



**May 2002**

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# Agenda

- **Company overview**
- **Financial results**
- **Strategic goals**

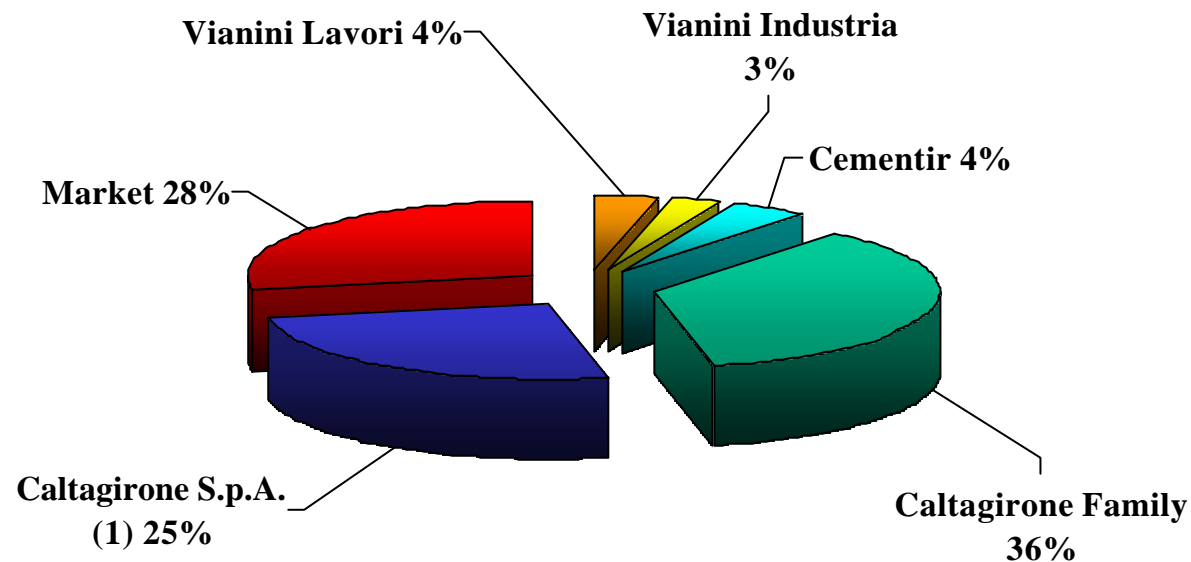
## Integrated Group with complementary areas of expertise



# Ownership Structure



Caltagirone Editore's share capital amounts to €125 million, divided into n.125,000,000 ordinary shares with a nominal value of € 1 each.

