



## 2010 Annual Results

April, 2011

# Agenda



- **Executive Summary**
- **The Group**
- **Leadership in traditional newspapers and free press**
- **Advertising Italian market**
- **Financial highlights**
- **Caltagirone Group and main shareholders**

Since 2008 the printing industry has been facing a deep crisis which is challenging the traditional business model.

**Caltagirone Editore has been successful in tackling the current adverse trading environment, coming out stronger than before, thanks to:**

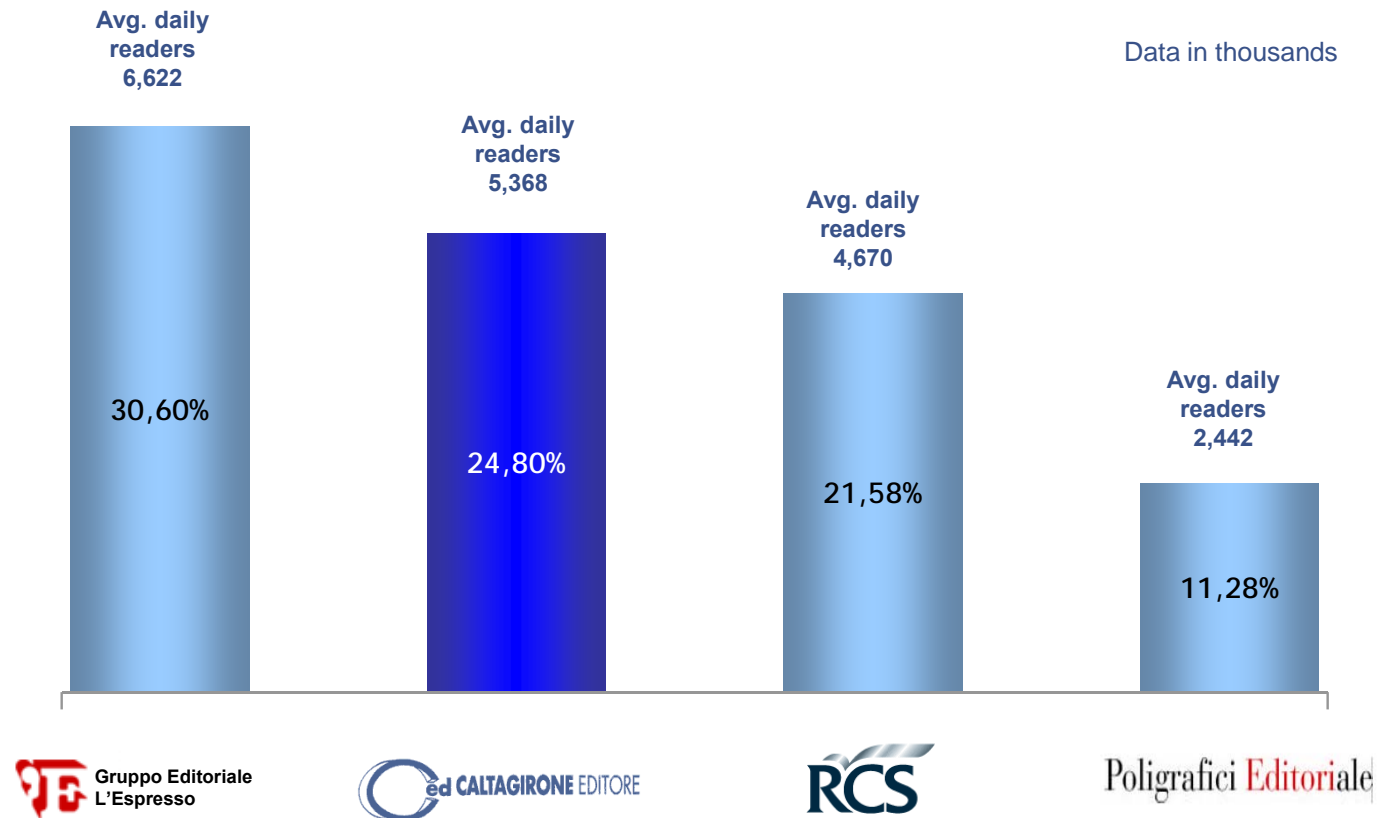
- Better than expected results (Ebitda of €27.4m in 2010 vs. €6.1m in 2009)
- Solid Financial position (Net Cash Position of €208.9m and Equity Ratio <sup>(1)</sup> of 76%)
- Strong focus on cost structure: Personnel costs reduced by €-15.3m (-13.7% on '09)
- Processes and organisation rationalization in order to become more competitive and reduce our fixed cost base
- Business model review to face new digital challenges and to capture new growth opportunities

(1) Net Shareholders Equity / Total Assets

# The Group: N.2 in the domestic market <sup>(1)</sup>



Caltagirone Editore is the **2nd Italian publishing group** with **24.80%** share of average daily readers <sup>(1)</sup>

