the Board of Directors of the Company has considered appropriate to give emphasis to the evaluation results based on the market prices and on the VTO premiums.

For the purposes of the holding evaluation, characterized by investments in heterogeneous activities, with differentiated and not integrated outlines and dynamics (from a business point of view as well as, possibly, from a influence/control on the company in which the Company holds a stake point of view), the evaluation doctrine and practices use a so-called Net Asset Value method (hereunder, “**NAV**”), consisting in the estimation of the value of the financial net worth of the company under evaluation as the sum of the activities, of the participations and of the other potential assets owned by the company itself, each considered as an economic entity to be individually considered.

More in details please find below the methods adopted for the evaluation of the single assets of the Company:

- a) the so-called “Editoria” Business has been evaluated with the following methods:
 - i) the discounted cash flow method (c.d. “**DCF**”), which is based on the estimation of the economic value of the company as the sum:
 - i. of the present value of the expected cash flows generated by the operative management in the time horizon explicitly forecasted by the Management;
 - ii. of the present value of the operative management cash flows generated following the above mentioned explicitly forecasted period, which can be summarized in the so-called residual value of the company (so-called “**Terminal value**”);

The discounting back of the cash flows is carried out by means of the weighted average capital cost (so-called “**WACC**”), which represents the weighted average of the cost of the forms of funding used for the performance of the operative activity: own capital and third parties’ capital;

- ii) the method of the market multiples, which estimated the economic value of a company/business on the basis of the prices traded in the stock exchange markets organized by instruments representing participations in comparable companies, by calculating the relations capable of linking the market prices with some relevant financial variables of the companies. The multiples calculated in such way are then applied to the same figures of the company/business under evaluation, in order to obtain, by multiplication, the determination of the value of the same;
- iii) the method of the transaction multiples, which evaluates the economic value of a business on the basis of the implicit multiples deriving from transactions which involved companies operating in the same sector of the company under evaluation. The multiples calculated in such way are then applied to the same figures of the company/business under evaluation, in order to obtain, by multiplication, the determination of the value of the same;

- b) the participation in the company Assicurazioni Generali S.p.A. – a company listed on the Milan Stock Exchange – has been evaluated through:
 - i) the stock exchange rate method (the so-called “**Stock Exchange Rate Method**”), which is based on attributing to a company a value equal to the one attributed to the same by the stock exchange on which the relevant shares are traded; the analysis is carried out through the recording of daily quotations and average quotations in different forecast periods (spot price as at June 8, 2017, weighted average during 1, 3, 6 and 12 months);
 - ii) the target price method, which is based on the analysis of the target price indicated by the financial analysts analyzing the shares and which provides for an indication of the market expectations in relation to the shares development in the short-medium term;
- c) finally, the participations in non-listed companies, the cash, the current and non-current financial liabilities and the funds as at March 31, 2017.

The evaluation considerations under the preceding point have been carried out before an holding discount, to be applied in accordance with the practice and the recordings for similar companies.

In addition to the NAV method, the following methods have been adopted:

- a) the Stock Exchange Rate Method;
- b) the VTO Premiums method (the so-called “**VTO Premiums Method**”), which is based on the analysis of the premiums attributed in the context of voluntary and totalitarian tender offers deemed comparable with respect to the transaction (*i.e.*, voluntary and totalitarian tender offers with a consideration for cash and exchange value higher than € 30m, launched in Italy in the period 2007 – 2017 by offerors which held a participation higher than 50% in the capital of the issuer company before the launch of the offer).

Finally, it is worth noting that the evaluation considerations have been carried out in a business continuity hypothesis and in a so-called “stand alone” perspective, *i.e.*, regardless of any consideration of an economic and financial nature relating to the effects of the Offer.

1.2 The conclusions contained in the opinion drafted by Professor Laghi have been developed taking into consideration, *inter alia*, the fact that the evaluation methodologies and the single parameters used for the purpose of application of the same represent an indivisible part of a common process aimed at determining the range of figures which, in reasoned synthesis, at the reference date, also taking into account the market trends, may represent the range of figures ascribable to the Company.

