



**November 2000**

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# Agenda

n **Company overview**

n **Financial Results 2000**

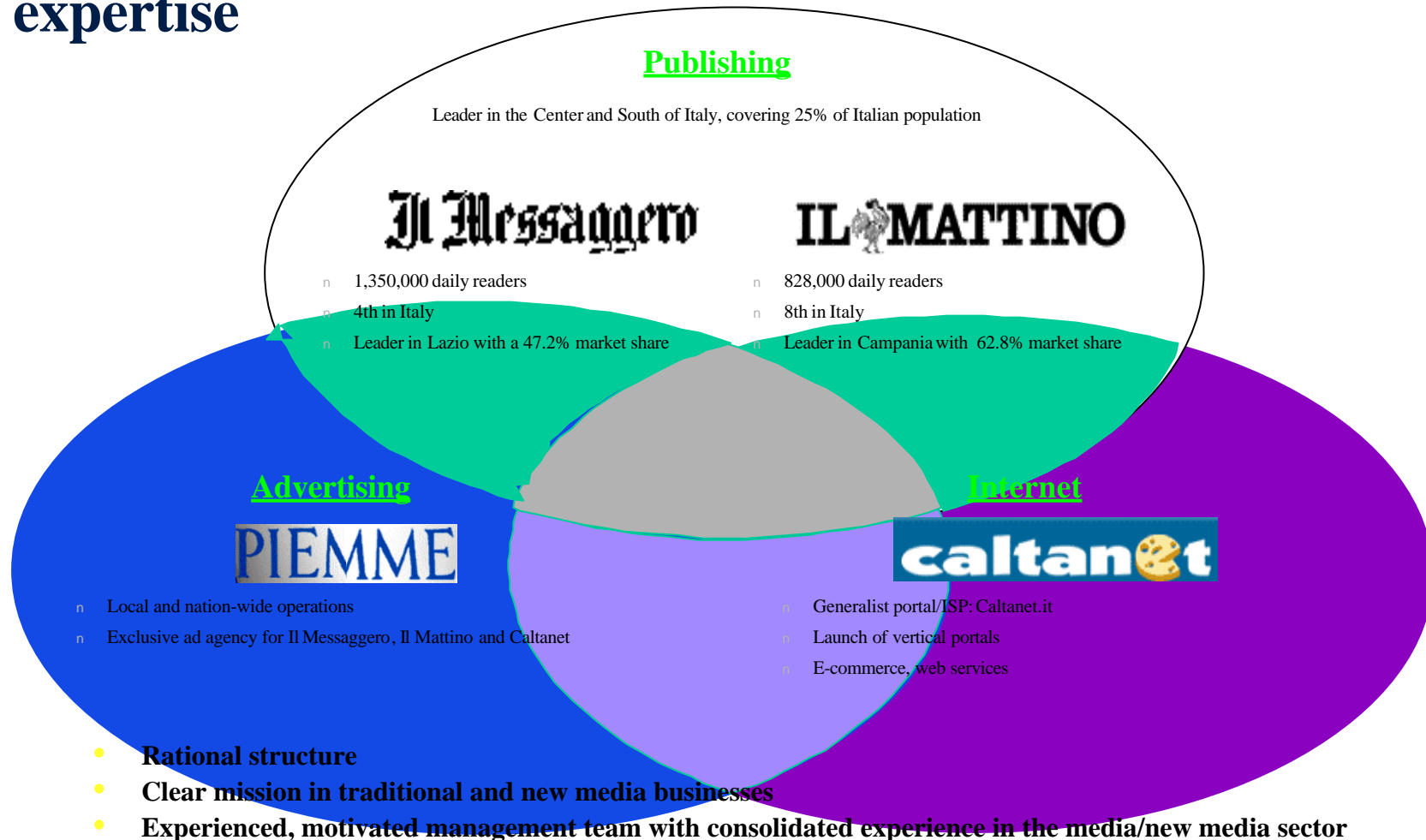
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# **CEd**

