



2011 Annual Results

Agenda



- **Executive Summary**
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- **The Advertising market**
- **Financial highlights**
- **The Caltagirone Group and main shareholders**



Executive Summary



Since 2008 the publishing industry has undergone a structural crisis which is challenging the traditional business model.

Caltagirone Editore has been successful in tackling this adverse trading environment by:

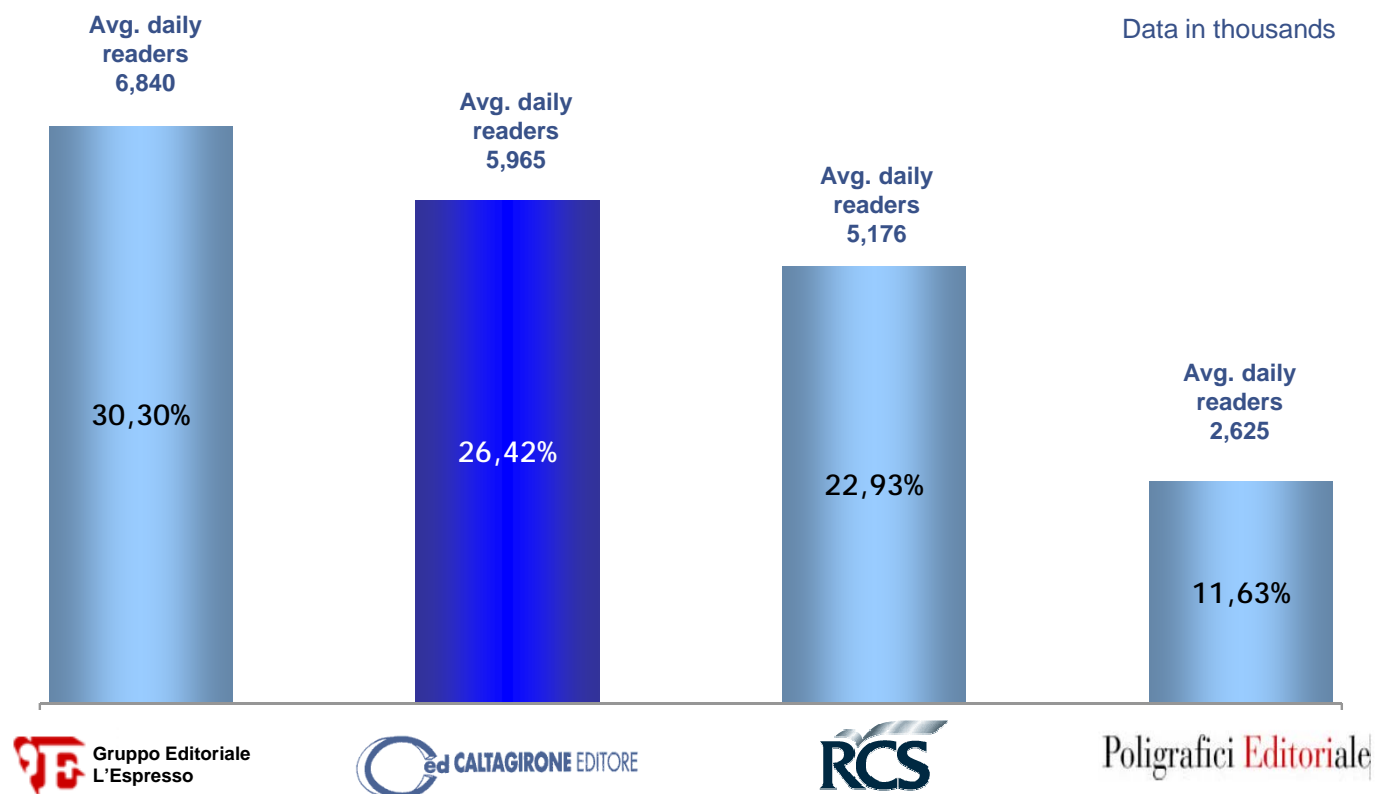
- Keeping its n°2 position in Italian publishing, with 26,42% share of average daily readers, up from 24,8% in 2010.
- Maintaining a solid Financial position (Net Cash Position of € 180.9m and Equity Ratio ⁽¹⁾ of 76%)
- Reviewing its Business model in order to face the digital challenges and to take on new growth opportunities (ex. Leggo restyling; internet revenues increase by 27%)
- Re-organizing its processes and restructuring its organization, achieving a structural costs reduction (operating costs decreased by 1.9% on 2010; by 3% excluding, raw materials)

(1) Net Shareholders Equity / Total Assets

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



Caltagirone Editore is the **2nd Italian publishing group** with
26,42% share of average daily readers ⁽¹⁾