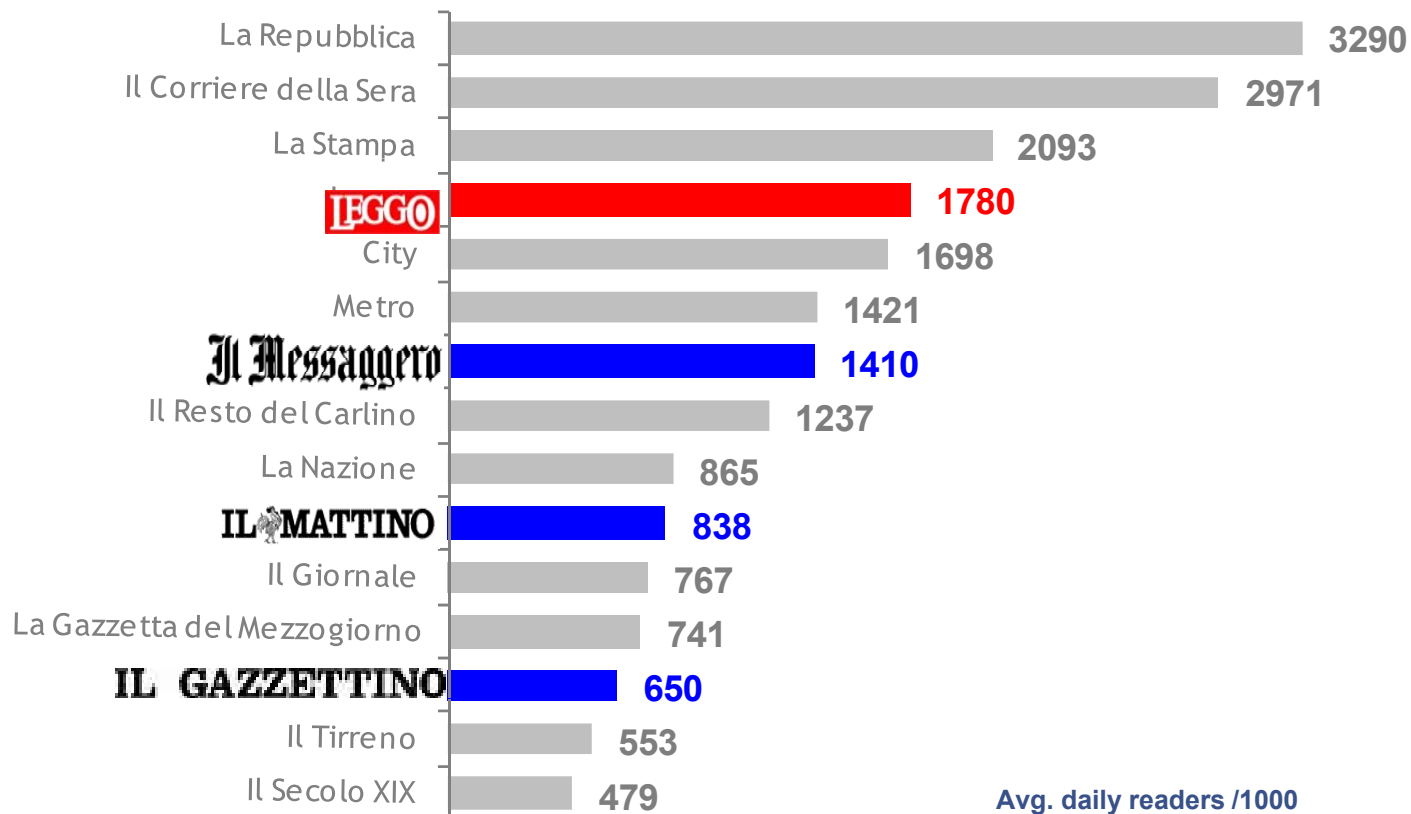


(1) Source: Audipress 2010/III excluding specialized newspapers (financial and sports) and including free press

# The Group: N.2 in the domestic market (1)



The Group publishes 4 titles among the first 15 in Italy



(1) Source: Audipress 2010/III excluding specialized newspapers (financial and sports) and including free press

# The Group: traditional newspapers and free press



## Newspapers (1)

**Il Messaggero** • National with 13 local editions  
• Readership 1,410,000

**IL MATTINO** • National with 7 local editions  
• Readership 838,000

**IL GAZZETTINO** • National with 8 local editions  
• Readership 650,000

**Corriere Adriatico** • Regional with 5 local editions  
• Readership 308,000

**NUOVO Quotidiano di Puglia** • Multiple-provincial with 3 local editions  
• Readership 381,000

**LEGGO** • National network in 15 cities  
• Readership 1,780,000

## New Media

**Il Messaggero.it**

**IL MATTINO.it**

**IL GAZZETTINO.it**

**Corriere Adriatico .it**

**NUOVO Quotidiano.it**

**LEGGO**

**caltanet**  
Il sito preferito dai mouse

## Advertising

**PIEMME**

- Advertising agency for the Group
- Branch dedicated to Internet

(1) Source: Audipress 2010/III

## The Group: web and multimedia



In 2010 our websites audience kept growing and new platforms (Mobile and IPAD) have been launched, raising significant interest on our readers

<i>Title</i>	<i>Internet website</i>	<i>IPAD application</i>	<i>Mobile – Iphone applications</i>
<b>Il Messaggero.it</b>	✓	✓	✓
<b>LEGGO</b>	✓	✓	✓
<b>IL MATTINO.it</b>	✓	✓	
<b>IL GAZZETTINO.it</b>	✓	✓	
<b>Corriere Adriatico .it</b>	✓		
<b>Quotidiano di Puglia .it</b>	✓		



## Leadership in traditional newspapers and Free Press

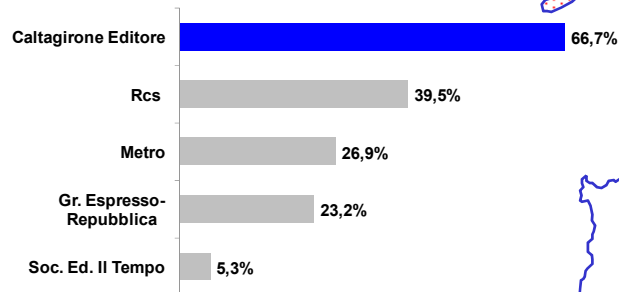


# CED has a strong local leadership (1)

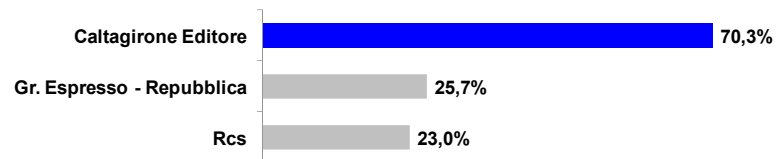


- Regions in which CED is #1 or #2 in the market
- Considerable presence (> 10%)
- Leggo's presence
- Combined with local newspapers (2)

