



April 2004

Agenda

- **Company Overview**
- **Newspapers**
 - products
 - strategy
 - industry overview
 - local strength
- **Free press**
 - products and strategy
 - industry overview
 - national strength
- **Financials**
- **Outlook**
- **Appendix**

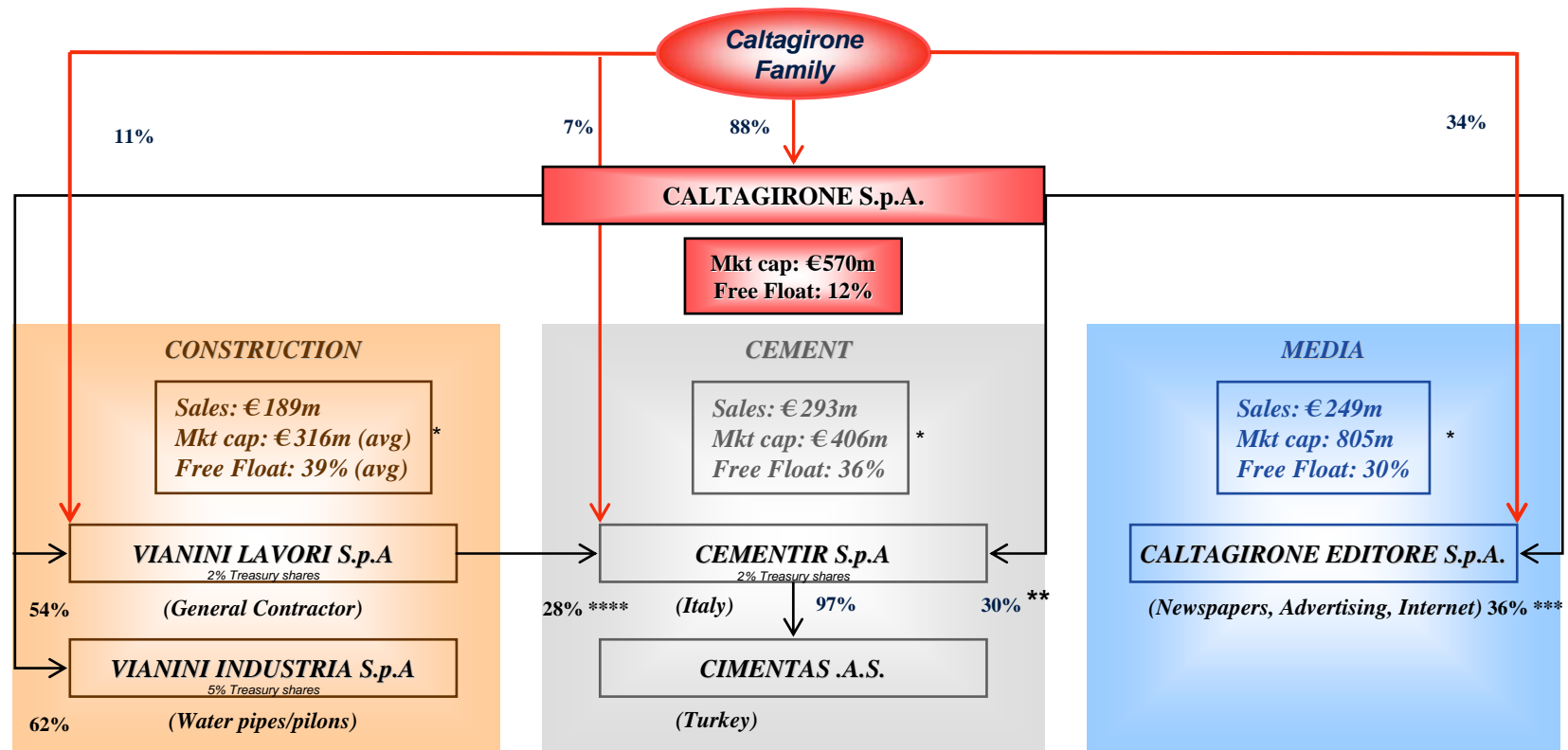


Il Messaggero headquarters in Via del Tritone, Rome

Company Overview: the Caltagirone group



- The Caltagirone group is a family-controlled industrial concern operating mainly in Italy
- The group operates in three main business areas : construction & real estate, cement, media

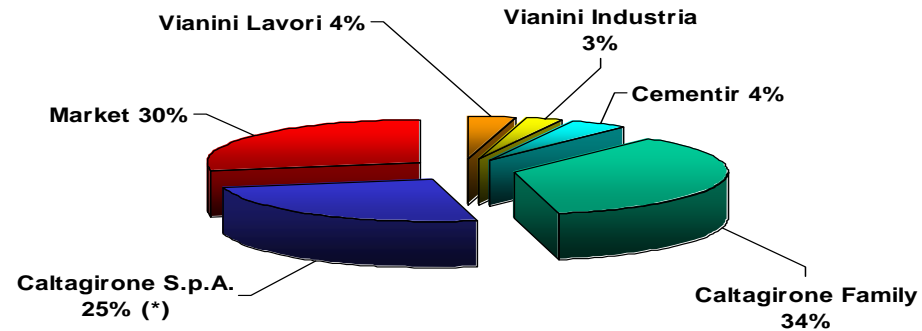


* 2003 data; ** Includes 30% stake held by Mantegna '87 Srl, 100% controlled by Caltagirone S.p.A.; *** 11% stake held by Mantegna '87 Srl, 100% controlled by Caltagirone S.p.A.; **** Stake held by Vianini Lavori S.p.A., S.I.L.M. S.p.A. and C.D.R. Srl

Company Overview: the Caltagirone Editore group



SHAREHOLDERS STRUCTURE



- The group started from construction and diversified into cement and media during the Nineties
- Group strengths are based on:
 - strong focus on core business
 - solid financial structure
 - constant search for new business opportunities
 - ongoing commitment to reach cost efficiencies
 - focus on long-term value creation

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

Company Overview: Caltagirone Editore



PRODUCTS

Il Messaggero

IL MATTINO

LEGGO

Market position

- 1.26 million daily readers
- Sales 2003: € 157m
- Market share: 50% in Lazio

- 678,000 daily readers
- Sales 2003: € 59.6m
- Market share: 62% in Campania

- Daily circulation of 810,000 copies
- Sales 2003: € 17.2m

SERVICES

PIEMME

caltanet

b2win
business relationship management solutions

- Advertising agency for the Group and third parties (Il Nuovo Quotidiano di Puglia , Radio Globo (the first local radio in Rome), Radio Antenna 1 and other radios in Rome, Milan, Naples)

- One of the main national internet portals

- Call center that offers services exploiting Caltanet's technology

Newspapers: the products

Il Messaggero

- National editions



IL MATTINO

- National editions



- 13 Local editions



- 7 Local editions



Il Messaggero

- National newspaper with high brand visibility
- 13 local editions
- Avg. 48 pages, with a maximum of 64
- Up to 24 color pages
- 4th newspaper in Italy¹ with around 1.26 million daily readers
- 250,000 average copies sold ²