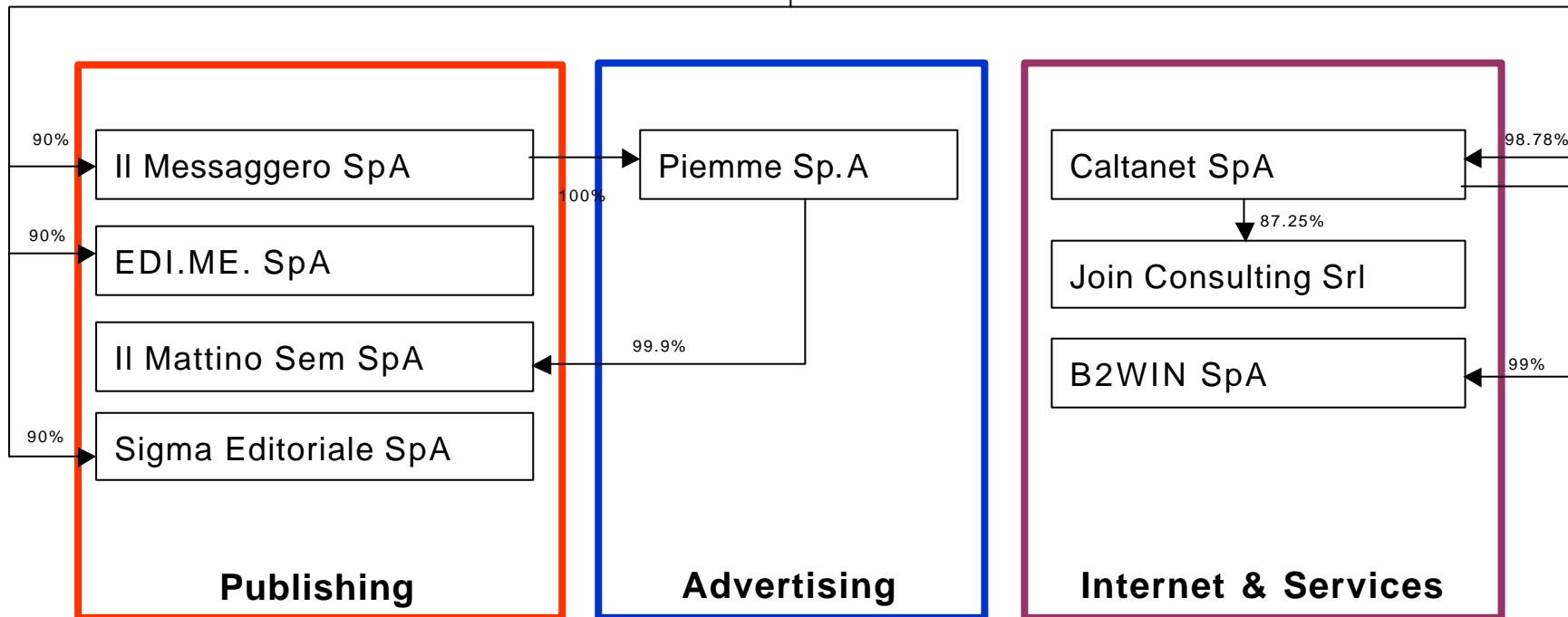


*(1) Includes Mantegna '87 Srl, 100% controlled by Caltagirone S.p.A.*

# Group Structure



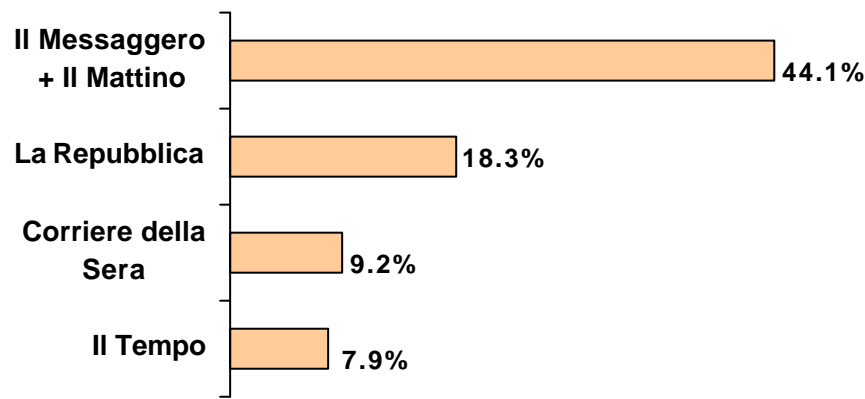
Caltagirone Editore S.p.A.



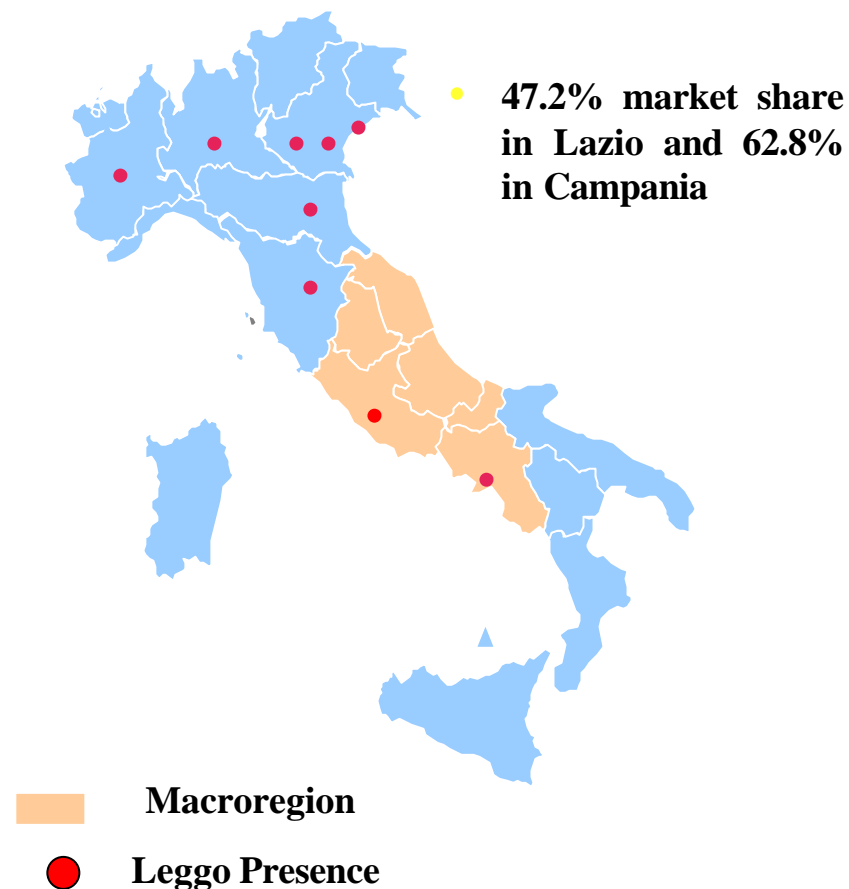
# Company Overview – Territorial Coverage