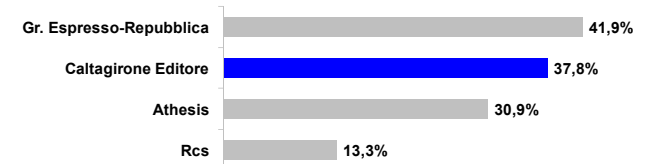
## READERSHIP IN LAZIO 66.7%



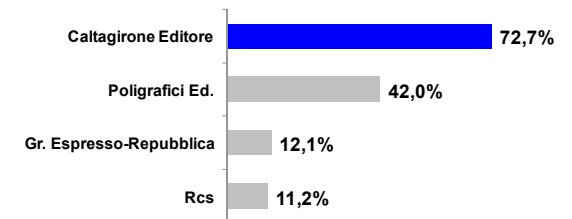
## READERSHIP IN CAMPANIA 70.3%



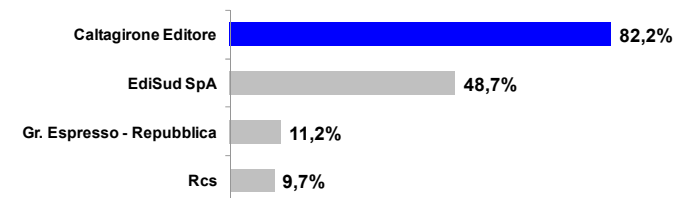
## READERSHIP IN VENETO 37.8%



## READERSHIP IN MARCHE 72.7%



## READERSHIP IN "GRANDE SALENTO" (3) 82.2%



(1) Source: Audipress 2010/III, avg. daily readers excluding financial and sports daily newspapers and including free press

(2) In Calabria, Basilicata and in Puglia both Il Messaggero and Il Mattino are sold combined with local newspapers

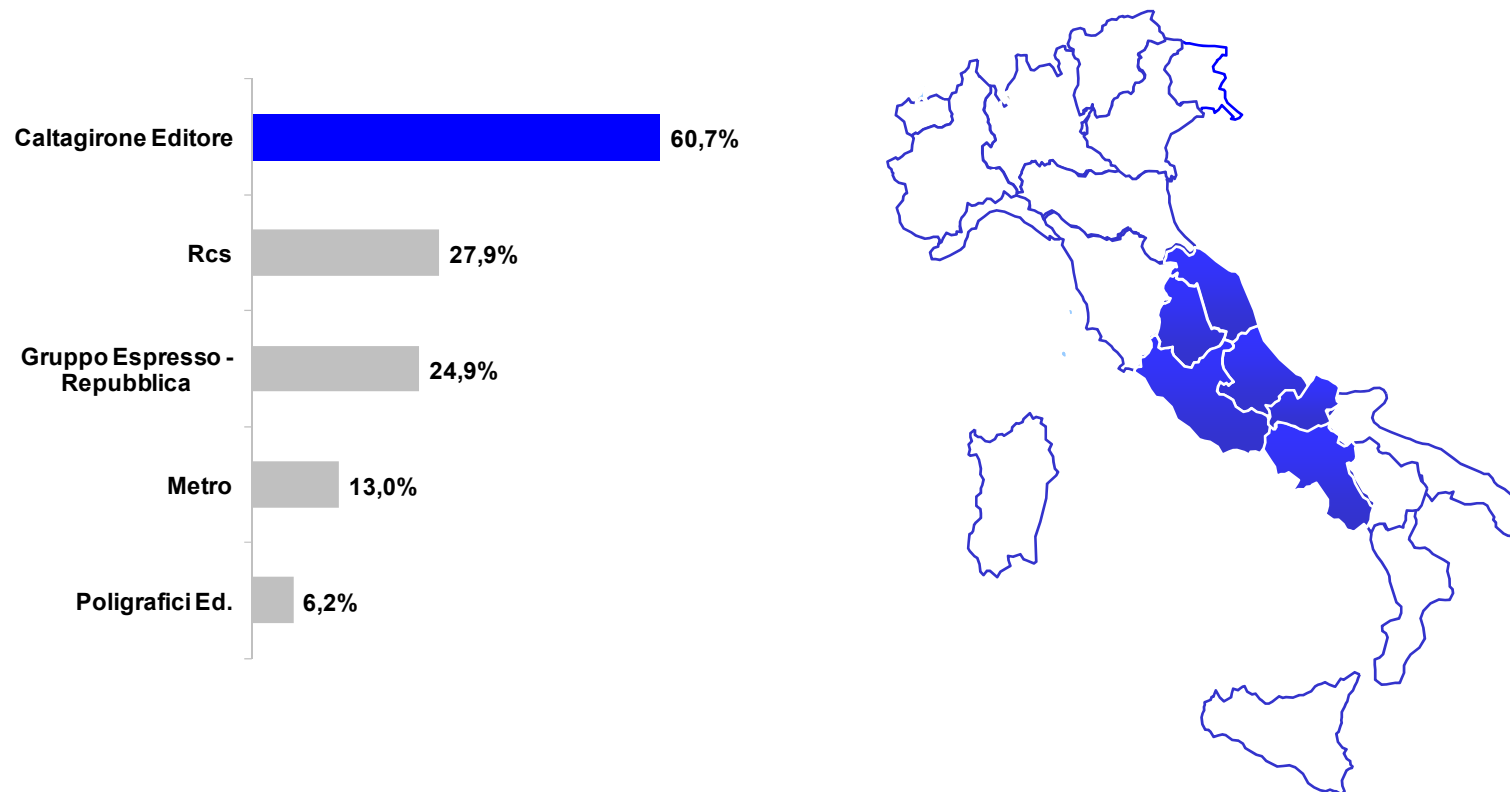
(3) Unlike the other Group newspapers, Il Nuovo Quotidiano di Puglia is not a regional newspaper because it is sold only in 3 cities: Lecce, Brindisi and Taranto (Salento)