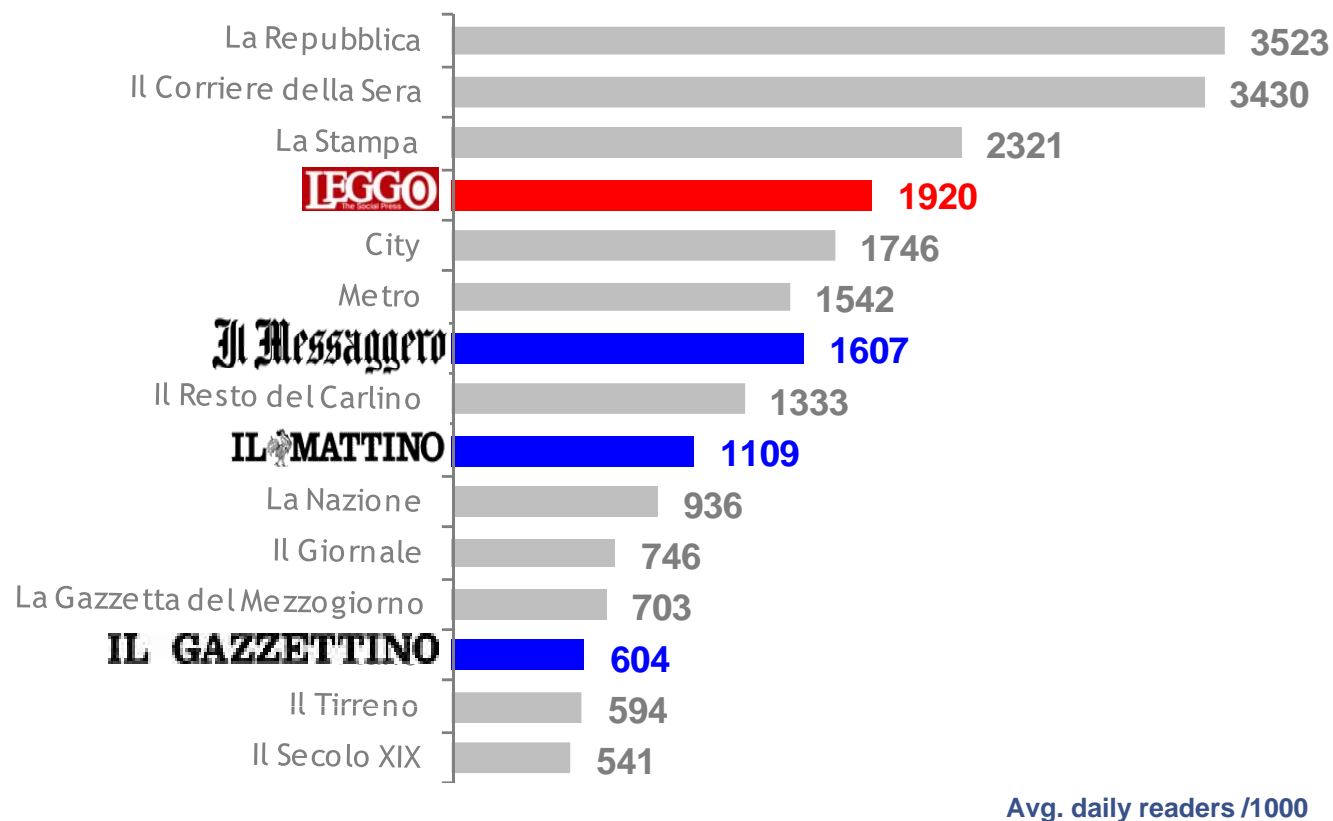


(1) Source: Audipress 2011/III excluding specialized newspapers (financial and sports) and including free press

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



The Group publishes 4 titles among the first 15 in Italy



(1) Source: Audipress 2011/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 1,607,000

IL MATTINO • National with 7 local editions
• Readership 1,109,000

IL GAZZETTINO • National with 8 local editions
• Readership 604,000

Corriere Adriatico • Regional with 5 local editions
• Readership 347,000

NUOVO di Puglia Quotidiano • Multiple-provincial with 3 local editions
• Readership 378,000



• National network in 2 cities
• Readership 1,920,000

New Media

Il Messaggero.it
IL MATTINO.it

IL GAZZETTINO.it

Corriere Adriatico .it

Quotidiano.it

LEGGO
The Social Press



Advertising



- Advertising agency for the Group
- Branch dedicated to Internet

(1) Source: Audipress 2011/III

The Group: web and multimedia



In 2011 our websites audience kept growing and new platforms (Mobile and IPAD) have been launched, raising significant interest on the part of our readers, with 27% internet advertising expenditure from 2010

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



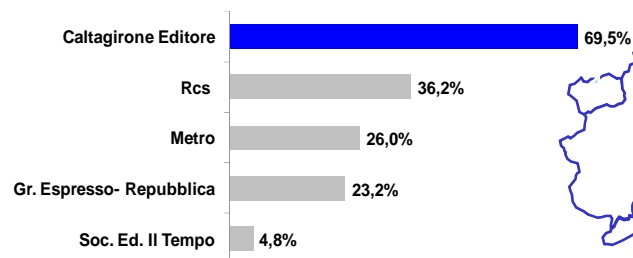
Leadership in traditional newspapers and Free Press

CED has a strong local leadership ⁽¹⁾

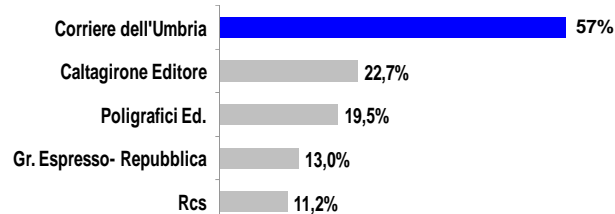


- Regions in which CED is #1 or #2 in the market
- Considerable presence (> 10%)
- Combined with local newspapers ⁽²⁾