## Percentage market share in the Macroregion <sup>1</sup>



Macroregion accounting for 25% of population and 20% of Italian readers



<sup>1</sup> Excluding financial and sport dailies – Source: Audipress 1999

## Il Messaggero

- High brand visibility (120 years of history)
- A national newspaper with 13 editions composed by an average of 44/52 pages, with a maximum of 56 including 20 in colour
- 4th newspaper in Italy<sup>1</sup> with more than 1.3 million daily readers and leader in Lazio (Rome region) with 47.2% market share

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<sup>1</sup> Excluding financial and sport dailies – Source: Audipress 1999

## IL MATTINO

- Founded in 1892
- 8th newspaper in Italy<sup>1</sup>, composed by 40/46 pages, with a maximum of 56 including 16 pages in colour
- Leader in Campania (Naples region) with 62.8% market share, more than 800,000 daily readers

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<sup>1</sup> Excluding financial and sport dailies – Source: Audipress 1999





- Daily free newspaper launched on March 2001 with a daily circulation of about 810,000 copies
- The 1<sup>st</sup> newspaper for number of copies in Italy, composed by an average of 24 pages in tabloid format
- Currently present in Rome, Milan, Turin, Naples, Florence, Bologna, Venice, Verona and Padova
- Distributed from Monday to Friday in railway stations (thanks to an exclusive long-term agreement), underground stations, bars, hospitals, universities and other meeting points

## PIEMME

- The exclusive advertising agency for proprietary brands, Il Messaggero, Il Mattino, Leggo and Caltanet
- The exclusive advertising agency for third parties, Il Nuovo Quotidiano di Puglia, Radio Globo (the first local radio in Rome), Radio Antenna1 and others
- Dealer of both national and local advertising
- 4 main offices and 20 branch offices with over 180 agents



- Caltanet is one of the main national internet portals
- Join, acquired in the last part of 2000, is a management consulting company specialised in highly innovative services
- B2Win, established in 2001, manages a call center that offers services exploiting Caltanet's technology

# Financials' Year end 2001



€ m	Dec 31, 2000	Dec 31, 2001	Var. %
<b>Sales</b>	<b>240.82</b>	<b>228.23</b>	<b>-5.2%</b>
<b>EBITDA</b>	<b>75.68</b>	<b>41.46</b>	<b>-45.2%</b>
<i>% margin</i>	<b>31.4%</b>	<b>18.2%</b>	
<b>Normalised EBIT<sup>1</sup></b>	<b>69.69</b>	<b>32.12</b>	<b>-53.9%</b>
<i>% margin</i>	<b>28.9%</b>	<b>14.1%</b>	
<b>EBIT</b>	<b>54.32</b>	<b>15.75</b>	<b>-71.0%</b>
<i>% margin</i>	<b>22.6%</b>	<b>6.9%</b>	
<b>Net income</b>	<b>41.42</b>	<b>22.96</b>	<b>-44.6%</b>
<i>% margin</i>	<b>17.2%</b>	<b>10.1%</b>	

<sup>1</sup> Adjusted for amortisation of goodwill and consolidation differences

# Financials' 1Q 2002



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€ m	1 Q 2001	1 Q 2002	Var. %
<b>Sales</b>	<b>54.96</b>	<b>55.41</b>	<b>0.8%</b>
<b>EBITDA</b>	<b>11.69</b>	<b>9.62</b>	<b>- 17.7%</b>
<b><i>% margin</i></b>	<b>21.3%</b>	<b>17.4%</b>	
<b>EBIT</b>	<b>6.01</b>	<b>4.39</b>	<b>- 26.9%</b>
<b><i>% margin</i></b>	<b>10.9%</b>	<b>7.9%</b>	
<b>Net income</b>	<b>8.12</b>	<b>4.02</b>	<b>- 50.5%</b>
<b><i>% margin</i></b>	<b>14.8%</b>	<b>7.2%</b>	