# Leadership in the Centre of Italy



Group newspapers have a well-established leadership in the Macroregion<sup>(1)</sup>

**READERSHIP IN THE MACROREGION <sup>(2)</sup>**  
60.7%



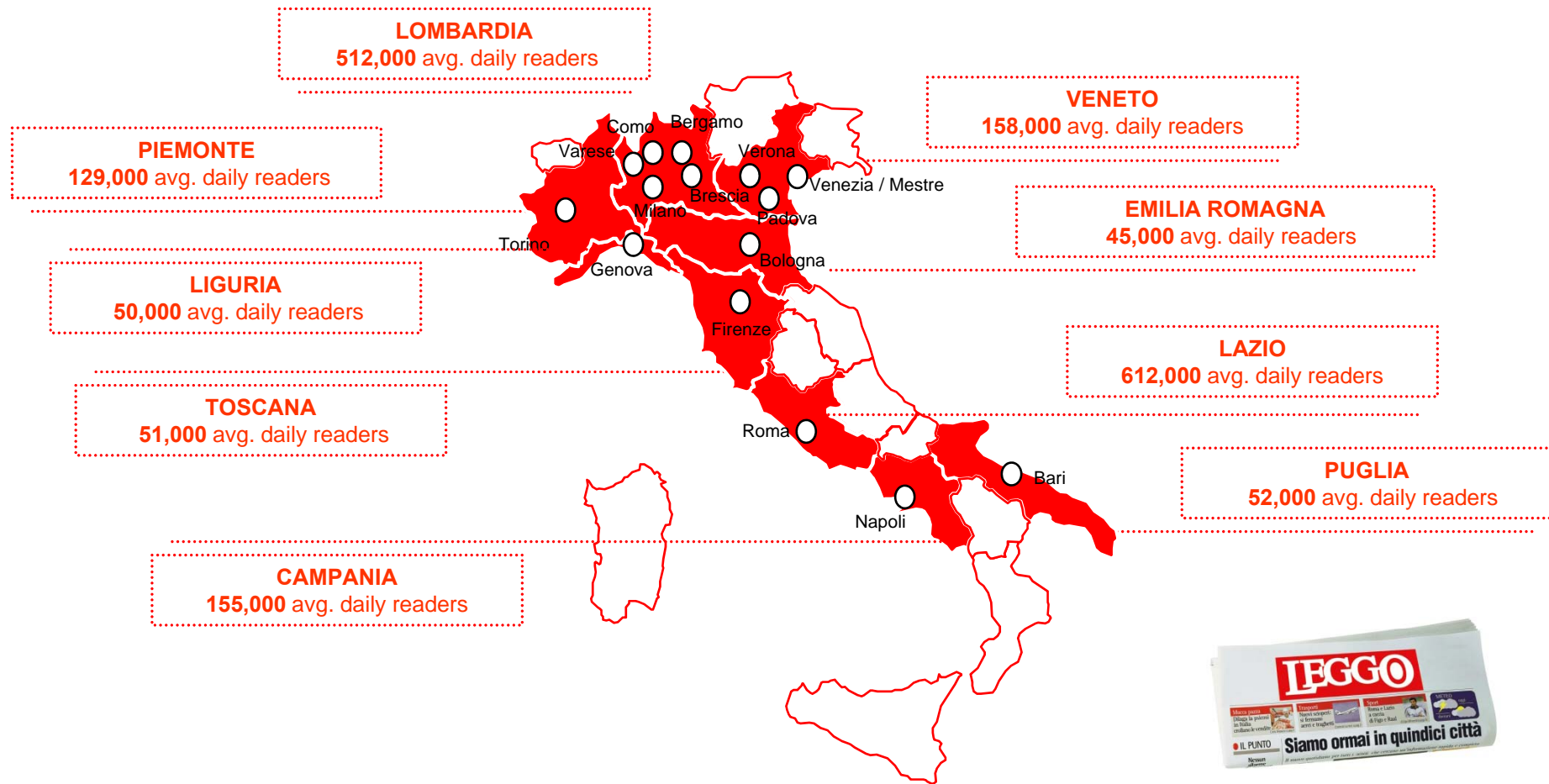
(1) Source: Audipress 2010/III, avg. daily readers excluding financial and sports daily newspapers and including free press

(2) Macroregion consists of Lazio, Campania, Marche, Umbria, Abruzzo and Molise

N.1 in the domestic market



Leggo is the first free newspaper in Italy with 1,780,000 avg. daily readers in 9 regions <sup>(1)</sup>