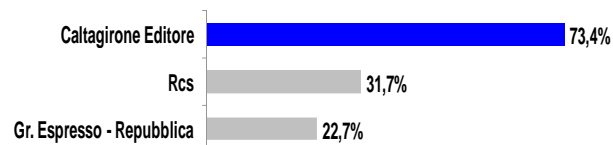
READERSHIP IN LAZIO 69.5%



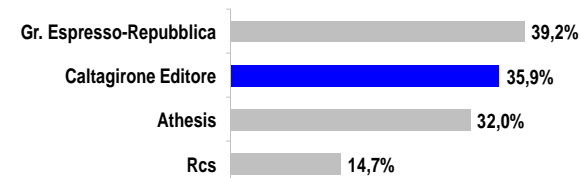
READERSHIP IN UMBRIA 22.7%



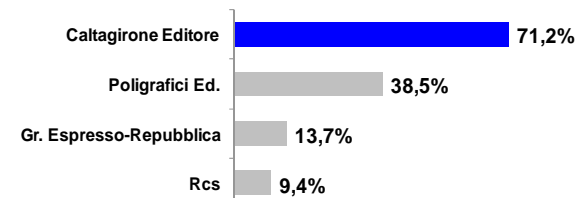
READERSHIP IN CAMPANIA 73.4%



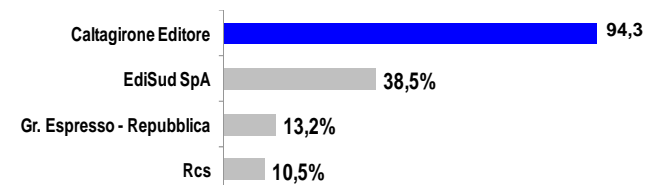
READERSHIP IN VENETO 35.9%



READERSHIP IN MARCHE 71.2%



READERSHIP IN "GRANDE SALENTO" ⁽³⁾ 94.3%



(1) Source: Audipress 2011/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 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)

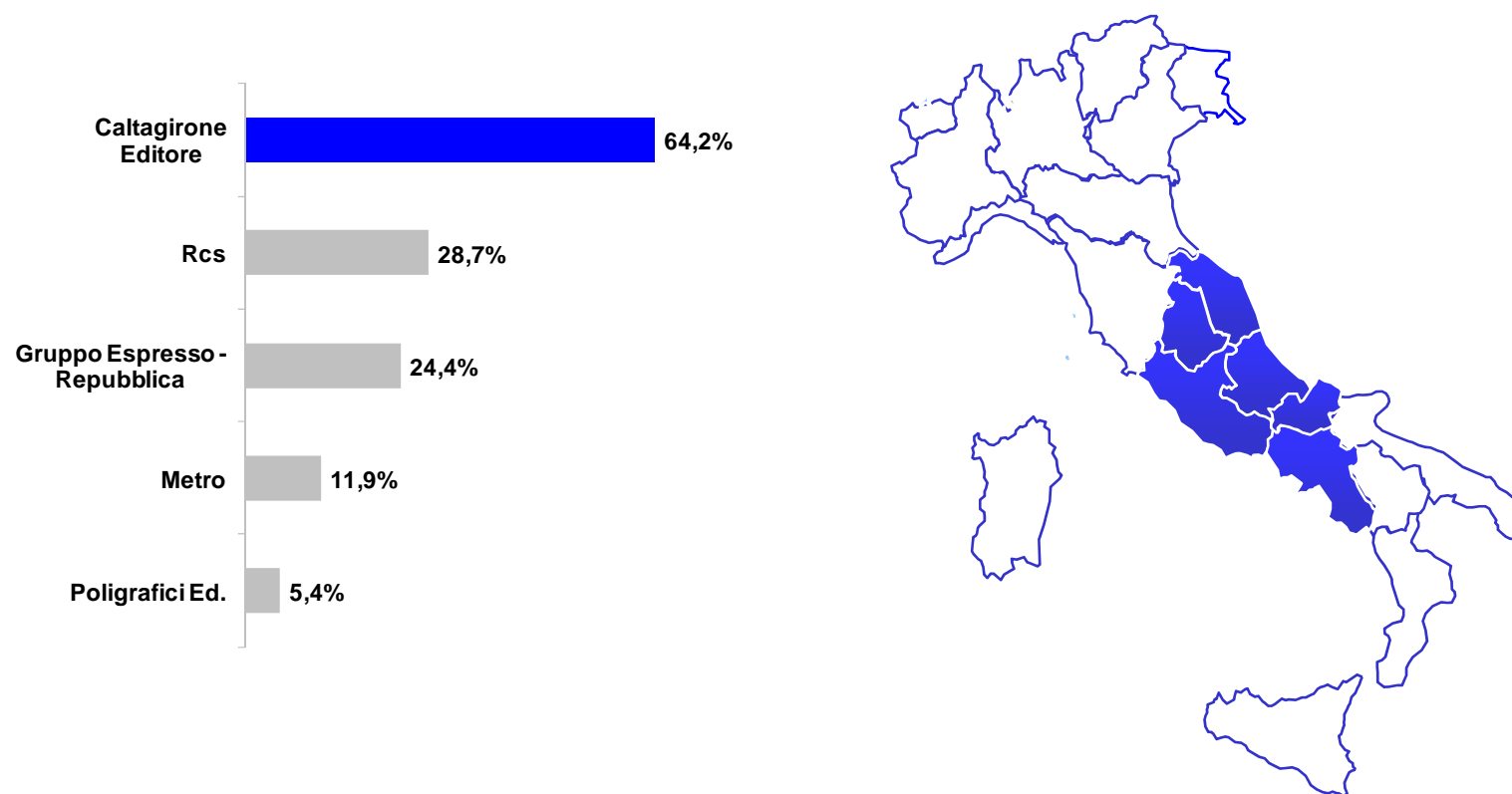
(4) The readership share includes double readings