IL MATTINO

- National newspaper with high brand visibility
- 7 local editions
- Avg. 48 pages, with a maximum of 64
- Up to 24 color pages (from March 2004)
- 9th newspaper in Italy¹ with around 678,000 daily readers
- 94,000 average copies sold ²

STRATEGY

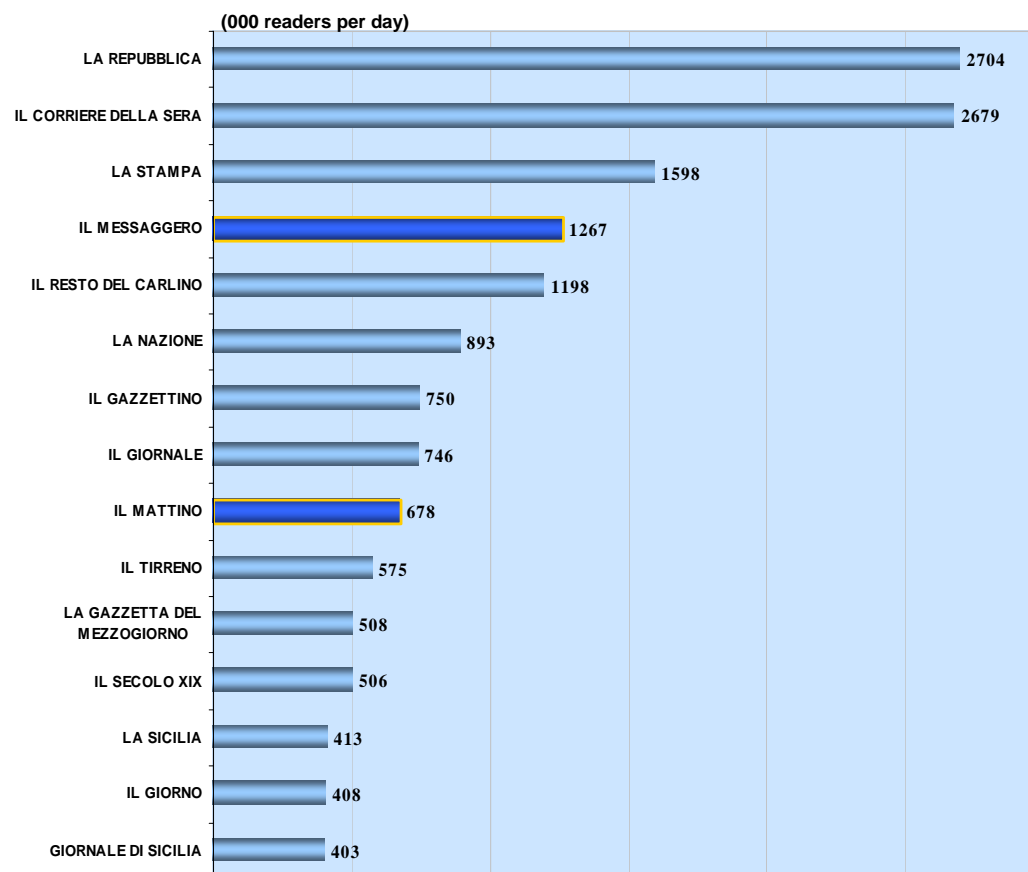
- Improvement of printing facilities of both Il Messaggero and Il Mattino with a total investment of € 105 million in order to increase: number of pages, output quality and yield
- “State of the art” printing facilities will make easier switching from one edition to another at minimum extra cost
- Aggressive price policy in order to increase market share in the Macroregion
- Focus on cost control
- Financial incentives for new investments (ex L. 488, grants equal to 30% of investment for Il Mattino)