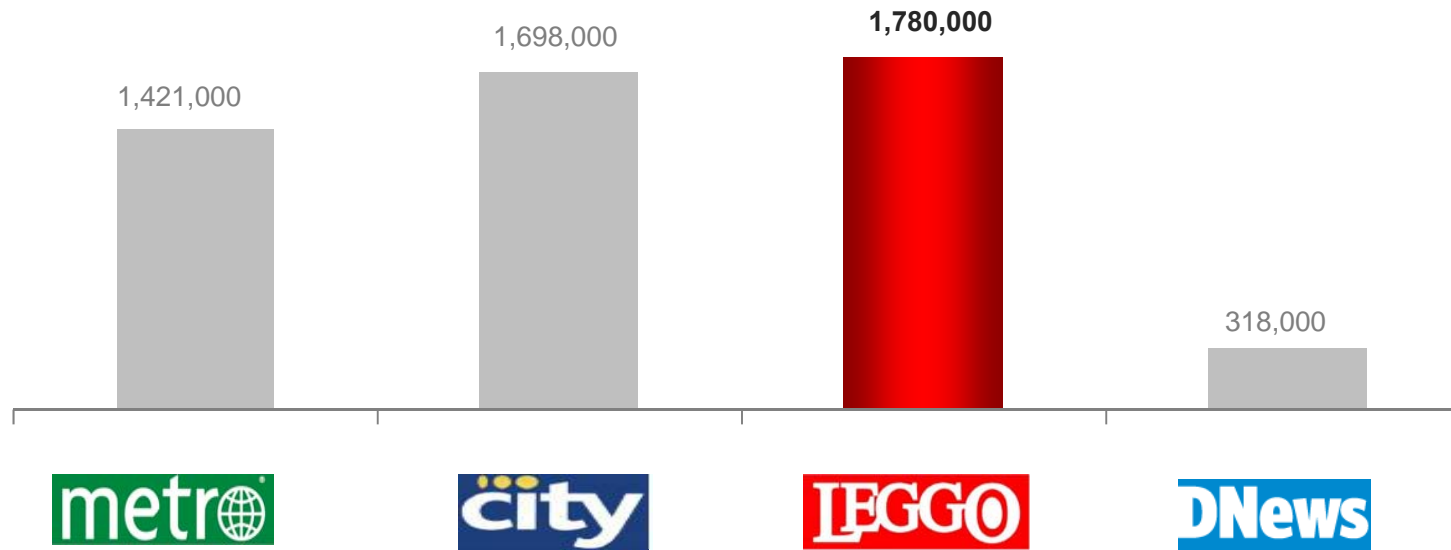
(1) Source: Audipress 2010/III

# N.1 in the domestic market



Leggo is leader in the free press market with 34.1%, 5% of daily readers more than City and 25% more than Metro <sup>(1)</sup>

Avg. daily readers



(1) Source: Audipress 2010/III

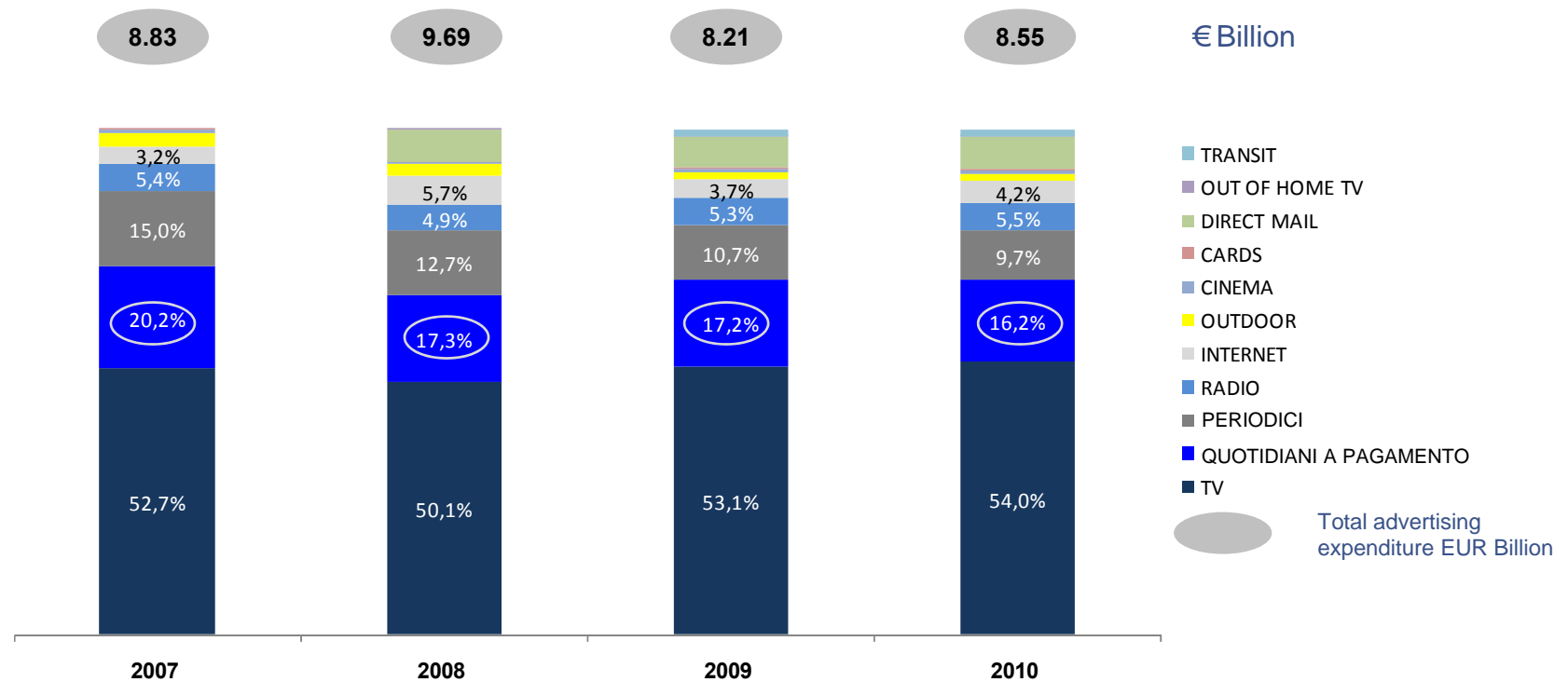


## Advertising Italian Market

# Advertising Italian market 2007-2010 <sup>(1)</sup>



From 2007 to 2010 newspapers' advertising expenditure decreased (from 20.2% to 16.2% of total) vis-a-vis TV (from 52.7% to 54%) and "new media"