Leadership in the Central Italy



Group newspapers have a well-established leadership⁽¹⁾ in the Macroregion⁽²⁾

READERSHIP IN THE MACROREGION 64.2%



(1) Source: Audipress 2011/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

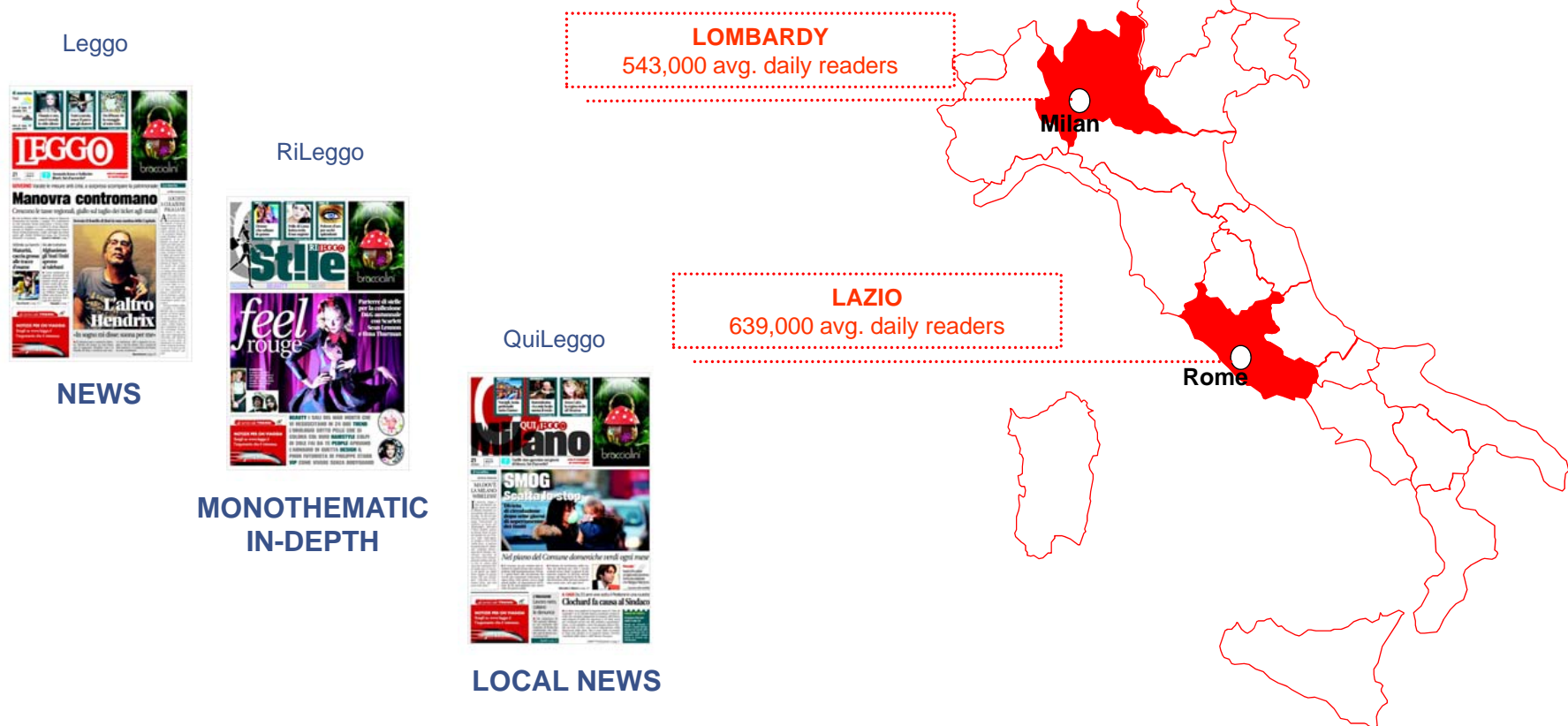
N.1 in the domestic market



(1)

Leggo ranks as the first daily free newspaper in Italy with 1,920,000 daily readers. Since November 21st 2011 Leggo renews its format becoming Social Press. Nowadays it is distributed in the two most important Italian cities, Milan and Rome.

New Leggo is composed of three sections:



(1)

