



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

**SHAREHOLDERS' MEETING**  
**OF**  
**APRIL 26, 2012 – MAY 9, 2012**

**ILLUSTRATIVE REPORT AND PROPOSALS BY THE BOARD OF DIRECTORS ON THE**  
**MATTERS ON THE AGENDA**  
**(IN ACCORDANCE WITH ARTICLE 125.B OF LEGS. DECREE NO. 58/93 OF FEBRUARY 24, 1998)**



REPORT ON THE MATTERS ON THE AGENDA OF THE SHAREHOLDERS' MEETING  
OF APRIL 26, 2012

IN ACCORDANCE WITH ARTICLE 125.B OF LEGS. DECREE NO. 58 OF FEBRUARY 24, 1998

To the Shareholders

The Shareholders' Meeting was called in first call for April 26, 2012 at 12 PM and in second call for May 9, 2012 at the same time and place to resolve upon the following agenda:

1. Presentation of the Separate and Consolidated Financial Statements for the year ended December 31, 2011, together with the Directors' Report, Board of Statutory Auditors' Report and the Independent Auditors' Report; deliberations thereon;
2. Appointment of the Board of Directors for the three-year period 2012 – 2013 and 2014, determining the number of Board members and relative remuneration;
3. Appointment of the Board of Statutory Auditors for the three-year period 2012 – 2013 and 2014 and determination of emoluments;
4. Remuneration Report in accordance with Article 123 *ter*, paragraph 6 of Legislative Decree No. 58/98; resolutions thereon;
5. Resolutions on the sale and purchase of treasury shares in accordance with Article 2357 of the Civil Code;
6. Appointment of the Independent Audit Firm for the 2012-2020 period; resolutions thereon;

In accordance with Art.125 *ter* of Legislative Decree No.58 of February 24, 1998, the illustrative report of the Board of Directors on the matters of the agenda follows.



**1) Presentation of the Separate and Consolidated Financial Statements for the year ended December 31, 2011, together with the Director's Report, Board of Statutory Auditors' Report and the Independent Auditors' Report; deliberations thereon.**

To the Shareholders

The Board of Directors proposes to you the approval of the Financial Statements at December 31, 2011, consisting of the Balance Sheet, Income Statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity, the Cash Flow Statement, as well as the relative attachments and the Directors' Report.

In relation to the Parent Company Caltagirone Editore SpA's net loss of Euro 29,627,574.00, the Board of Directors proposes covering the loss through the utilisation of the following reserves:

- Euro 4,245.00 through the residual amount of the Retained Earnings reserve;
- Euro 29,623,329.00 through the Share Premium Reserve.

The Board of Directors proposes the creation, through use of the Share Premium Reserve, of a reserve for Euro 98,250.65 for the net exchange gains from the valuation of the assets in foreign currencies at December 31, 2011, not distributable until realisation, in accordance with Article 2426, paragraph 8 *bis* of the Civil Code;

The Board of Directors proposes the distribution of a total dividend of Euro 3,746,036.25, corresponding to Euro 0.03 for each of the 124,867,875 shares currently in circulation (taking account of treasury shares in portfolio, today amounting to 132,125) through the use of the Share Premium Reserve.

The dividend will be paid, net of withholding taxes for the amount applicable, from May 24, through the appointed intermediaries of Sistema di Gestione Accentrata Monte Titoli Spa.

Reference is made to the corresponding documentation concerning the 2011 financial statements prepared by the Board of Directors, which will be communicated to Consob and made available to the public at Borsa Italiana S.p.A. and at the registered office and



published on the internet site of the Company at [www.caltagironeeditore.com](http://www.caltagironeeditore.com), according to the terms and conditions established by the applicable regulation.