In light of the above, please note that for the purposes of drafting the Opinion the importance ascribed to each of the evaluation methods has not been determined by using quantitative weighting factors, but considering the relevance ascribable to the results of each the assessment methods in view of, among others, the purpose of the estimate and the features of each used methodology.

Taking into consideration the specific feature of the voluntary and totalitarian tender offer at stake – such as, the nature of non-binding proposal – and the current and envisaged market conditions in which the Company operates, as well as the features of the CED – such as, the

negative economic results (starting from 2011 included), the failure to distribute the dividends (starting from 2013 included), the recent market figures and the limited “liquidity” of the shares of Caltagirone Editore –, it has been considered appropriate to ascribe more relevance to the results of the methodologies based on the recent figures of the market prices and of the VTO premiums (*i.e.*, the market listing methods and connected comparison with the average comparable VTO premiums, the method of the direct market multiples and the method of the multiples regarding comparable transactions) rather than to the results obtained through the fundamental methods (*i.e.*, Discounted Cash Flow Model).

2. Values deriving from each evaluation method.

2.1 With reference to the Leonardo Opinion, the results obtained through the application of each selected evaluation method are summarized below.

- a) NAV Method – the value of each Caltagirone Editore share results equal to:
- i) € 1.79, by evaluating the “Editoria” business within the NAV through the DCF method;
 - ii) € 1.91, by evaluating the “Editoria” business within the NAV through the method of the transactions multiples (EV/Revenues¹);
 - iii) € 1.10, by evaluating the “Editoria” business within the NAV through the method of the transactions multiples (EV/Ebitda²);
 - iv) € 1.21, by evaluating the “Editoria” business within the NAV through the method of the market multiples (EV/Ebitda³).
- b) Stock Exchange Rate Method - the value of each Caltagirone Editore share results equal to:
- i) € 0.84, the price as at June 8, 2017, the last stock market trading day preceding the Offer date (hereinafter, the “Reference Date”);
 - ii) € 0.82, the weighted average official price (on a volume basis) of the shares of the Company recorded in the month preceding the Reference Date;
 - iii) € 0.82, the weighted average official price (on a volume basis) of the shares of the Company recorded in the 3 months preceding the Reference Date;
 - iv) € 0.78, the weighted average official price (on a volume basis) of the shares of the Company recorded in the 6 months preceding the Reference Date;
 - v) € 0.77, the weighted average official price (on a volume basis) of the shares of the Company recorded in the 12 months preceding the Reference Date.
- c) VTO Premiums Method - the value of each Caltagirone Editore share results equal to:

¹ Multiple Enterprise Value / Revenue of the panel of the selected comparable transactions, applied to the reference size of Caltagirone Editore.

² Multiple Enterprise Value / Ebitda of the panel of the selected comparable transactions, applied to the reference size of Caltagirone Editore.

³ Multiple Enterprise Value / Ebitda of the panel of the selected comparable companies, applied to the reference size of Caltagirone Editore.

- i) € 0.97, by applying the median of the VTO premiums resulting from the selected sample with respect to the price recorded during the last stock trading day preceding the offer date, to the price of the shares of the Company as at the Reference Date;
- ii) € 0.99, by applying the median of the VTO premiums resulting from the selected sample with respect to the weighted average price of the month preceding the offer date, to the weighted average official price (on a volume basis) of the shares of the Company recorded during the month preceding the Reference Date;
- iii) € 1.01, by applying the median of the VTO premiums resulting from the selected sample with respect to the weighted average price of the 3 months preceding the offer date, to the weighted average official price (on a volume basis) of the shares of the Company recorded during the 3 months preceding the Reference Date;
- iv) € 0.95, by applying the median of the VTO premiums resulting from the selected sample with respect to the weighted average price of the 6 months preceding the offer date, to the weighted average official price (on a volume basis) of the shares of the Company recorded during the 6 months preceding the Reference Date;
- v) € 0.89, by applying the median of the VTO premiums resulting from the selected sample with respect to the weighted average price of the 12 months preceding the offer date to the weighted average official price (on a volume basis) of the shares of the Company recorded during the 12 months preceding the Reference Date.