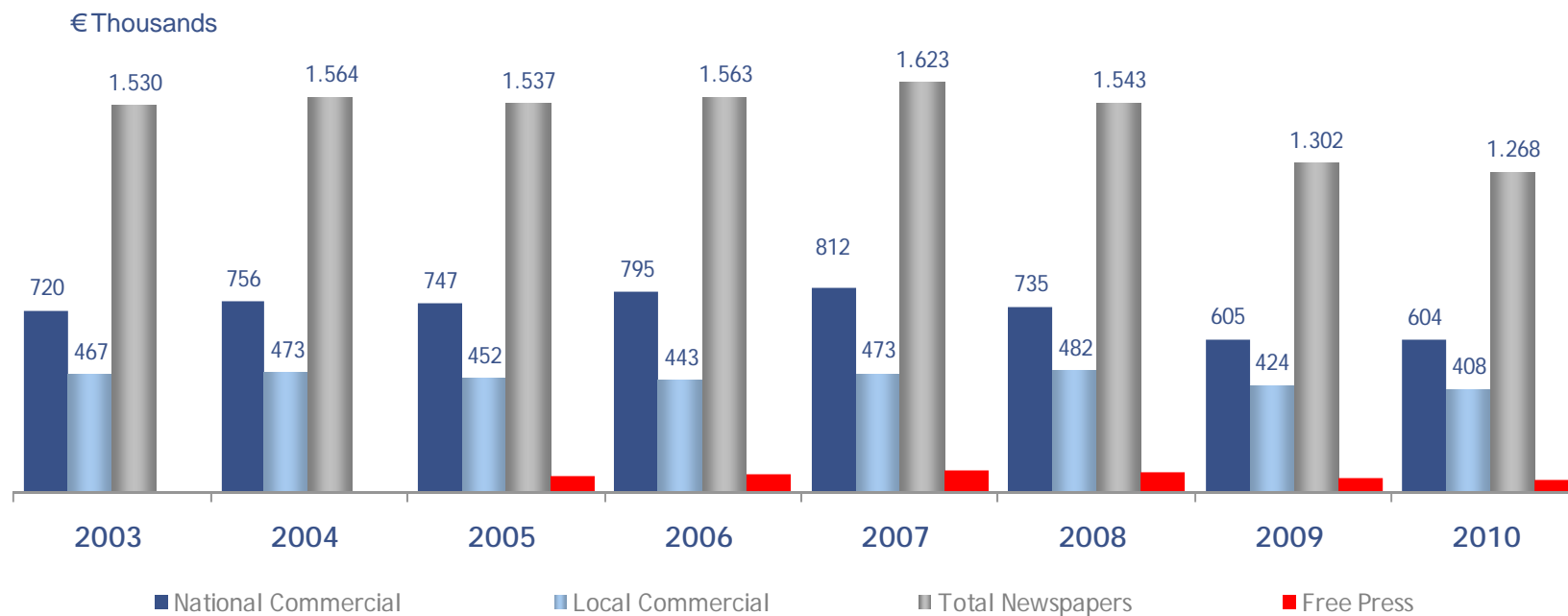


(1) Source: Nielsen Media Research. Total advertising does not include free press advertising expenditure

# Newspapers advertising (1)



- In 2010 newspapers advertising expenditure declined by -2.6% (-0.2% national and -3.8% local), an improvement if compared to the strong decline of 2009 (-15.6% on 2008) and 2008 (-4.9% on 2007)



(1) Source: Osservatorio FCP



## Financial Highlights



# Profit & Loss



- Strong increase of Ebitda (+349%) and appreciable improvement of profitability (Ebitda/Operating revenues up from 2.4% to 11%)
- Ebit increase of around € 39m from € -24.8m to € +13.9m

<i>Euro thousands</i>	2010	2009	Δ %
Circulation	79,842	82,952	-3.7%
Promotion	2,282	3,628	-37.1%
Advertising	155,981	160,654	-2.9%
Other operating revenues	10,241	9,634	6.3%
<b>Total operating revenues</b>	<b>248,346</b>	<b>256,868</b>	-3.3%
Raw materials	-25,589	-32,438	-21.1%
Personnel	-96,405	-111,683	-13.7%
Services	-86,239	-91,544	-5.8%
Other costs	-12,694	-15,097	-15.9%
<b>EBITDA</b>	<b>27,419</b>	<b>6,106</b>	Na
<i>EBITDA/Operating Revenues%</i>	<i>11.0%</i>	<i>2.4%</i>	
Depreciation, amortization and provisions	-13,562	-14,852	-8.7%
Impairment losses	0	-16,056	-100.0%
<b>EBIT</b>	<b>13,857</b>	<b>-24,802</b>	Na
<b>Associates</b>	<b>-342</b>	<b>-7,106</b>	-95.2%
Financial income	5,715	7,175	-20.3%
Financial charges	-4,720	-16,407	-71.2%
<b>Financial result</b>	<b>995</b>	<b>-9,232</b>	Na
<b>Pretax profit</b>	<b>14,510</b>	<b>-41,140</b>	Na
Taxes	-8,814	1,587	Na
Profit before minorities	5,696	-39,553	Na
Minorities	307	347	Na
<b>Group net profit</b>	<b>6,003</b>	<b>-39,206</b>	Na

# Circulation and advertising revenues' analysis



## Circulation revenues

<i>(Euro thousands)</i>	2010	2009	Δ %
Circulation	79,842	82,952	-3.7%
Promotions	2,282	3,628	-37.1%
<b>Total</b>	<b>82,124</b>	<b>86,580</b>	<b>-5.1%</b>