Considering that stated above, we present the following proposals:

The Shareholders' Meeting of Caltagirone Editore S.p.A.:

- a) examined the financial statements of the Company and the consolidated financial statements of the group at December 31, 2011;
- b) noted the Directors' Report;
- c) noted the Board of Statutory Auditors' report to the Shareholders' Meeting as per Art. 153 of Legislative Decree 58/1998 (CFA);
- d) noted the Directors' Report concerning the parent company financial statements and consolidated financial statements for 2011;

resolves

- a) to approve the Financial Statements for the year ended December 31, 2011, together with the relative reports and the coverage of the net loss for the year of Euro 29,627,574.00 of the Parent Company Caltagirone Editore S.p.A. through use of the following reserves:
  - Euro 4,245.00 through the residual amount of the Retained Earnings reserve;
  - Euro 29,623,329.00 through the Share Premium Reserve.
- b) to create, through use of the Share Premium Reserve, a reserve for Euro 98,250.65 for the net exchange gains from the valuation of the assets in foreign currencies at December 31, 2011, not distributable in accordance with Article 2426, paragraph 8 *bis* of the Civil Code;
- c) to distribute an overall dividend of Euro 3,746,036.25 - Euro 0.03 for each of the 124,867,875 shares in circulation (considering treasury shares in portfolio—currently numbering 132,125) through the utilisation of the Share Premium Reserve with payment of dividend on May 24, 2012, with dividend coupon of May 21, 2012.



**2) Appointment of the Board of Directors for the three-year period 2011 – 2013 and 2014, determining the number of Board members and relative remuneration.**

To the Shareholders

with the approval of the 2011 financial statements the mandate of the Board of Directors concludes; therefore the Shareholders' Meeting is called to appoint new members for the three-year period indicated, until the Shareholders' Meeting which will be called to approve the financial statements at December 31, 2014, establishing the number of members, between 3 and 15 as expressly provided for by the by-laws, as well as the relative remuneration.

The appointment of the Board of Directors is made on the basis of slates presented by shareholders who hold at least 2% of the share capital.

The slates must be filed at the Registered Office by the 25<sup>th</sup> day before the date fixed for the Shareholders' Meeting in first call and therefore by April 1, 2012; the slates are made available to the public at the registered office, on the internet site and through the other means established by Consob at least 21 days before the Shareholders' Meeting and therefore by April 5, 2012.

The ownership of the minimum holding necessary is established considering the shares which have been registered in favour of the shareholder on the day on which the slates are filed with the Company; the relative certification must be produced also subsequently to filing of the slates, although within the time period established for the publication of the slates by the Company and therefore April 5, 2012.

The slates must be accompanied by the information concerning the presenting Shareholders, with indication of the percentage of share capital in total held, and the following documentation:



- a) the curriculum vitae of the candidates, containing exhaustive information on their personal and professional characteristics;
- b) the declarations with which each candidate accepts the candidature and declares, under their own responsibility the inexistence of any reasons for incompatibility or ineligibility, as well as attesting to their standing, professionalism and, if existing, their independence as established by article 148, paragraph 3 of the Consolidated Finance Act.

In accordance with that established by Consob communication DEM/9017893 of February 26, 2009, shareholders are advised who intend to present minority slates that they must be filed together with the slate and further documentation required by Art. 14 of the by-laws, including the declaration which affirms the absence of any relationships, even indirect, as established at Art.147 *ter* of the Consolidated Finance Act and Art. 144 *quinquies* of the Issuers' Regulations, with the Shareholder who holds control. In this declaration any relations existing must be specified, where significant, with the shareholder who holds the controlling interest, if identifiable, as well as the reasons for which any relations are not to be considered such as to constitute the above-stated relationship, or the absence of any relations must be indicated.

Each slate cannot contain more than fifteen candidates.

In the event of the presentation of only one slate or in the case where only one slate receives votes, all the candidates will be taken from the same slate.

For the inclusion of the Directors to be elected, consideration is not taken of the slates which have not obtained at least half of the votes for the presentation of the slate.

The first candidate on the minority slate which obtains the largest number of votes and which is not related in any manner, even indirectly, with the slate which has the highest number of votes, is elected Director; the other members of the Board of Directors are taken in a progressive order from the slate which obtained the highest number of votes.



Each point of the following resolutions will be submitted for separate voting, allowing voting for everybody with such a right, as well as to proxies with voting instructions, based on the voting instructions received on each point.

The Shareholders' Meeting is invited to resolve upon:

- a) determination of the number of directors;
- b) determination of the remuneration of the Board of Directors;
- c) appointment of the members of the Board of Directors expressing preference for one of the slates presented by the authorised parties in conformity with the by-laws.