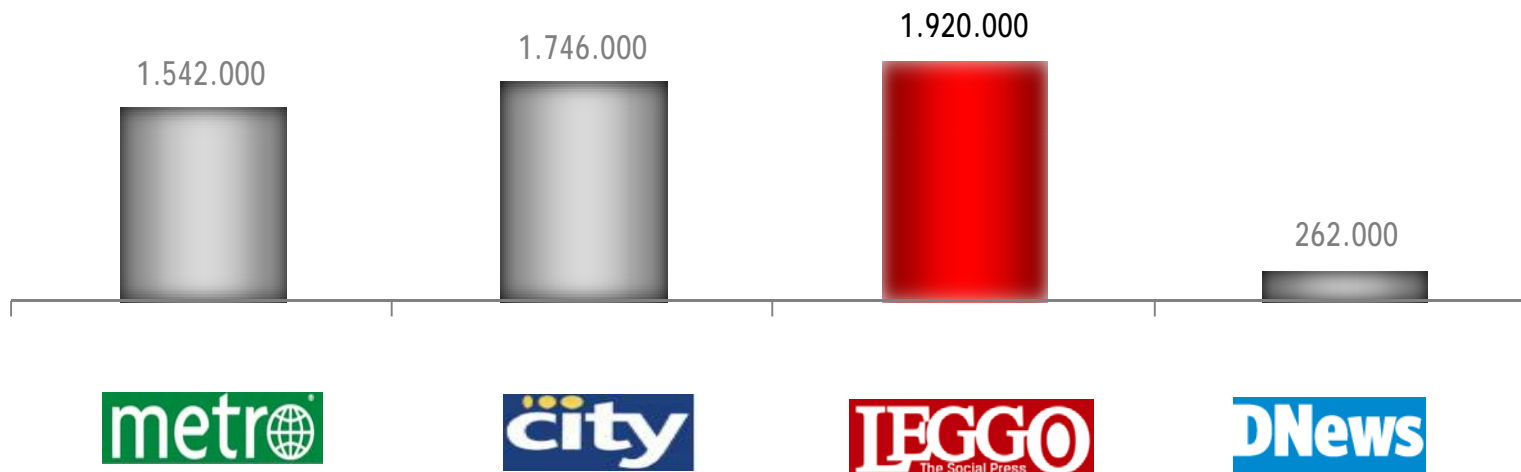
Source: Audipress 2011/III

N.1 in the domestic market



Leggo is leader in the free press market with 35.1% share, around 10% of daily readers more than City and 24.5% more than Metro⁽¹⁾

Avg. daily readers



(1) Source: Audipress 2011/III

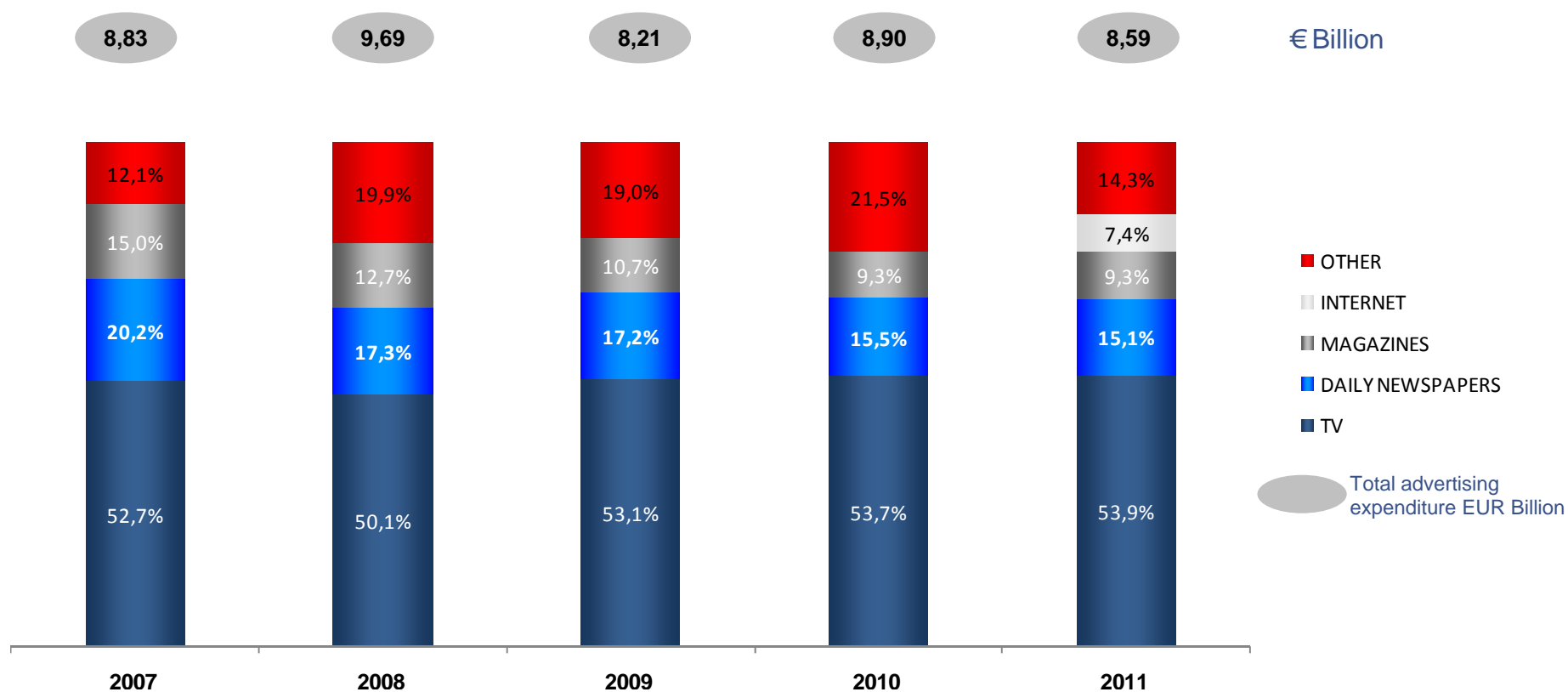


The Advertising Market

Advertising Italian market 2007-2011 ⁽¹⁾



From 2007 to 2011, advertising expenditure on traditional newspapers' decreased (from 20.2% to 15.1% of total) vis-a-vis TV (from 52.7% to 54%) and "new media"