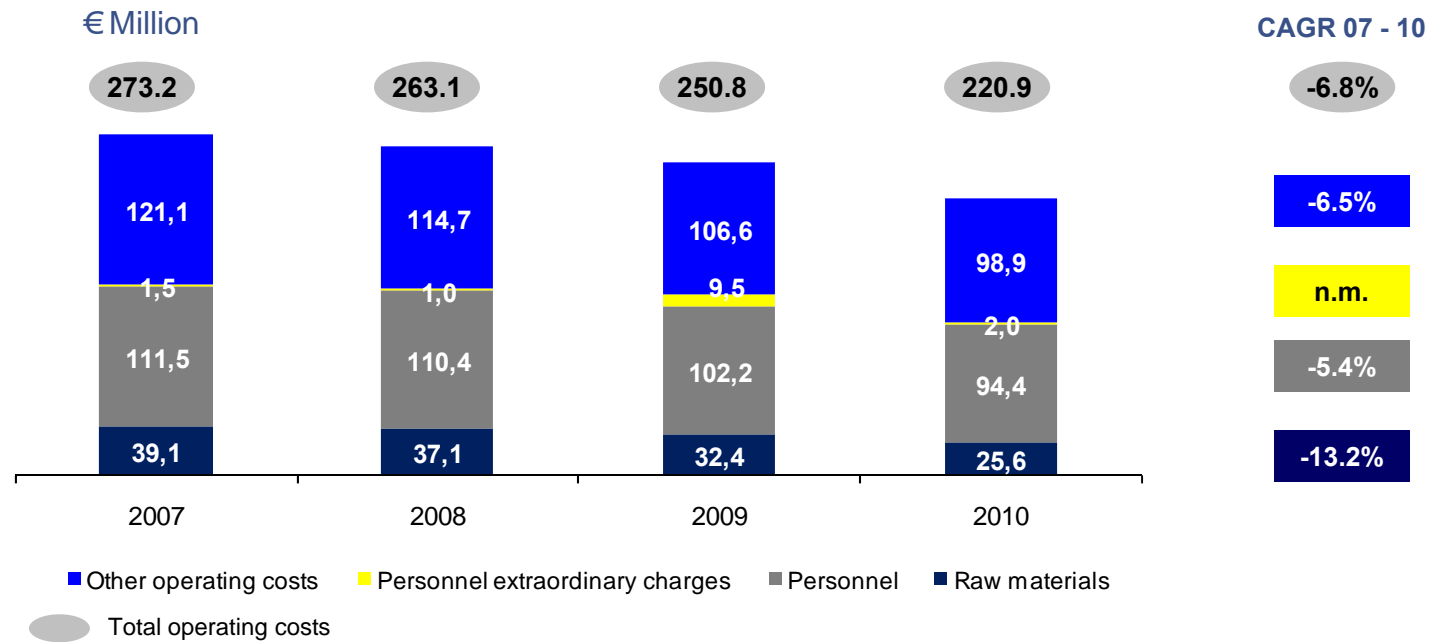
- Operating revenues declined due to a reduction of circulation revenues and a considerable decline of promotions, a common trend among all industry players

## Advertising revenues

<i>(Euro thousands)</i>	2010	2009	Δ %
• Il Messaggero	70,423	73,147	-3.7%
• Il Mattino	27,311	27,082	0.8%
• Il Gazzettino	23,127	24,188	-4.4%
• Leggo	19,829	21,517	-7.8%
• Quotidiano di Puglia	5,796	5,985	-3.2%
• Corriere Adriatico	5,548	5,279	5.1%
• TV and internet websites	3,947	3,456	14.2%
<b>Total</b>	<b>155,981</b>	<b>160,654</b>	<b>-2.9%</b>

- Advertising decline of traditional newspapers is slightly below the market (-2.6% of daily newspapers) while free press benefits from its leadership position (-7.8% of Leggo vs. -10.9% of the market)

# Restructuring: operating costs dynamics



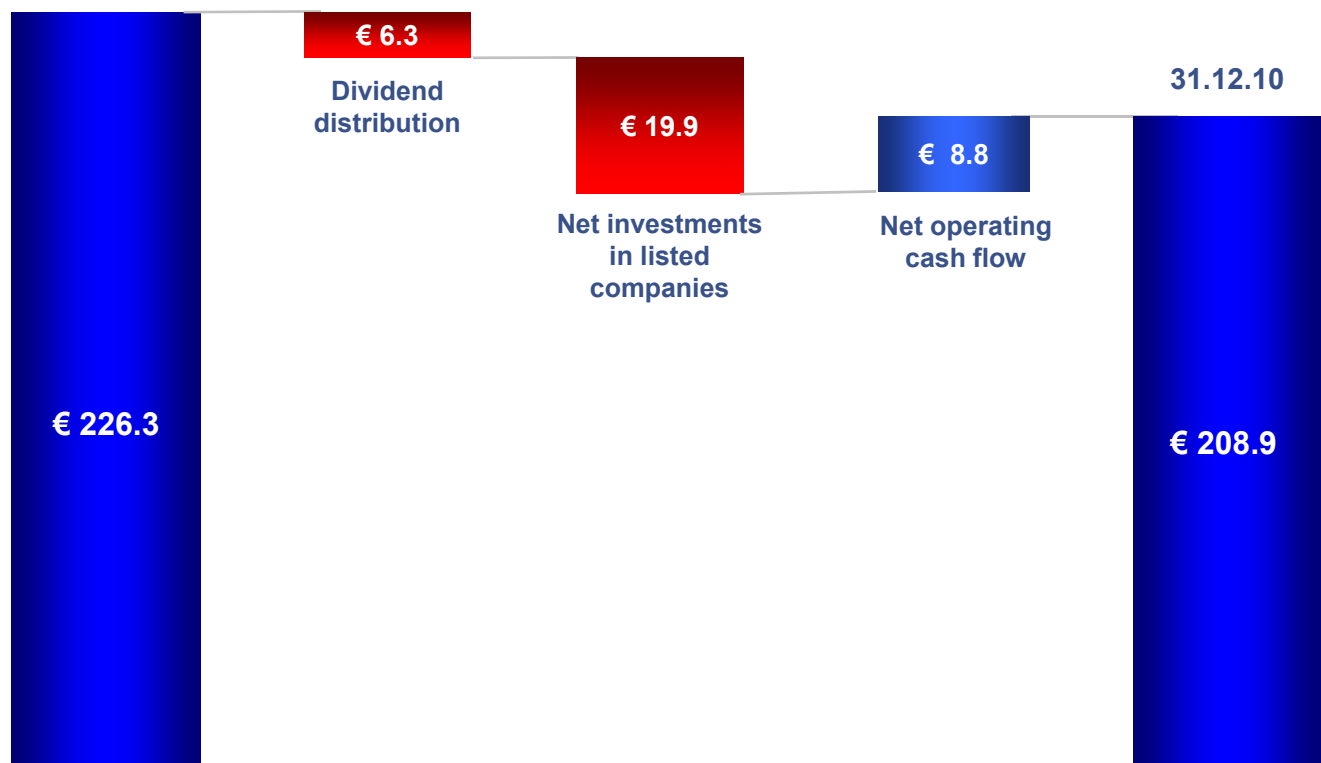
- To face revenues contraction the Group undertook a three-years restructuring plan (2008-2010) which will determine run-rate lower personnel costs of €21m. Over the same period other operating costs were reduced by around €7m
- Between 2007 and 2010 Operating costs decreased at a compound annual growth rate of 6.8%