**3) Appointment of the Board of Statutory Auditors for the three-year period 2012 – 2013 - 2014 and determination of emoluments.**

To the Shareholders

with the approval of the financial statements at December 31, 2011 the mandate concerning the Board of Statutory Auditors expires, with the Shareholders' Meeting called to appoint new members for the three-year period indicated, and however until the Shareholders' Meeting which will be called for the approval of the financial statements at December 31, 2014, as well as to establish the relative emoluments.

Article 22 of the By-Laws establishes that the Board of Statutory Auditors consists of a Chairman, two standing auditors and two alternate auditors.

The appointment of the Board of Statutory Auditors is made on the basis of slates presented by shareholders who hold at least 2% of the share capital.

The slates must be filed at the Registered Office by the 25<sup>th</sup> day before the date fixed for the Shareholders' Meeting in first call and therefore by April 1, 2012; the slates are made available to the public at the registered office, on the internet site and through the other means established by Consob at least 21 days before the Shareholders' Meeting and therefore by April 5, 2012.

The ownership of the minimum holding necessary is established considering the shares which have been registered in favour of the shareholder on the day on which the slates are filed with the Company; the relative certification must be produced also subsequently to filing of the slates, although within the time period established for the publication of the slates by the Company and therefore April 5, 2012.





In the case in which at the expiry date for the presentation of slates, only one slate has been filed, or only slates presented by the shareholders which are related in accordance with Art. 144 *quinquies* of the Issuers' Regulations, slates may be presented until the third subsequent day to April 1, 2012, dependent on the obligation to produce the certification relating to ownership of shares held within the time period established for the publication of the slates by the Company. In this case, the threshold established for the presentation of the slate is reduced by half.

The slates must be accompanied by the information concerning the presenting Shareholders, with indication of the percentage of share capital in total held, and the following documentation:

- a) a declaration of the shareholders other than those who hold, including jointly, a controlling share, attesting to the absence of the relationships established by Art. 144.15 of the Consob Issuers Regulations with the latter;
- b) curriculum vitae of the candidates, containing exhaustive information on their personal and professional characteristics;
- c) the declarations with which each candidate accepts the candidature and declares, under their own responsibility the inexistence of any reasons for incompatibility or ineligibility, as well as attesting to their standing, professionalism and, if existing, their independence as established by article 148, paragraph 3 of the Consolidated Finance Act.

Each shareholder, as well as shareholders belonging to the same group (i.e. holding companies and including individuals, as per article 2359 of the civil code and its subsidiaries), who adhere to a shareholder pact in accordance with article 122 of the Legislative Decree 24.2.1998 no. 58, cannot present, directly, by interposed persons, or through trust companies, more than one slate.



In the event of the presentation of only one slate or in the case where only one slate receives votes, all the candidates will be taken from the same slate.

The first two candidates of the slate which obtains the largest number of votes are elected as standing auditors (“the Majority Slate”) and the first candidate of the slate presented and voted by the shareholders which are not related, even indirectly, to the majority shareholders, which is second in terms of number of votes (the “Minority Slate”), is elected Chairman of the Board of Statutory Auditors. An Alternate Auditor is also elected among the candidates indicated in the progressive order in the section “Alternate Auditors” of the Majority Slate and an Alternate Auditor among the candidates indicated in the progressive order in the section “Alternate Auditors” of the Minority Slate.

Each point of the following resolutions will be submitted for separate voting, allowing voting for everybody with such a right, as well as to proxies with voting instructions, based on the voting instructions received on each point.

The Shareholders’ Meeting is invited to resolve upon:

- a) appointment of the Chairman and the members of the Board of Statutory Auditors expressing preference for one of the slates presented by the parties in conformity with the by-laws;
- b) determination of the remuneration of the Board of Statutory Auditors.



**4) Appointment of the Independent Audit Firm for the 2012-2020 period;  
Resolutions thereon;**

To the Shareholders

with the publication of the 2011 annual accounts, the appointment of KPMG S.p.A. as the Independent Audit Firm by the Shareholders' Meeting of April 27, 2006 expires, without possibility of renewal as required by law; you have therefore been called to consider the following resolutions regarding the new appointment.