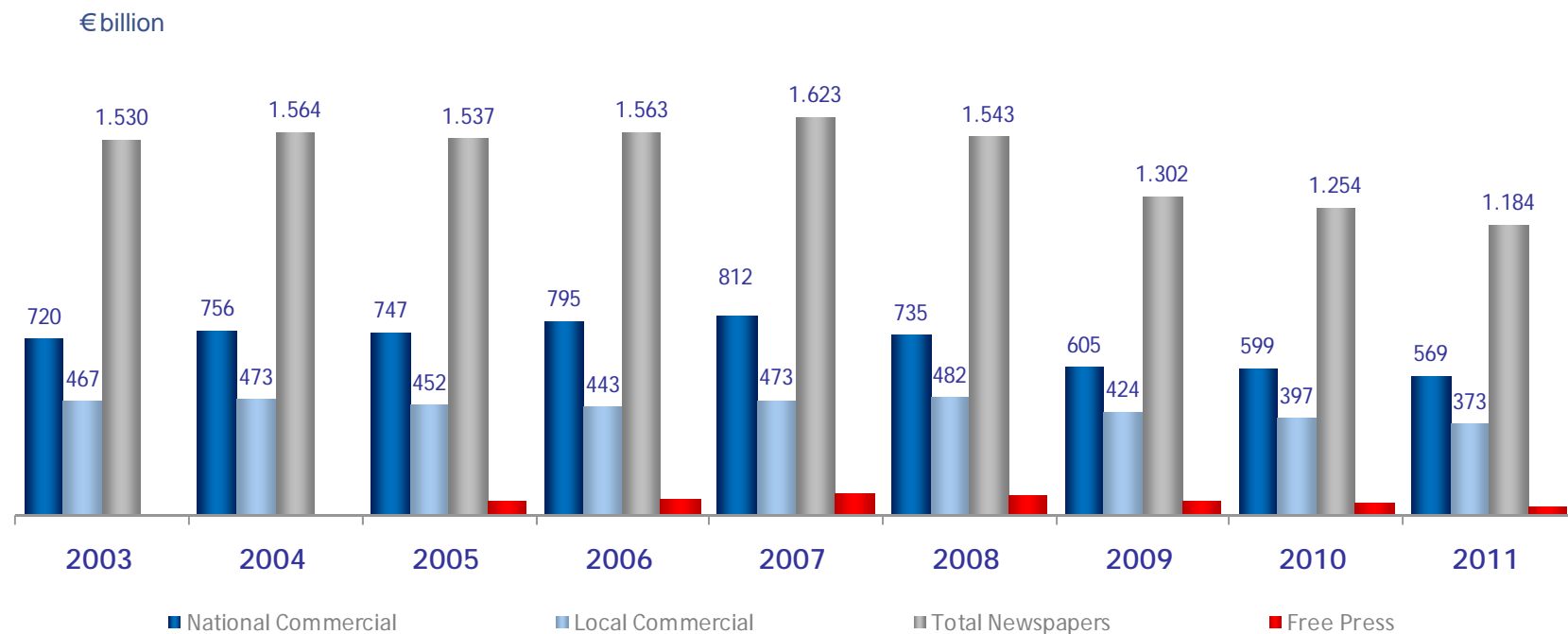


(1) Source: Nielsen Media Research. Total advertising does not include free press advertising expenditure

Newspapers advertising (1)



- In 2011 newspapers advertising expenditure in Italy declined for the fourth consecutive year, -5,6% decrease (-5,1% national and -6% local advertising) compared to 2010