# Financial strength: Net Financial Position



€ million

31.12.09



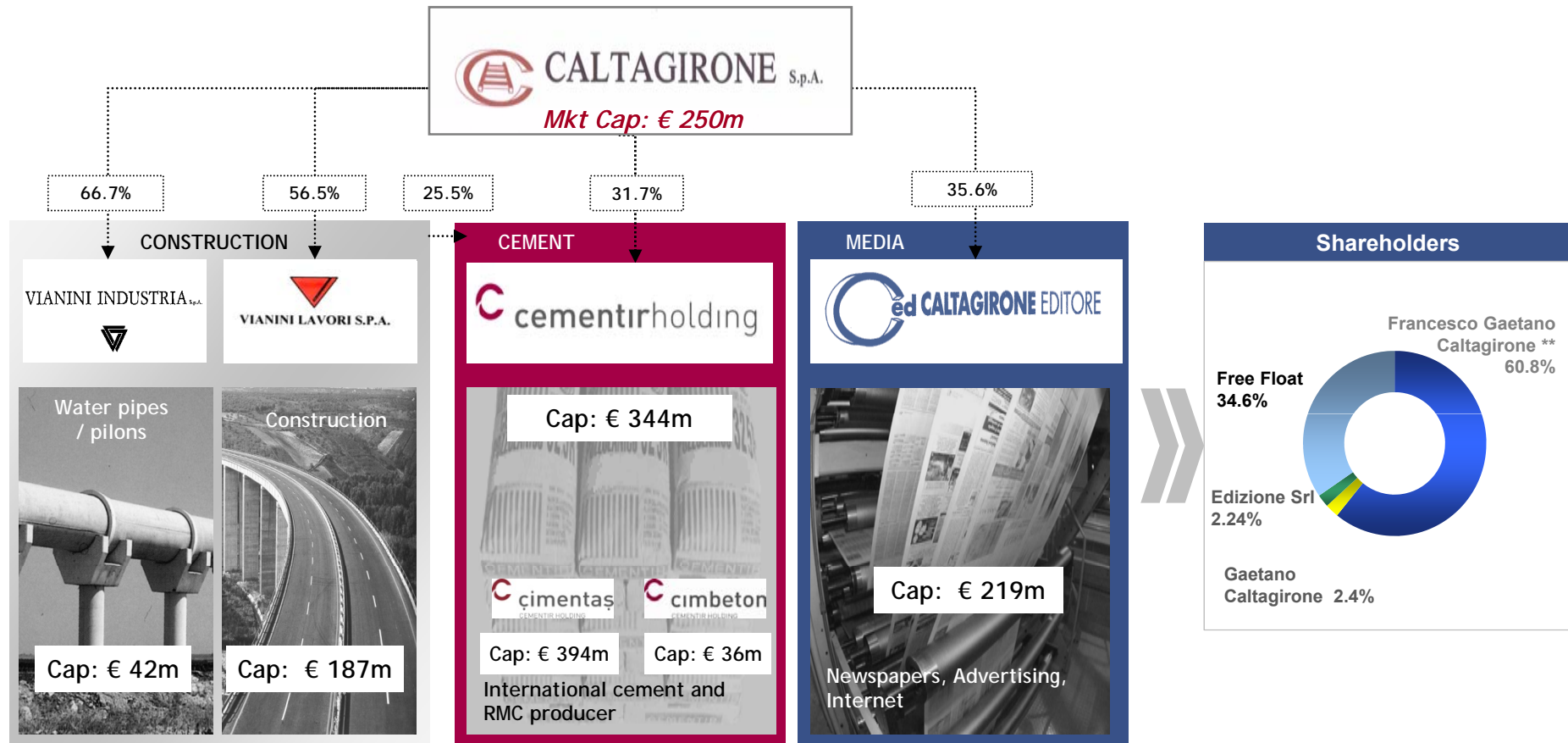


## Caltagirone Group and main shareholders

# Caltagirone Group and main shareholders\*



- Caltagirone Spa is a holding company which controls three different subsidiaries active in the cement, media and construction industries
- 2010 Consolidated revenues achieved € 1.4 bn



(\*) Mkt cap in € million is based on prices at April 14, 2011

(\*\*) Direct / indirect stakes

# Disclaimer



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