In relation to this, within the reform of the auditing regulations, the Shareholders' Meeting, on the proposal of the Board of Statutory Auditors, confers the audit of the accounts and establishes the emoluments to the Independent Audit Firm for the entire appointment and any amending criteria for such consideration during the appointment. The duration of the appointment is 9 years.

The documentation concerning the appointment of the Independent Audit Firm will be made available to the public at the registered office, at Borsa Italiana S.p.A. as well as available on the internet site [www.caltagironeeditore.com](http://www.caltagironeeditore.com), in accordance with law.

Considering that stated above, the Board of Directors proposes that:

The Shareholders' Meeting of Caltagirone Editore SpA, having examined the proposal of the Board of Statutory Auditors in accordance with Article 13, paragraph 1 of Legislative Decree No. 39 of January 27, 2010

resolves

- a) to approve the appointment of xxxx for the audit of the accounts for the 9-year period between January 1, 2012 – December 31, 2020;
- b) to approve emoluments for the audit of the accounts between the years 2012 to 2020 of the company xxxx of Euro xxxx.



## **5) Resolutions on the sale and purchase of treasury shares in accordance with Article 2357 of the Civil Code**

To the Shareholders

the Board of Directors submits for your approval the authorisation proposal concerning the purchase and sale of treasury shares in accordance with Article 2357 of the Civil Code, and applicable regulations.

The maximum number to be purchased is 3% of the share capital, therefore 3,750,000 shares, taking account of treasury shares already held by the Company, for a maximum amount of Euro 5,000,000.00.

Authorisation is requested to carry out share buy-back operations for a maximum duration of 18 months, while an unlimited period is requested to carry out utilisation operations of shares which will be bought back.

In relation to the conditions and manner under which the Company will carry out the purchase and utilisation of treasury shares in accordance with Articles 2357 and 2357-ter of the Civil Code, reference should be made to the report prepared in accordance with applicable provisions, which will be made available to the public at the registered offices and at the market management company.

Considering that stated above, we present the following proposal:

The Shareholders' Meeting of Caltagirone Editore S.p.A., having considered the proposal and the Board of Directors' report, in accordance with Article 2357 and subsequent of the Civil Code and the Consob regulation,

resolves:

- a) to authorise for a maximum duration of 18 months from the Shareholders' Meeting resolution, in accordance with Article 2357 of the Civil Code, to purchase ordinary



Company shares which, taking account of the treasury shares already held, should not surpass 3% of the share capital and therefore 3,750,000 shares, for a maximum amount of Euro 5,000,000.00, under the terms and manners included in the report prepared by the Board of Directors in accordance with Article 73 of the Consob Issuers' Regulation No. 11971/99, as subsequently amended;

- b) to authorise the sale of company treasury shares which will be bought back, without time limits;
- c) to confer to the Board of Directors of all powers necessary to implement the authorisation resolution in accordance with the applicable regulation.



**6) Remuneration Report in accordance with Article 123 *ter*, paragraph 6 of Legislative Decree No. 58/98; resolutions thereon;**

To the Shareholders

the Board of Directors proposes for your approval, in accordance with Article 123 *ter*, paragraph 6 of Legislative Decree 58/98, Section I of the Remuneration Report in which the Company policy in relation to the remuneration of the Board of Directors is presented.

Reference is made to the corresponding documentation concerning the 2011 financial statements prepared by the Board of Directors, communicated to Consob and made available to the public at Borsa Italiana S.p.A. and at the registered office and published on the internet site of the Company at [www.caltagironeeditore.it](http://www.caltagironeeditore.it), according to the terms and conditions established by the applicable regulation.

Considering that stated above, we present the following proposals:

The Shareholders' Meeting of Caltagirone Editore S.p.A., in accordance with Article 123-*ter* paragraph 6 of Legislative Decree 58/98, examined the Remuneration Report, approving Section I regarding the Company policy adopted in this respect.

Rome, March 14, 2012

**for the Board of Directors**

**THE CHAIRMAN**

**FRANCESCO GAETANO CALTAGIRONE**