¹ Excluding financial and sport dailies – Source: Audipress 2002

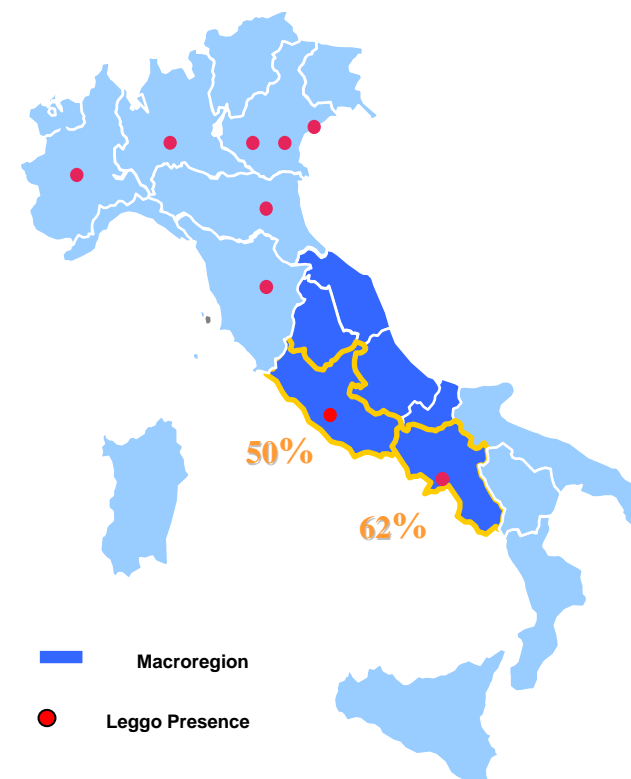
² Source: ADS 2002/2003

Newspapers: industry overview

Market Share – readership *

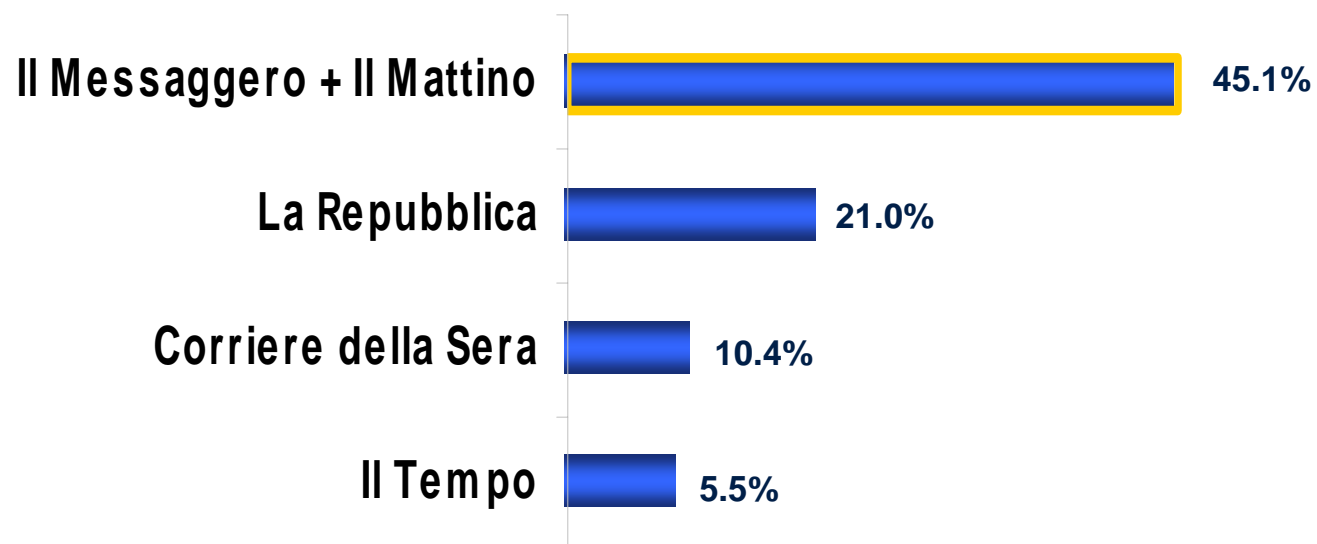


Il Messaggero and Il Mattino have a market share of 50% in Lazio and 62% in Campania, respectively.



* Excluding financial and sports daily newspapers - Source: Audipress Spring 2003; Audipress Autumn 2003 data is not yet available on a regional basis

Market Share in the Macroregion *



Il Messaggero

Market share of 50% in Lazio

IL MATTINO

Market share of 62% in Campania



- 1st free newspaper in Italy with:
 - daily circulation of 810,000 copies
 - daily readership of 979,000 *
- Average 24 pages in tabloid format
- Launched in March 2001, expected to reach break-even by the end of 2004
- Distributed from Monday to Friday in:
 - railway stations (exclusive long-term agreement with Grandi Stazioni)
 - underground stations
 - bars
 - hospitals
 - universities
 - other meeting points

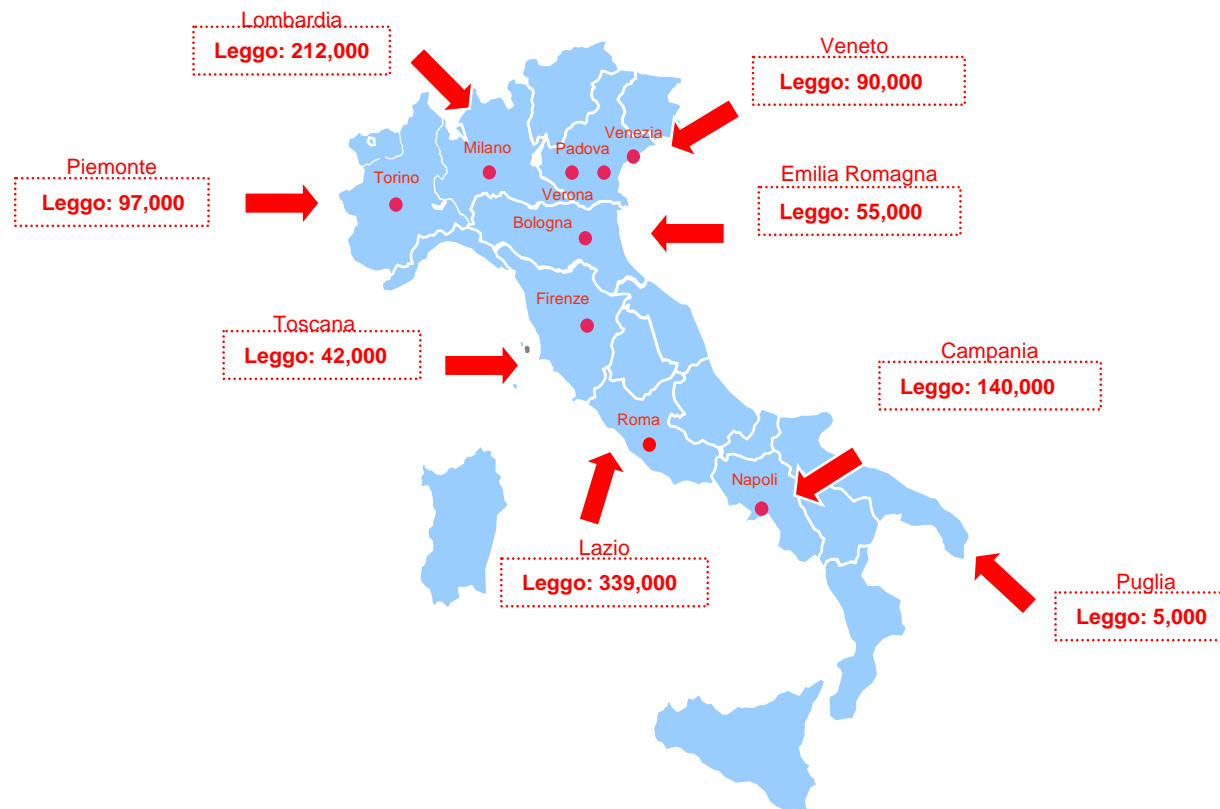
STRATEGY

- Creation of a national network in order to reach a wider presence
- Reinforcement of market leadership to exploit advertising upturn
- Target focus on:
 - youngsters
 - working people
 - mass affluent