(1) Source: Osservatorio FCP



Financial Highlights

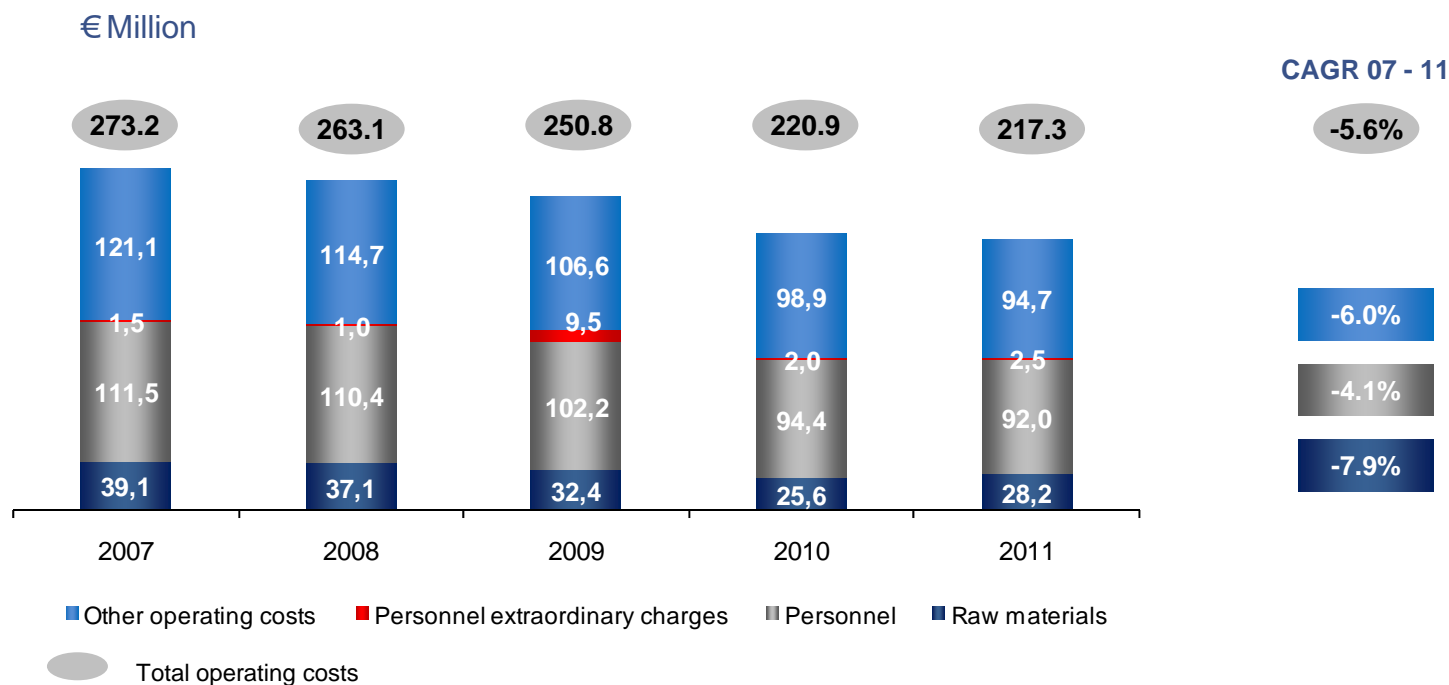
Profit & Loss



- Revenues decreased by 9% due to strong advertising market contraction both on traditional newspapers and on free press
- Circulation revenues decreased less than the national average

<i>Euro Million</i>	2011	2010	Commenti
Circulation	77,360	79,842	3.1% decrease
Promotion	1,098	2,282	51.9% decrease
Advertising	139,859	155,981	Advertising revenues contraction (-10.3%)
Other operating revenues	7,673	10,241	In 2010 extraordinary revenues
Total operating revenues	225,990	248,346	
Raw materials	-28,181	-25,589	International paper cost increase
Personnel	-94,474	-96,405	Restructuring cost
Other costs	-94,657	-98,933	Focus on operating cost (-4.3%)
EBITDA	8,678	27,419	
Depreciation, amortization and provisions impairment losses	-12,167	-13,562	
EBIT	-3,489	13,857	
Associates	-2	-342	
Financial income	8,245	5,715	Interest and dividends received from listed Companies
Financial charges	-36,698	-4,720	Loss on disposal of financial stakes and mark-to-market at 31.12.2011
Financial result	-28,453	995	
Pretax profit	-31,944	14,510	
Taxes	745	-8,814	
Profit before minorities	-31,190	5,696	
Minorities	-453	-307	
Profit per share	-0.246	0.048	