2.2 With reference to the Laghi Opinion, the results obtained through the application of each selected evaluation method are summarized in the Chart below.

Method	Absolute values (€/mln)		Value per share (€)		Notes
	Minimum	Maximum	Minimum	Maximum	

Market quotations	-	-	0.767 (30.4%)	0.822 (21.7%)	Minimum and maximum values of the average prices during 1, 3, 6 and 12 months prior to the launch of the VTO (in brackets: an implicit premium with respect to the price offer equal to € 1.00)
VTO premiums	-	-	15.2%	23.9%	Minimum and maximum of the average and median statistics of the premiums during 1, 3, 6 and 12 months
Sum of the figures:					
- DCF	217.1	261.7	1.74	2.09	-
- market multiples	141.7	144.2	1.13	1.15	-
- multiples of comparable transactions	127.2	128.1	1.017	1.025	-

3. Main parameters used for the application of each evaluation method applied.

3.1 In Leonardo Opinion, the following elements have been taken into consideration in order to apply all the selected evaluation method:

a) NAV Method:

- i) holding discount of 35%, according to the selected sample of Italian listed holding companies⁴;
- ii) WACC comprehended in a range between 8.9% and 9.9% and constant growth rate (c.d. “g”) comprehended in a range between 0.0% and 0.5%, used to evaluate the “Editoria” business within the NAV through the DCF methodology;
- iii) Multiple EV/Revenues comprehended in a range between 1.0x – 1.2x (equal to average and median values of the selected panel of comparable transactions, which includes transactions in the publishing sector occurred in Europe from 2011), used to evaluate the “Editoria” business within the NAV through the multiples of transaction method (EV/Revenues);
- iv) Multiple EV/Ebitda comprehended in a range between 6.2x – 7.3x (equal to average and median values of the selected panel of comparable transactions, which includes transactions in the publishing sector occurred in Europe from 2011), used to evaluate the “Editoria” business within the NAV through the multiples of transaction method (EV/Ebitda);

⁴ The selected sample includes the following Italian listed holding companies: CIR, DeA Capital, Exor, IMMSI, Italmobiliare and Mittel.

- v) Multiple EV/Ebitda comprehended in a range between 6.0x – 6.7x (equal to 2017 average and median values of the selected panel of comparable transactions, which includes Italian and European companies operating in the publishing sector) used to evaluate the “Editoria” business within the NAV through the market multiples method (EV/Ebitda).
- b) Stock Exchange Rate Method:
- i) Company’s shares price at the Reference Date;
 - ii) Company’s shares official weighted average price (on a volume basis) recorded in the month preceding the Reference Date;
 - iii) Company’s shares official weighted average price (on a volume basis) recorded in the 3 months preceding the Reference Date;
 - iv) Company’s shares official weighted average price (on a volume basis) recorded in the 6 months preceding the Reference Date;
 - v) Company’s shares official weighted average price (on a volume basis) recorded in the 12 months preceding the Reference Date.
- c) VTO Premiums Method: the selected sample concerns voluntary and totalitarian tender offers with a cash premium and an exchange value higher than € 30m, launched in Italy from 2007 to 2017 by offerors which held a participation higher than 50% in the capital of the issuer company before the launch of the offer (2007: VTO I.Net. 2008: VTO Cremonini, Marazzi Group, Navigazione Montanari, Mariella Burani Fashion Group, Ergo Previdenza. 2010: VTO Mediterranea delle Acque, Gewiss, Fastweb, Granitifandre. 2011: VTO Gewiss. 2012: VTO Benetton Group. 2015: VTO Vianini Lavori. 2017: VTO Parmalat).