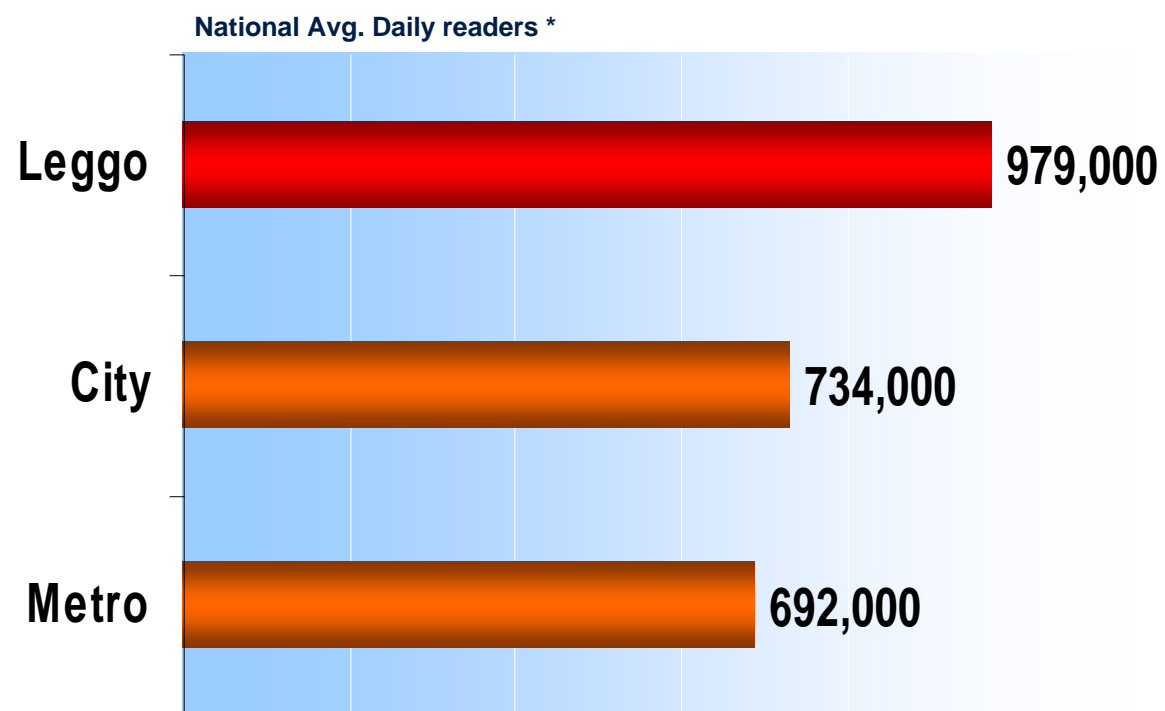
* Source: Eurisko 2003

Avg. Daily readers by region *

- Free newspapers are present in 8 regions, accounting for 71% of Italian population
- Avg. Daily readers of at least one free newspaper: 1,650,000