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# Net Financial Position



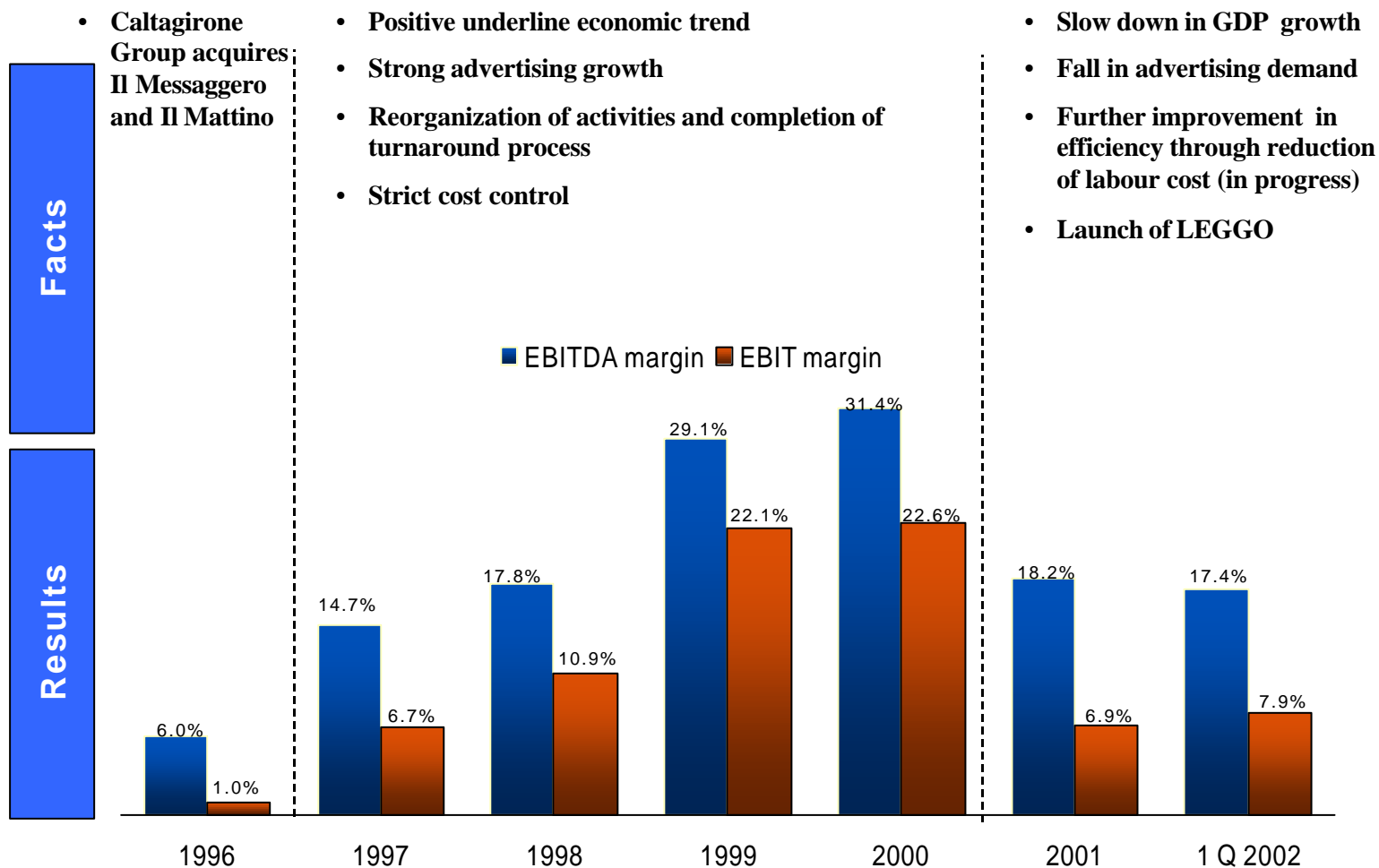
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€ m	Dec 31, 2001	1 Q 2002
Cash	584.4	588.0
Long term debt	29.2	30.9
Short term debt	29.6	27.8
<b><i>Net Financial Position</i></b>	<b>525.6</b>	<b>529.3</b>