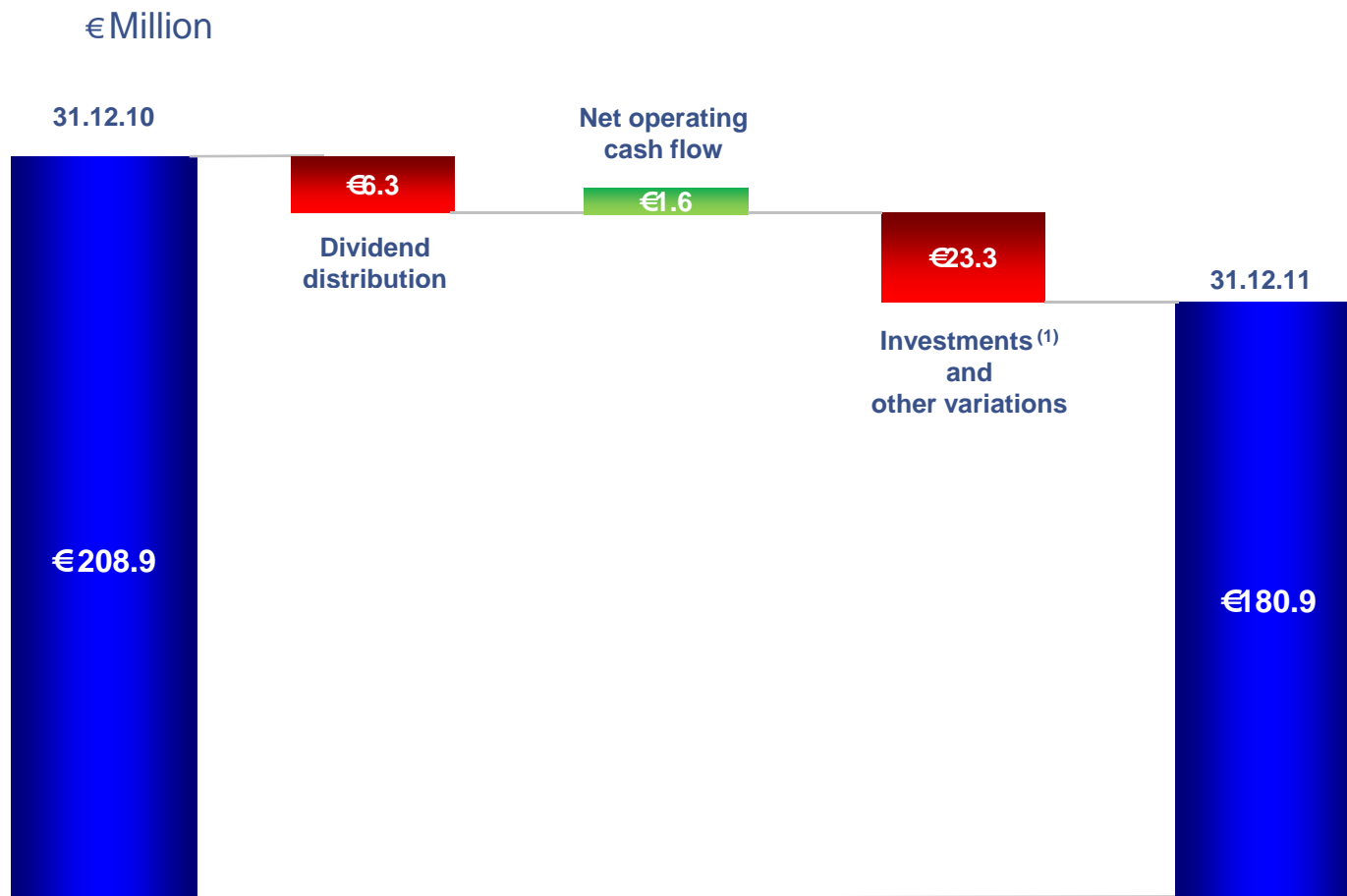
Restructuring: operating costs dynamics



In order to offset the revenue decline in the last 4 years, CED has undertaken a restructuring plan which determined:

- Operating costs decline by approximately €56 million, with CAGR of -5.6%
- Personnel structure costs reduction by approximately €19.5 million

Financial strength: Net Financial Position



⁽¹⁾ Investments in intangible assets , tangible assets, financial stakes and securities

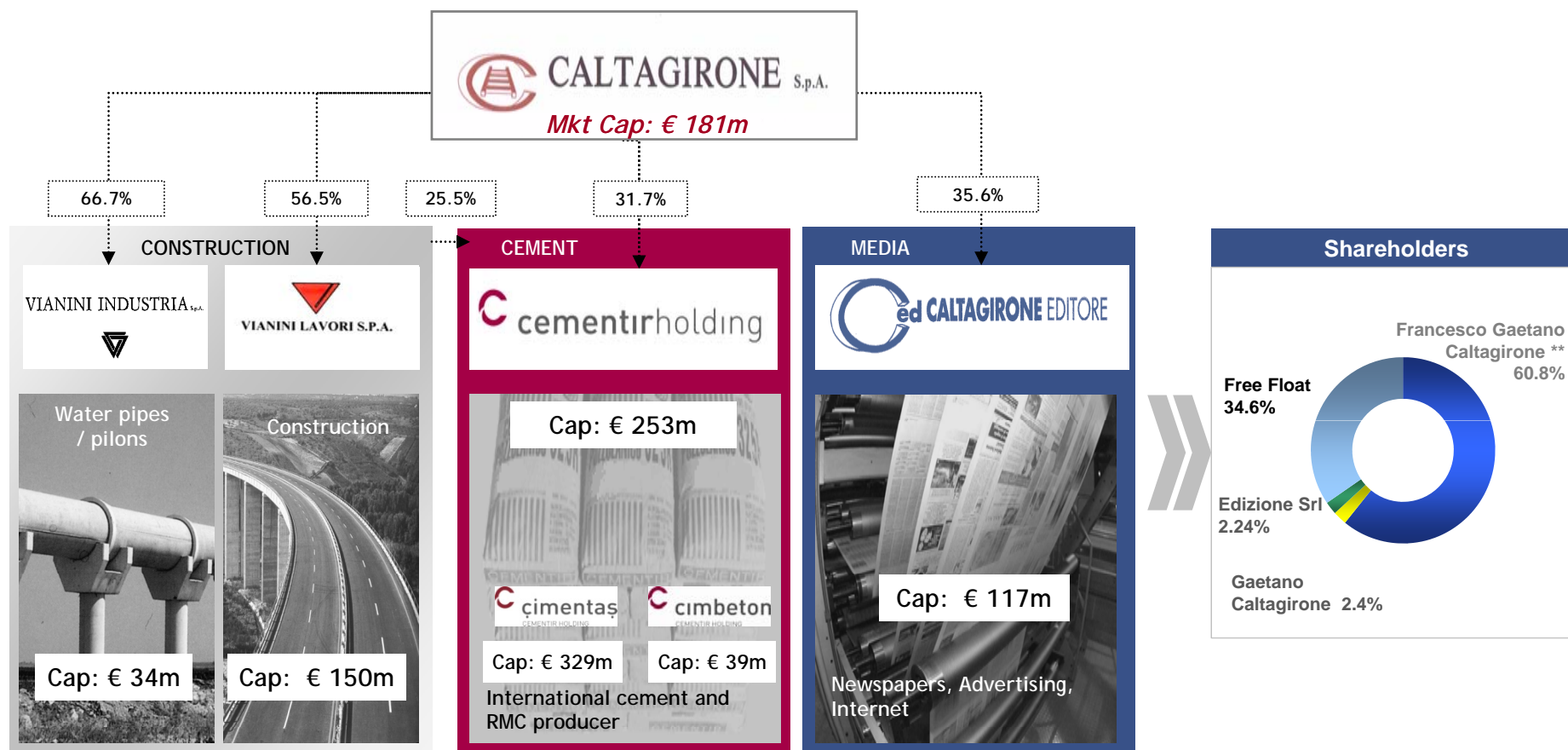


The Caltagirone Group and main shareholders

Caltagirone Group and main shareholders*



- Caltagirone Spa is a holding company which controls three different subsidiaries active in the cement, media and construction industries
- 2011 Consolidated revenues achieved € 1.45 billion and EBITDA €151.2 million



(*) Mkt cap in € million is based on prices at April 20, 2012

(**) Direct / indirect stakes

Disclaimer



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