Leggo is the #1 free newspaper in Italy

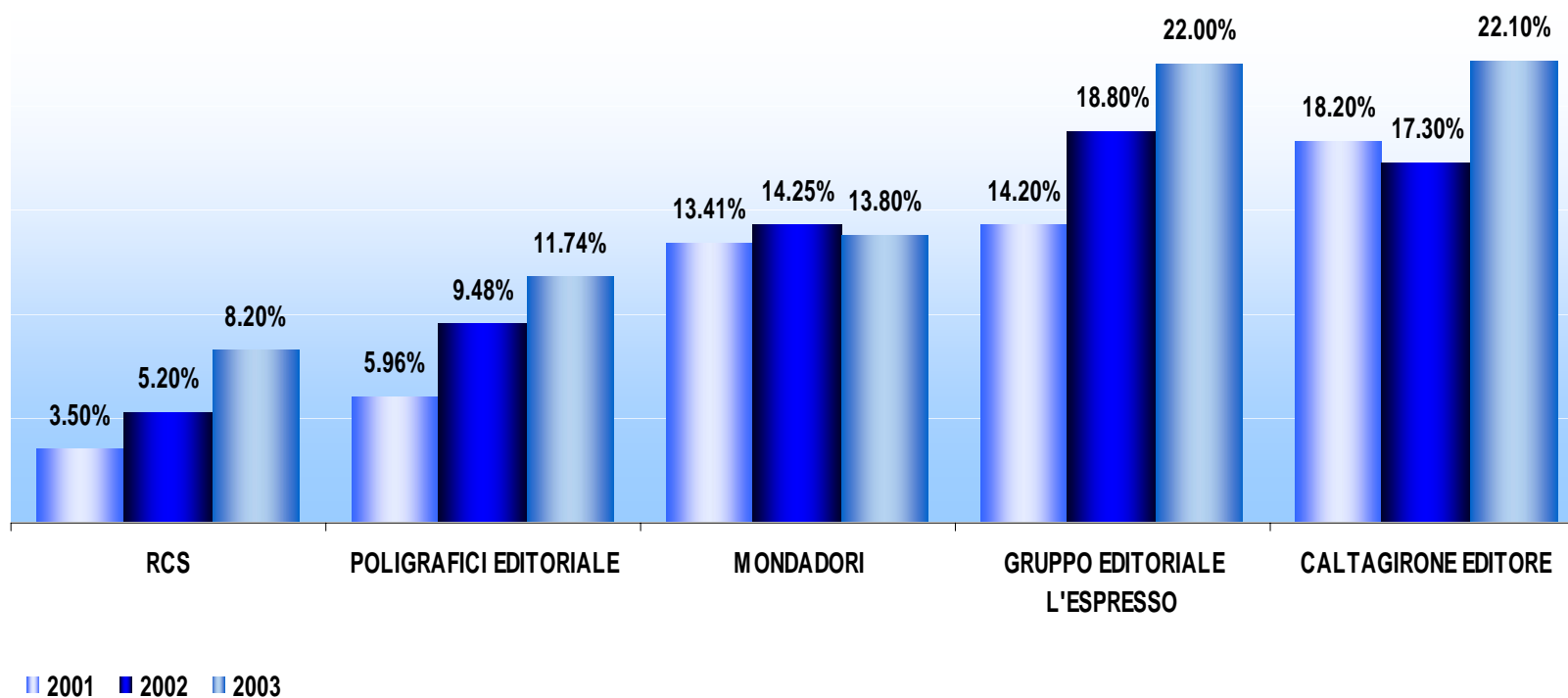


* Source: Eurisko 2003

Industry Overview: profitability vs quoted peers

Caltagirone Editore ranks as one of the most profitable media groups *

EBITDA MARGIN

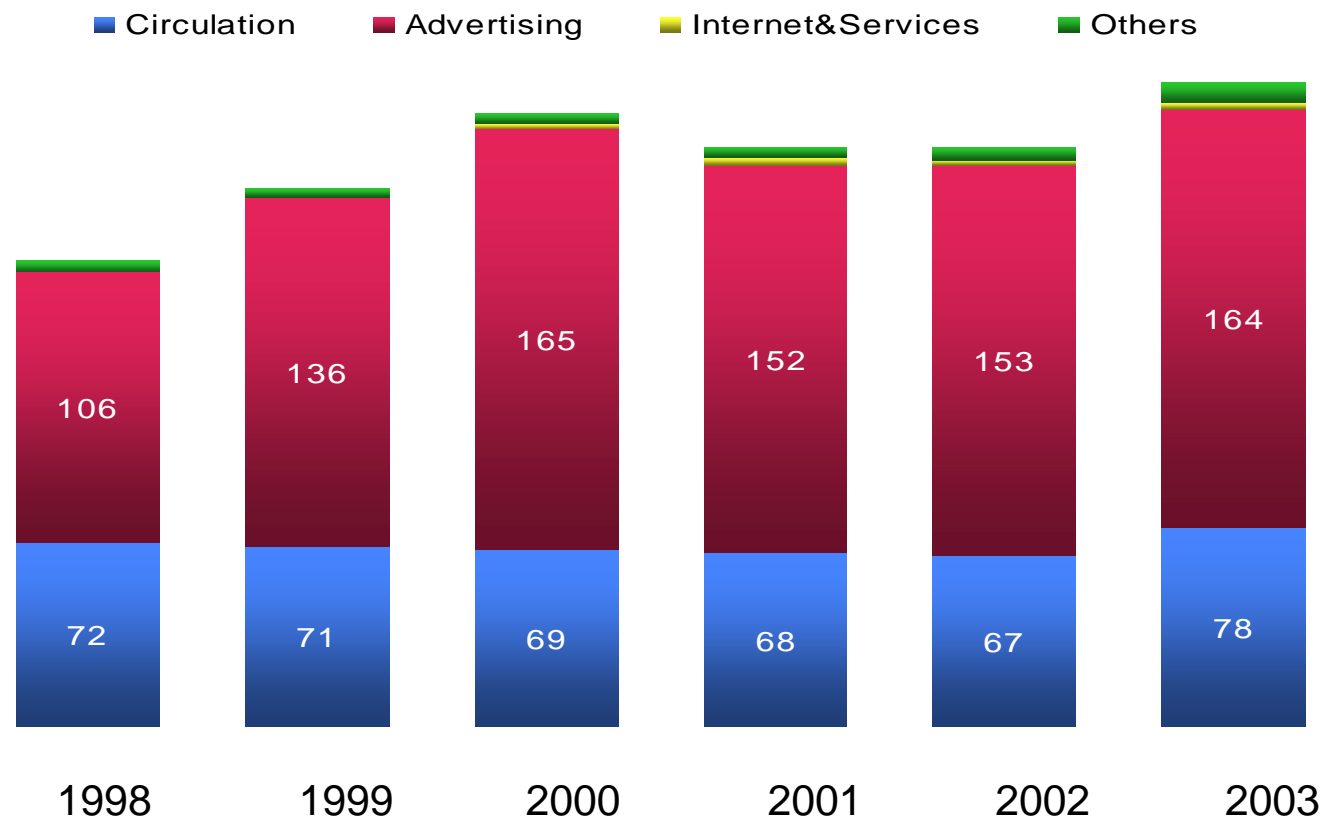


**See "Appendix" for details about business mix.*

Financials: revenue breakdown

Advertising is the main driver of Group revenue

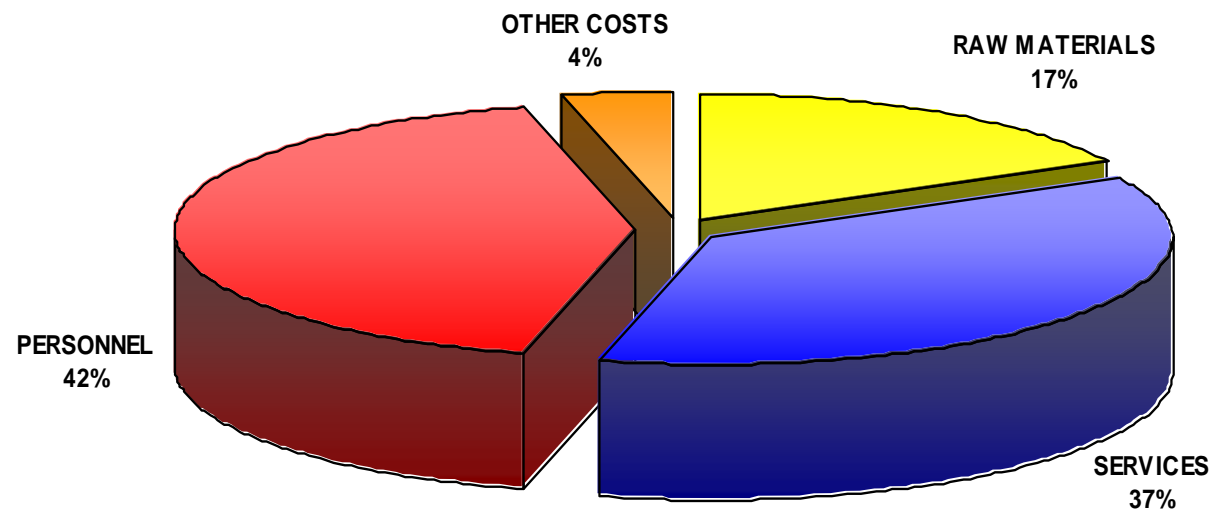
€milions









Financials: operating costs breakdown 2002

High proportion of services is due to:

- in-house management of logistics
- outsourcing of low-value added activities



Financials: FY 2003

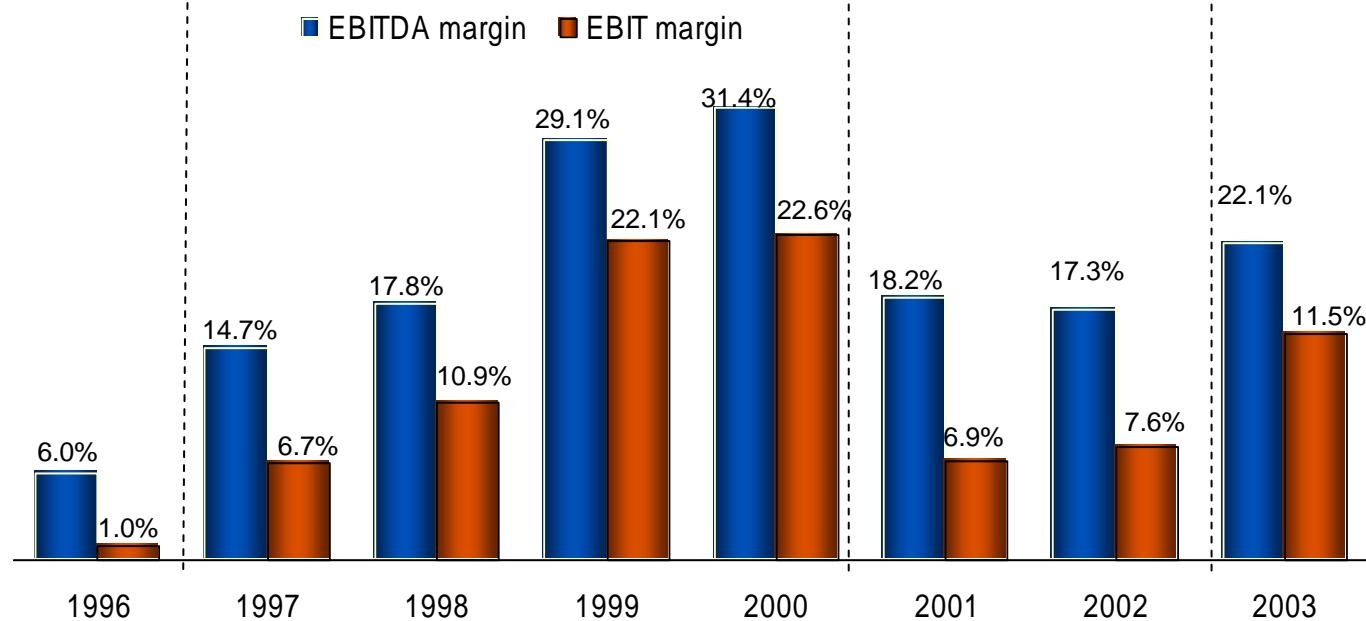
€millions	Dec 31, 2003	Dec 31, 2002	YoY%	
Circulation	78	67	16%	 <ul style="list-style-type: none"> Underlying circulation revenue was flat "Add on promotions" boosted circulation revenues by € 7.9m
Advertising	164	153	7%	 <ul style="list-style-type: none"> Advertising growth for Il Messaggero and Il Mattino was + 4.5%. Leggo increased revenues by 28%.
Others	7	7	0%	
Total Sales	249	227	10%	
Costs	194	188	3%	 <ul style="list-style-type: none"> Paper costs declined by 14% year- over- year Service costs increased by € 8 m due to "add on promotions"
EBITDA	55	39	41%	
<i>% margin</i>	22.1%	17.3%		
EBIT	29	17	71%	 <ul style="list-style-type: none"> € 3.6 m increase in amortization due to new printing center in Torrespaccata (6 months in 2003) € 1,87 devaluation of Caltanet stake
<i>% margin</i>	11.5%	7.6%		
Net Financial Charges	3	15	-80%	 <ul style="list-style-type: none"> € 2 m dividends from 2% RCS stake Lower interest income due to lower yield on cash deposits
Pretax (continuing)	32	32	0%	
Extraordinaries	-8	-9.8	-14%	
Tax	5	-5	nm	 <ul style="list-style-type: none"> Current taxes: - € 12 m Deferred tax credit: € 16.8m due to devaluation of financial stakes Expected average future tax rate around 35% (DT no longer possible).
Minorities	-2	-0.7	nm	
Net income (report)	26	17	55%	
<i>% margin</i>	10.4%	7.3%		