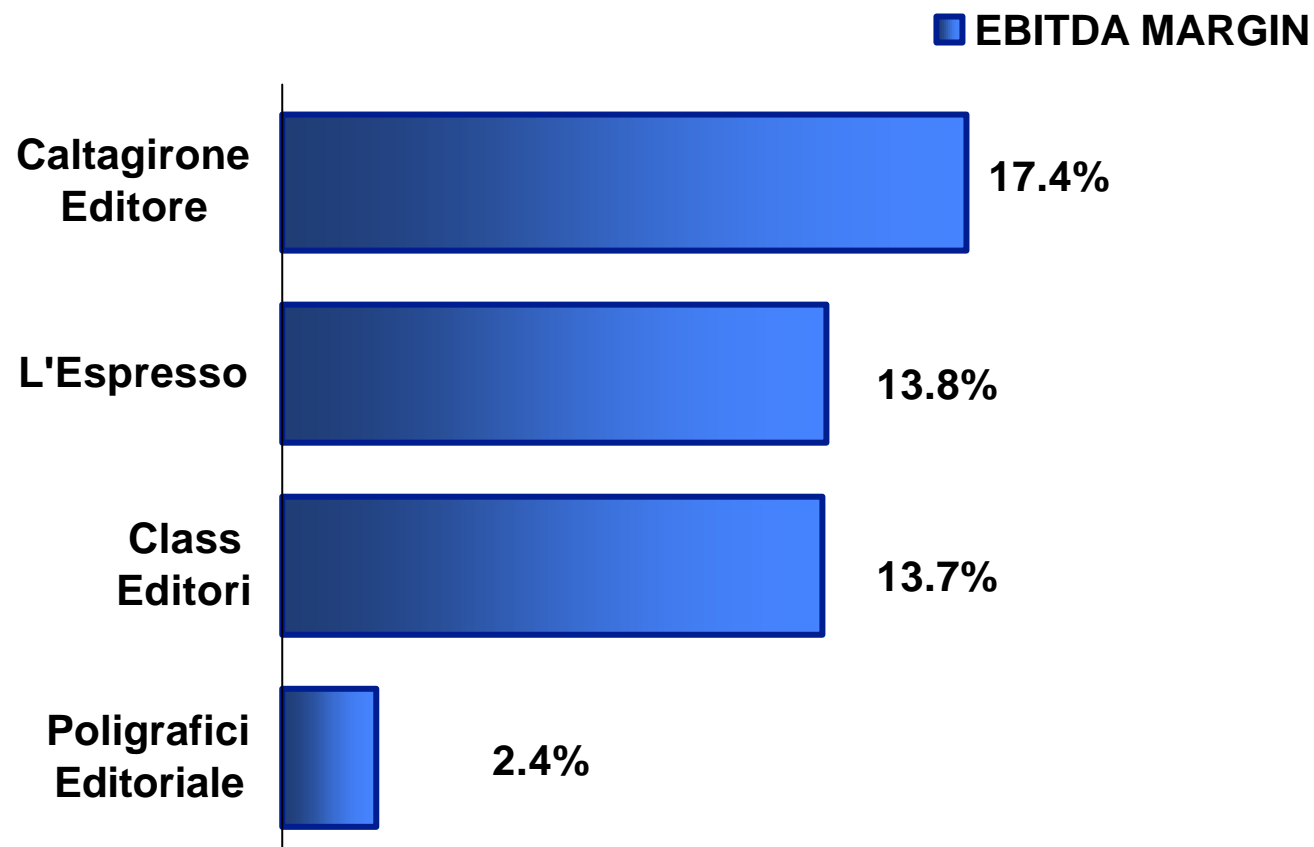
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Peripheral assets: 1.6% stake in HDP (€ 36 m)