3.2 In Laghi Opinion, the following elements have been taken into consideration in order to apply all the selected evaluation method:

- stock exchange rate method: the weighted averages for the amount of the trading volumes of Caltagirone Editore shares’ daily prices relating to different length periods prior to the date of launch of the offer have been taken as reference (1, 3, 6 and 12 months);
- VTO premiums method: the premiums implicitly attributed with respect to the weighted average prices of the last 1,3,6 and 12 months prior to the date of the launch of the offer in the context of the voluntary and totalitarian tender offers launched from 2010 on the Italian stock exchange from offerors which, before the transaction, already held a participation in the target (the issuer) higher than 50%, excluding transactions involving a target company which operates in the financial or insurance field;
- in the context of the method of the sum of the figures:
 - o *Discounted Cash Flow model* (method **DCF**):
 - the weighted average capital cost was assessed in a value equal to 6.50% in the base scenario (sensitivity analysis until 8.50%). Such rate was determined having as reference a sample of companies comparable to CED (*i.e.*, listed companies operating in West Europe in the daily publishing sector);
 - the long-term growth rate was assessed in a value equal to 0 in the base scenario (sensitivity analysis until 0.50%);
 - the financial economic plan provided by the management relating to fiscal years 2017-2021 properly modified for the purposes of this assessment;

- market direct multiples method: the market direct multiples based on the entity approach to evaluation has been adopted, taking as reference the multiple Enterprise Value/EBITDA (“EV/EBITDA”). The value of such multiple was calculated taking into account the same group of companies comparable to CED that was considered for the purposes of the estimation of weighted average capital cost used to apply the DCF method, according to samples observations relating to EV/EBITDA multiple values expected for the years 2017-2019. CED’s value assessment was calculated taking into account the extremes of interval [-5.0%; +5.0%] based on the sample median value of the selected multiplier (6.58).
- Comparable transactions multiples method the market direct multiples based on the entity approach to evaluation has been adopted, taking as reference the multiple EV/EBITDA. The value of such multiple was calculated as sample median of comparable transactions values (main share and purchase of European companies operating in the media sector from 2011) recorded in July 2017. CED’s value assessment was calculated taking into account the extremes of interval [-5.0%; +5.0%] based on the sample median value of the selected multiplier (6.20).

Please note that, for the purposes of the application of the method of the sum of the figures, once determined the value ascribable to the part of the company’s publishing business, it has also been considered:

- i) the Group’s net financial position as at March 31, 2017 (properly amended in order to include the main relevant events occurred in the subsequent period until the launch of the offer);
- ii) the participations held by CED, assessed taking as reference, for the listed companies in which CED holds a stake, the stock exchange capitalization (average price recorded during the 3 months preceding the launch of the offer) and, for the other companies in which CED holds a stake, the net accountable assets as at December 31, 2016; and
- iii) an holding discount measure attributable to the Company taking into account the circumstance that the latter, in addition to the publishing business, carries out certain activities which , on the basis of the economic-business analysis, lead the Company to fall within the kind of companies holding participations.

With reference to the holding discount considered in order to apply the method of the sum of the figures, please note that the determination of its measure (equal to 38%) was calculated analyzing the average discount on the past NAV recorded between 2012-2016, taking as reference a holding sample (mainly of holding of participations) operating in Italy (Exor S.p.A., CIR S.p.A., IMMSI S.p.A., Mittel S.p.A., Dea Capital S.p.A., Italmobiliare S.p.A. and Vianini Lavori S.p.A.).

The sample of the VTO taken as reference for the VTO premiums method and the relating premiums are represented in annex 7 attached hereto.

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With reference to the data indicated above, please check the slides attached to the present integration (cfr. annex from no. 1 to no. 8).

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Finally, please note that, with reference to the affirmation contained in the Opinion of the Independent Directors issued according to Article 39-*bis* of Issuers’ Regulation and included in the mentioned communication pursuant to Article 103, paragraph 3, of Legislative Decree no. 58/98 published on July 20, 2017 “*It should also be pointed out that the fundamental value of*

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the CED shares calculated by means of the application of the method of the sum of the parts results higher (also materially, with particular reference to the evaluation based on the valorization of the editorial business carried out by using the financial method) than the offered consideration”, such value can be found in the Chart at page 5 and in the slide no. 8 attached to this integration.

Rome, July 28, 2017

CALTAGIRONE EDITORE S.P.A.
MANAGING DIRECTOR
ING. ALBINO MAJORE