Financials: profitability over time

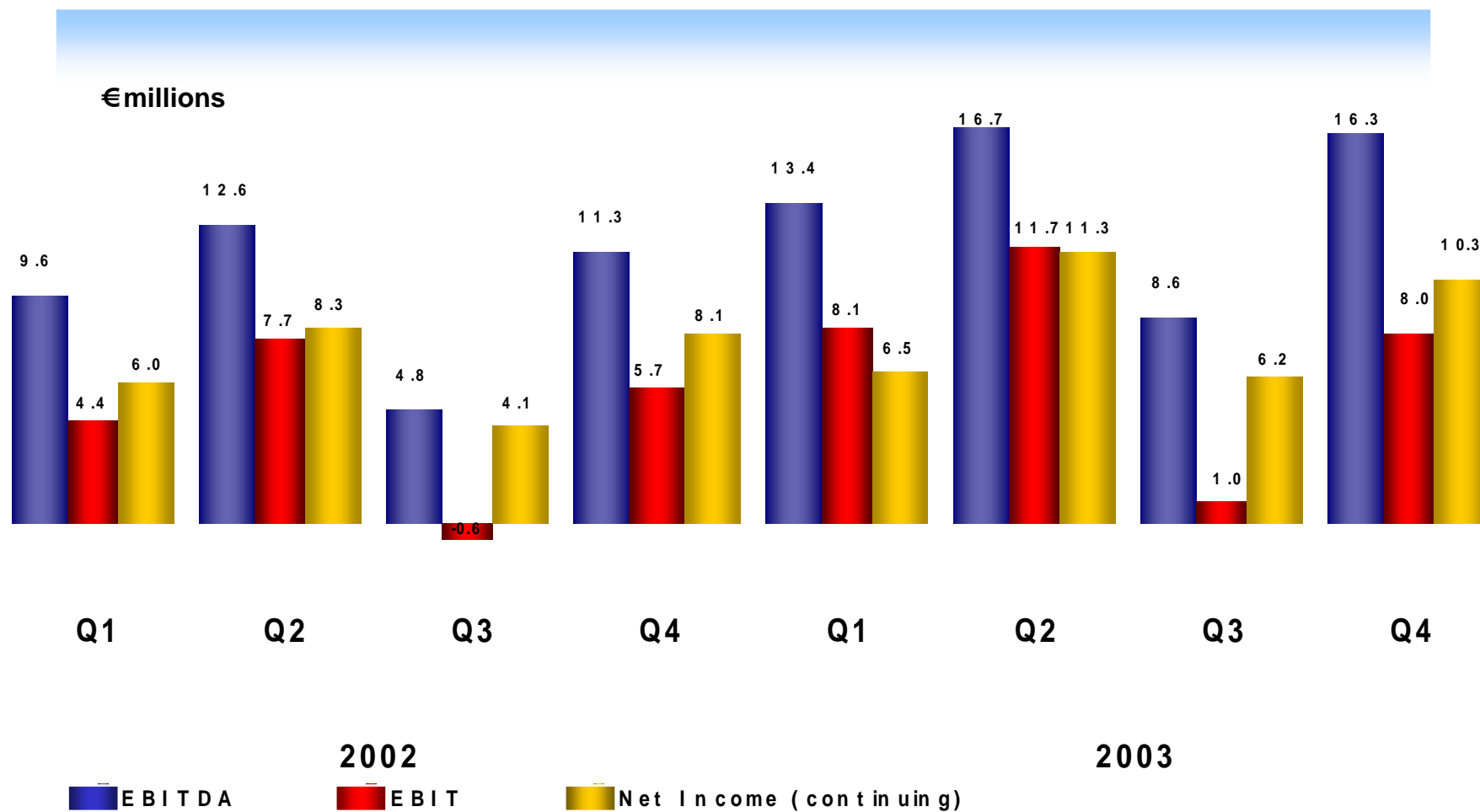
Facts

- Caltagirone Group acquires Il Messaggero and Il Mattino
- Strong cyclical upswing
- Strong advertising growth
- Reorganization of activities and completion of turnaround process
- Strict cost control
- Economic slowdown
- Advertising demand fall
- Further improvement in efficiency through reduction of labour cost
- Launch of LEGGO
- Start of a new advertising upturn
- New printing plant up and running (Il Messaggero)