# Financials'trend

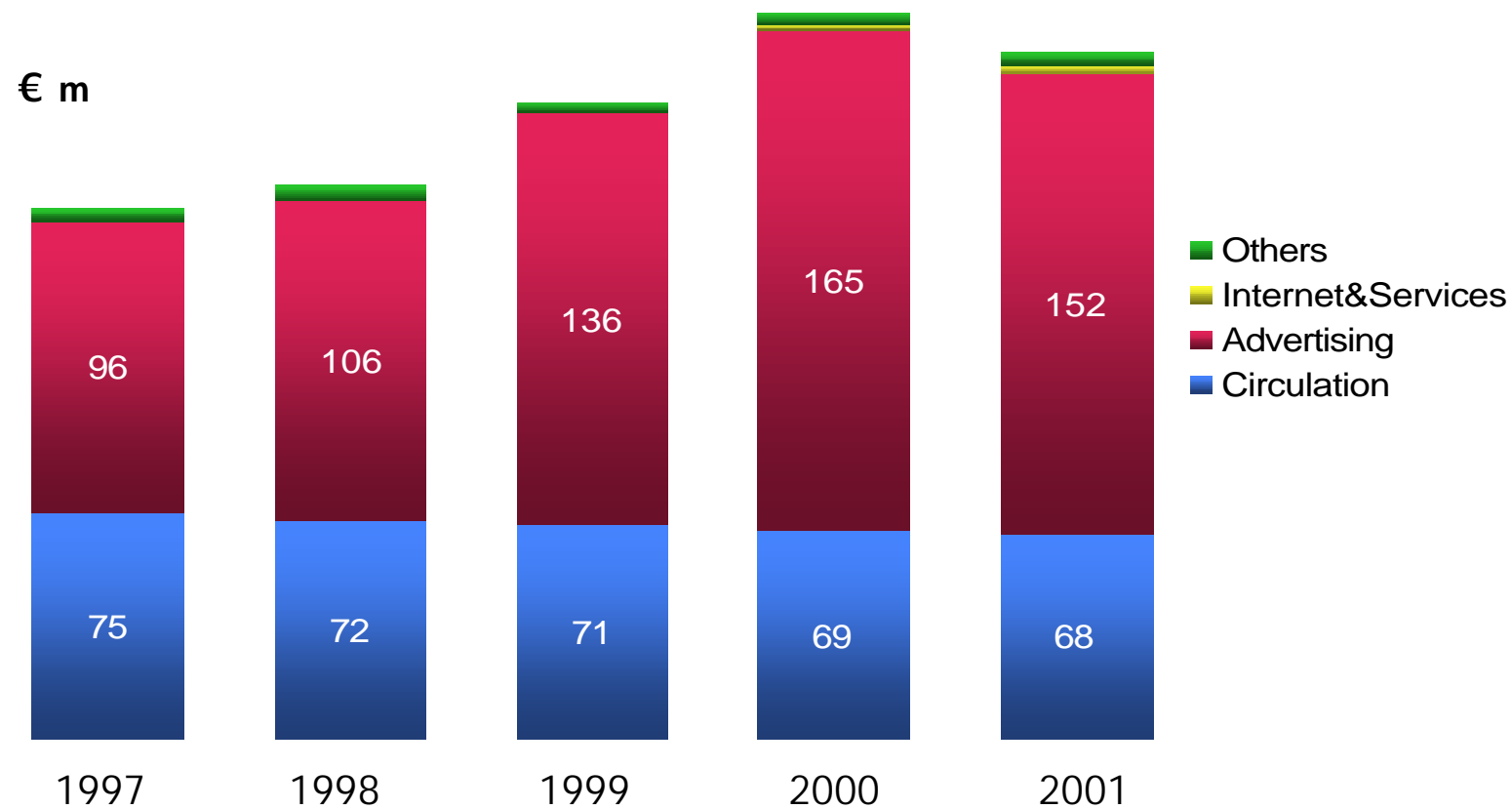


# CEd vs peers - 1Q 2002

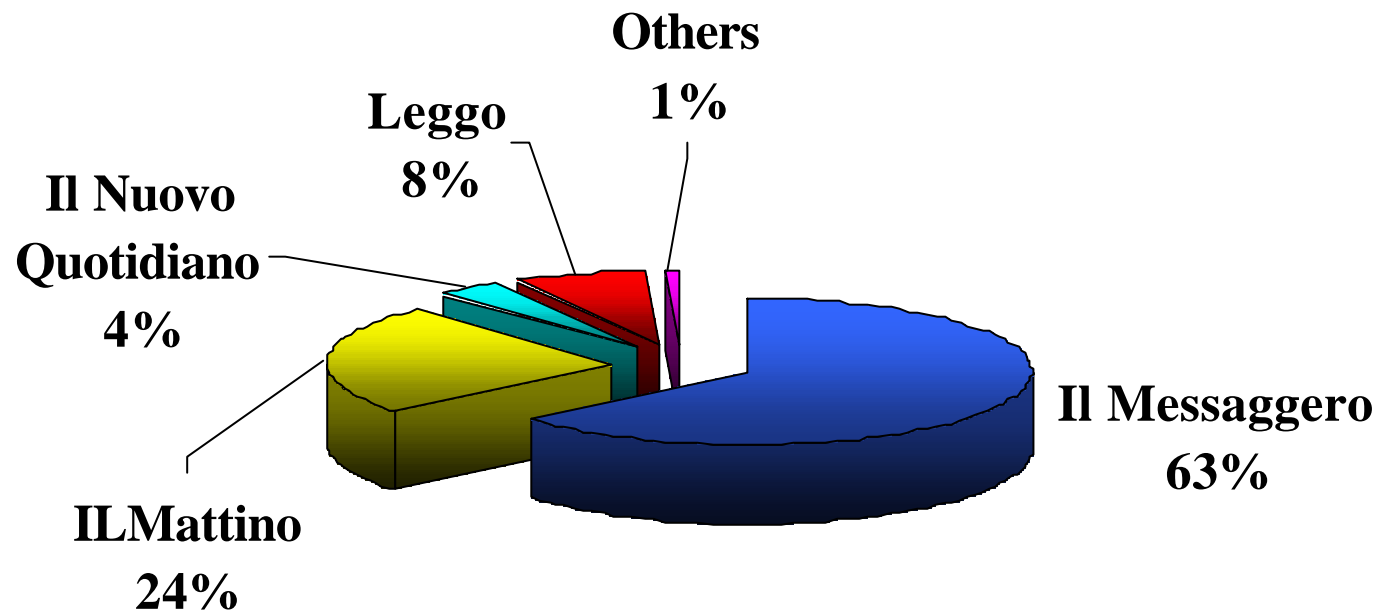




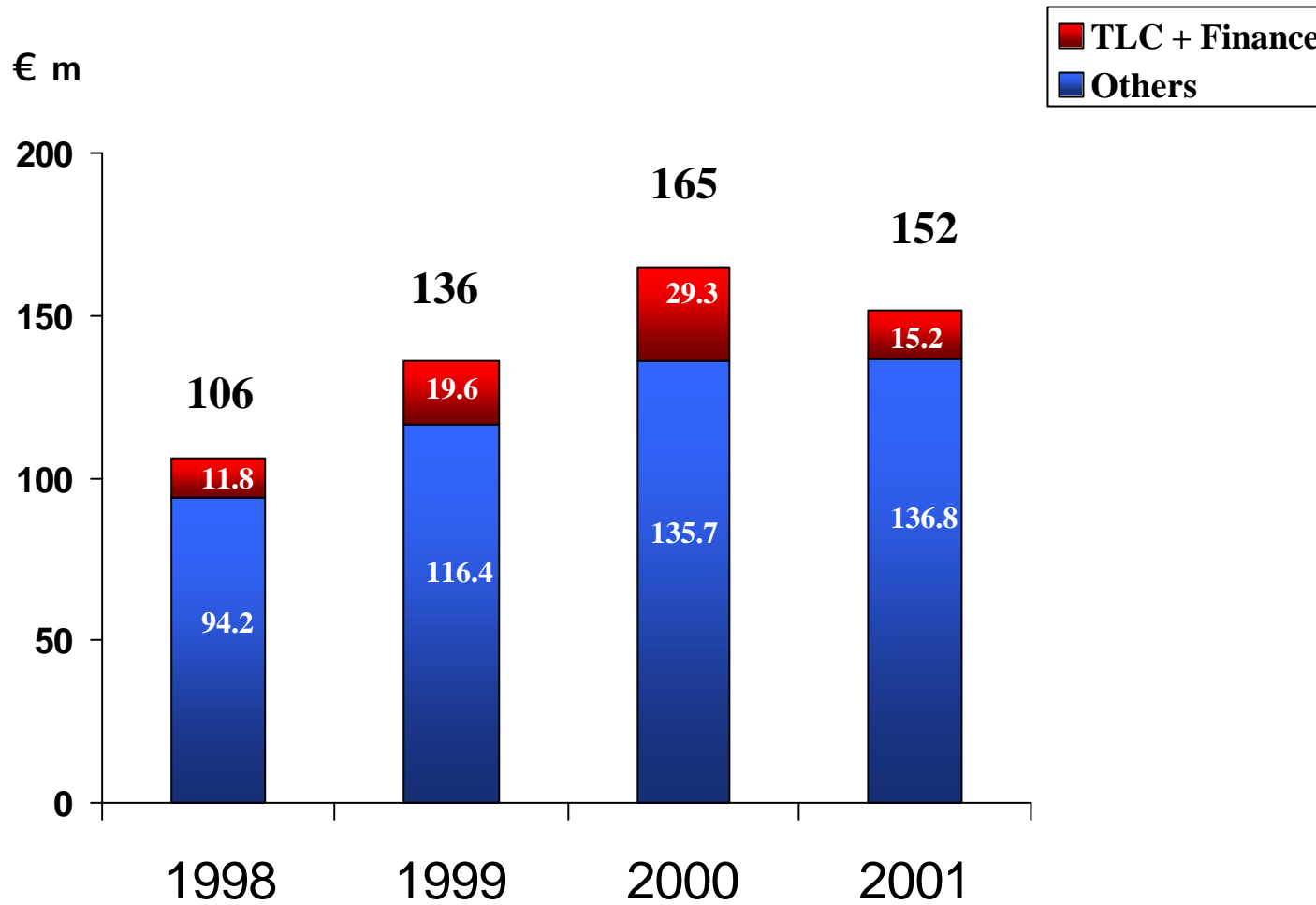
# CEd Revenues Breakdown



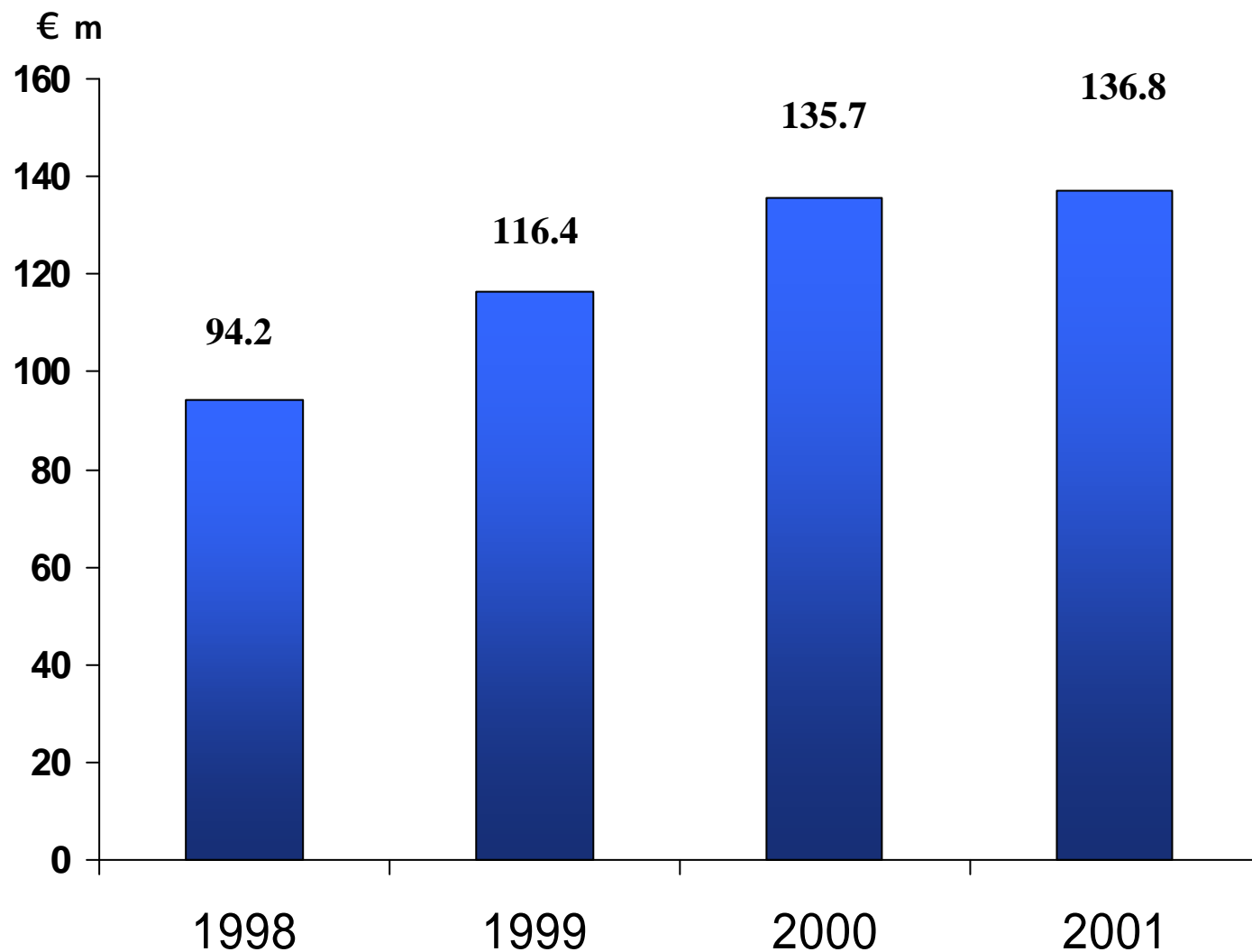
# Advertising Sales Breakdown 1Q 2002



# Piemme – Total Advertising Sales



# Advertising Sales without considering TLC and Finance



## **Il Messaggero** **IL MATTINO**

- Gain market share with an aggressive price policy in contiguous areas
- Increase the number of readers to expand the advertising selling power
- Work in progress of new high tech printing facilities for Il Messaggero with a total investment of € 65 million to increase the number of pages and take advantage from the next recovery of the advertising market
- Further improvement in efficiency through the agreement with Trading Unions



- Create a national network able to capture the major advertising spenders
- Develop brand visibility and territorial presence, while the advertising market is depressed
- Maintain market leadership to fully exploit the next recovery of the advertising demand
- Keep on attracting new readers different from ones proper to the traditional newspapers

# Strategic Goals

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- Reduce operating costs to the minimum until the internet market reaches a critical mass
- Increase services offer by exploiting synergies between the three Group's companies
- Review the business organization in order to improve processes efficiency and services quality
- Keep always ready to catch new opportunities offered by the Net