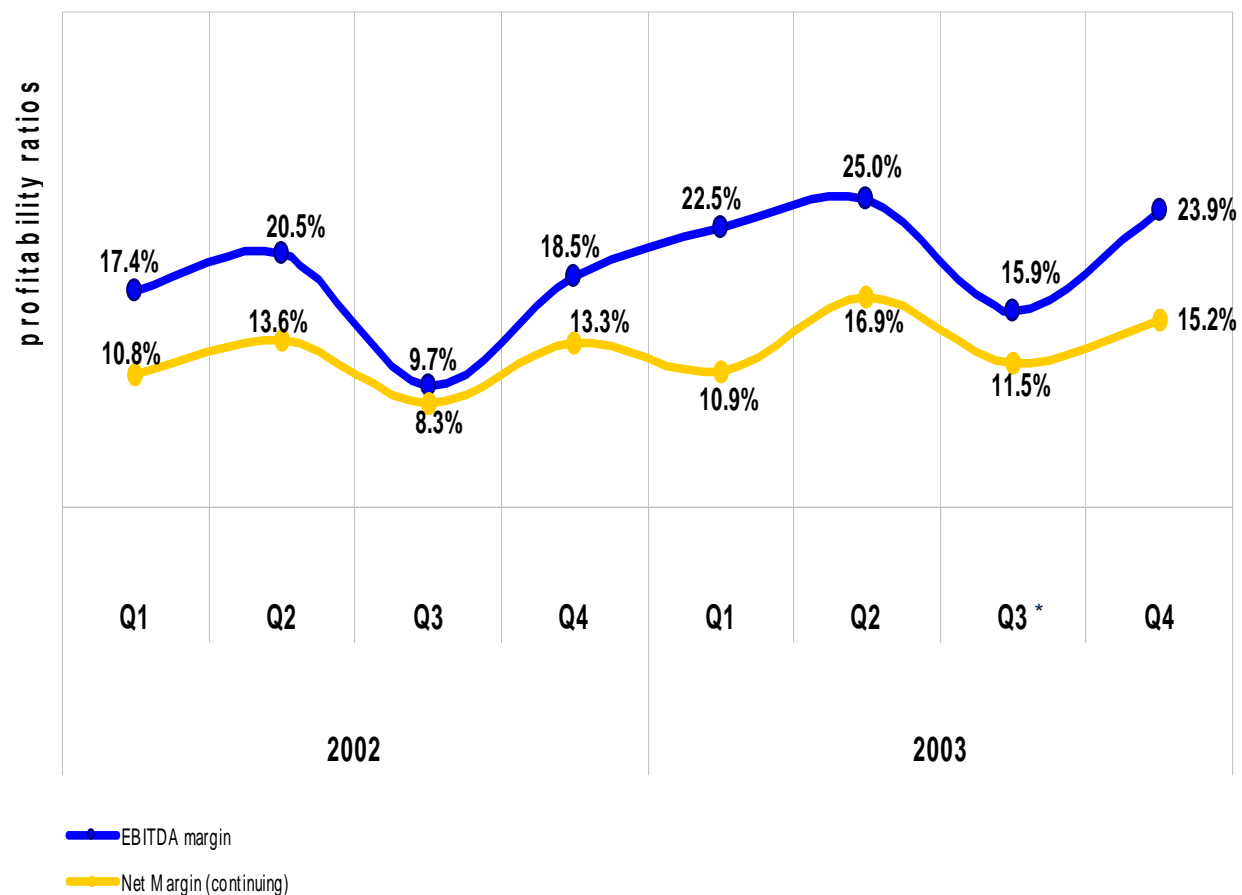
Results



Financials: breakdown by quarter

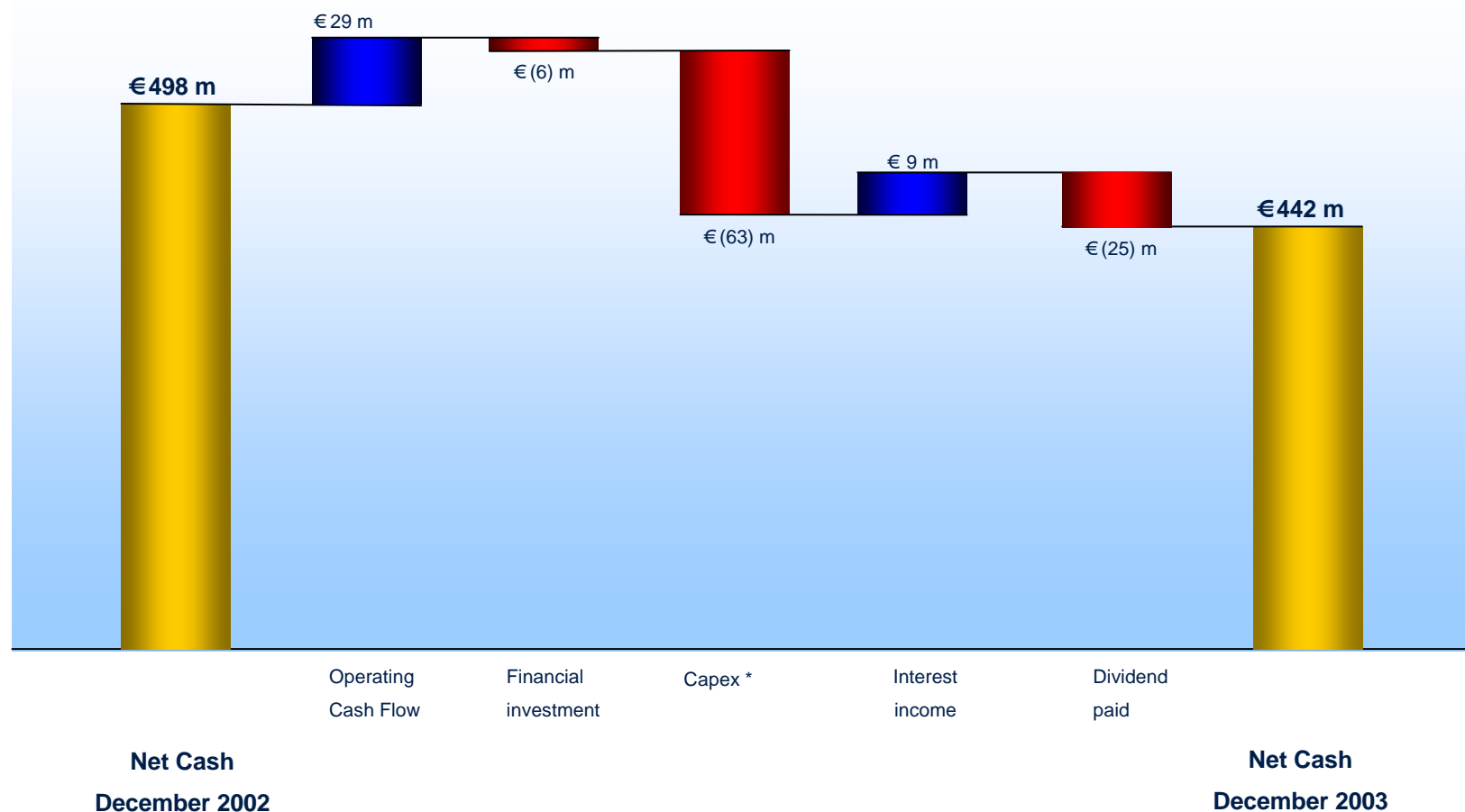


Financials: breakdown by quarter



* Q3 2003 margin figures are not directly comparable due to first time inclusion of new printing plant depreciation.

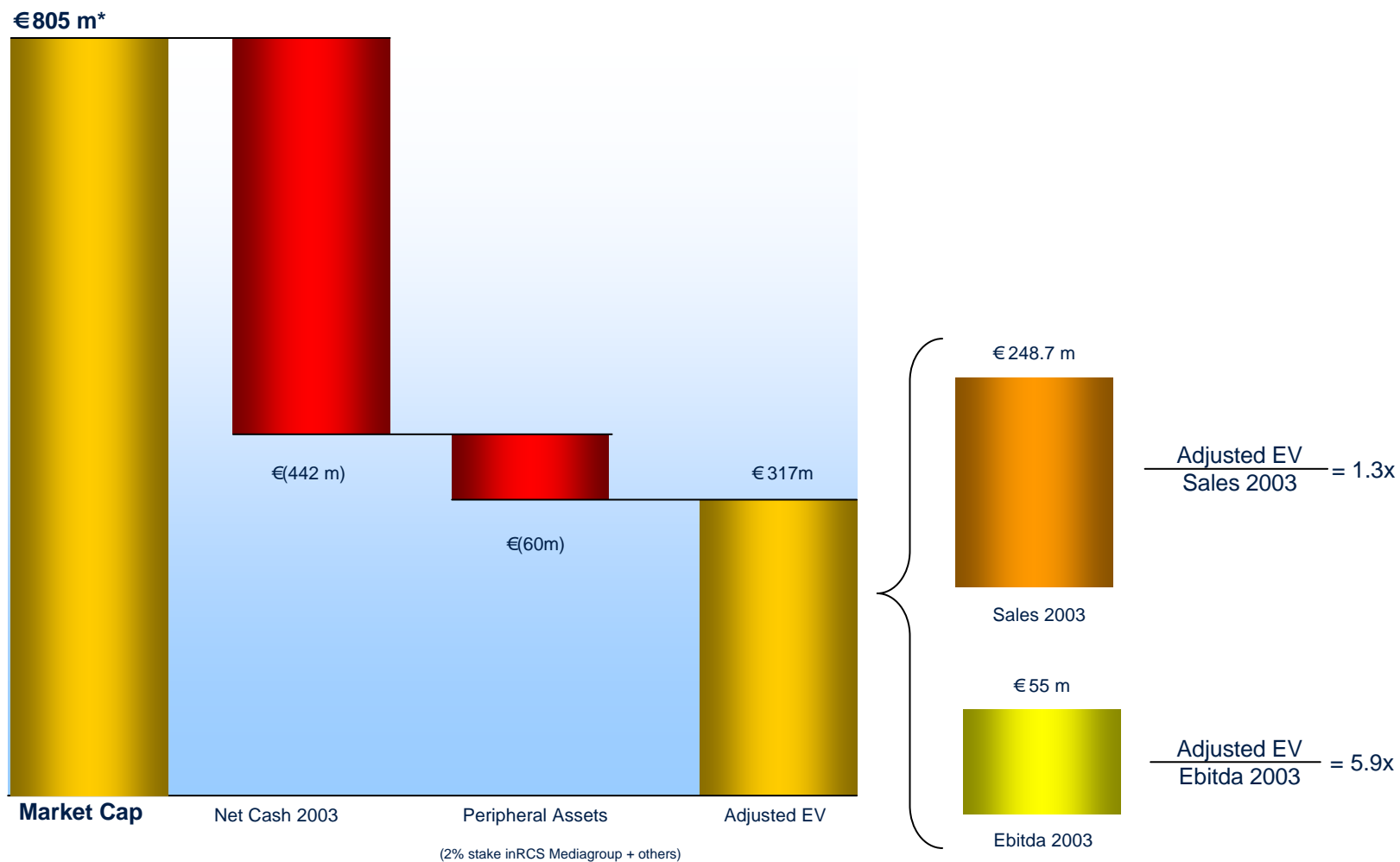
Financials: cash flow



* 2003 Capex is unusually high due to one-off expenditure for new printing facility in Torrespaccata

Financials: market multiples

Adjusted firm value is 5.9x historical Ebitda



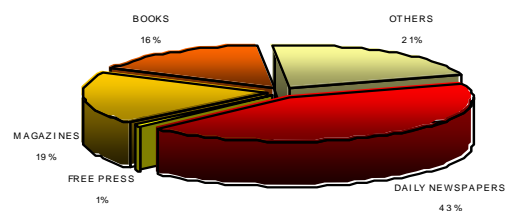
* As of April 20, 2004

- **Circulation**  • Flat/slight increase due to add-on sales
- **Advertising**  • Our strength in local advertising provided resilience during last cyclical downturn
BUT
• being one of the top national players, we will benefit from any advertising upswing
- **Cost control**  • We aim at further improvement of existing cost structure
- **Growth goals**  • We pursue organic growth as well as external growth in the core business

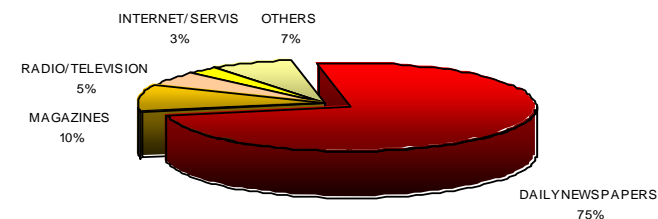
Appendix

Business mix

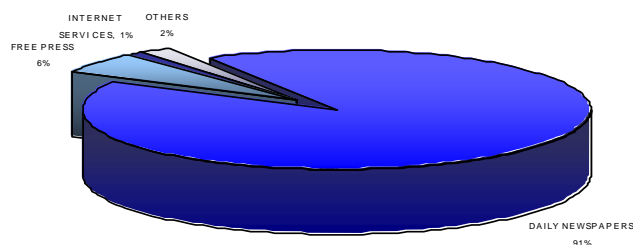
RCS MEDIAGROUP



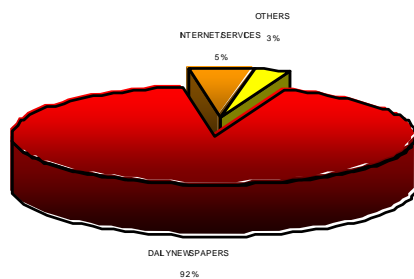
GRUPPO EDITORIALE L'ESPRESSO



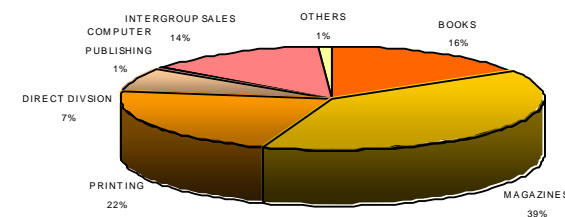
CALTAGIRONE EDITORE



POLIGRAFICI EDITORIALI



GRUPPO MONDADORI



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