## **Company overview**

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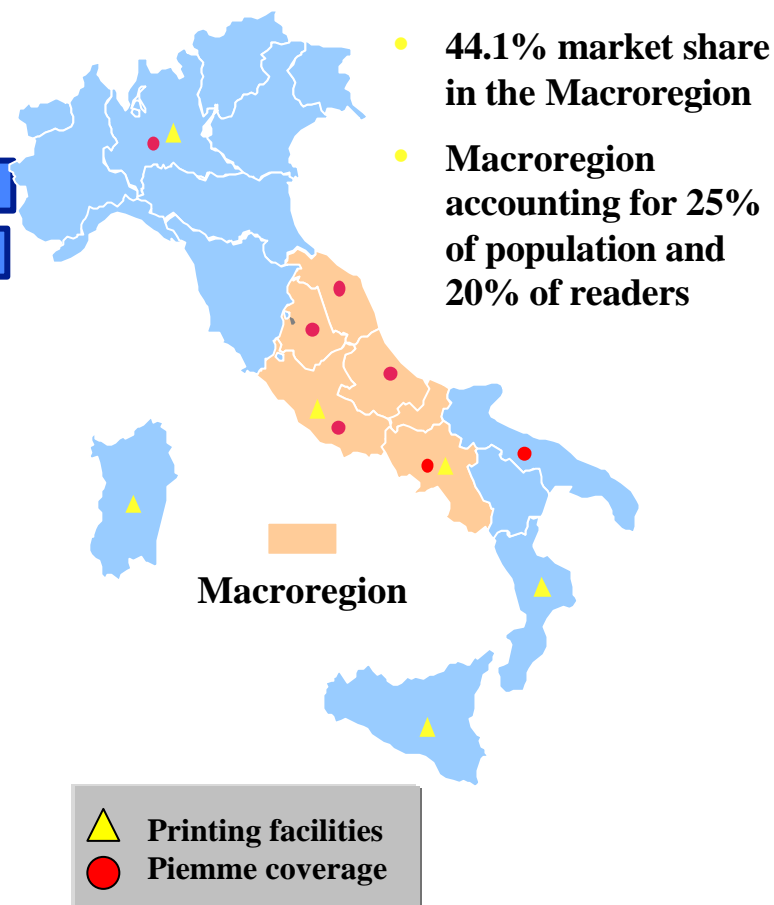
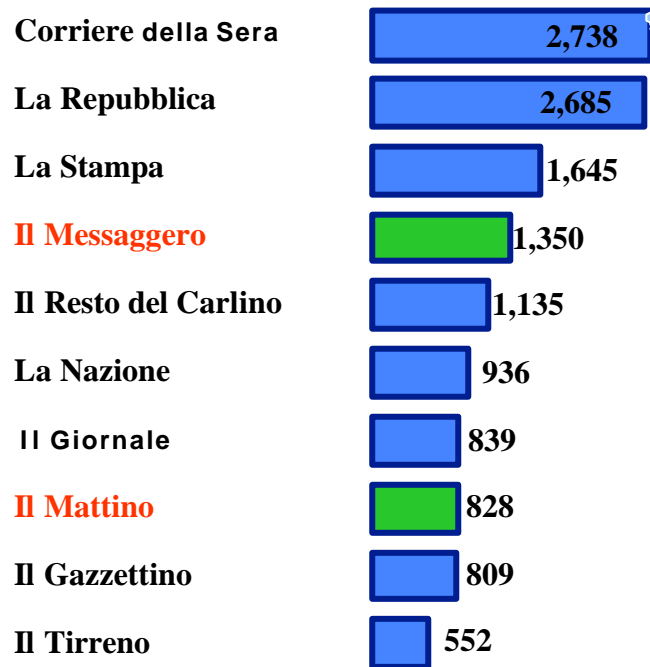
# Integrated Group with complementary areas of expertise



# Nation-wide presence with strong focus in the “Macroregion”

## Top 10 Italian dailies<sup>1</sup>

1999 average no. of daily readers ('000)

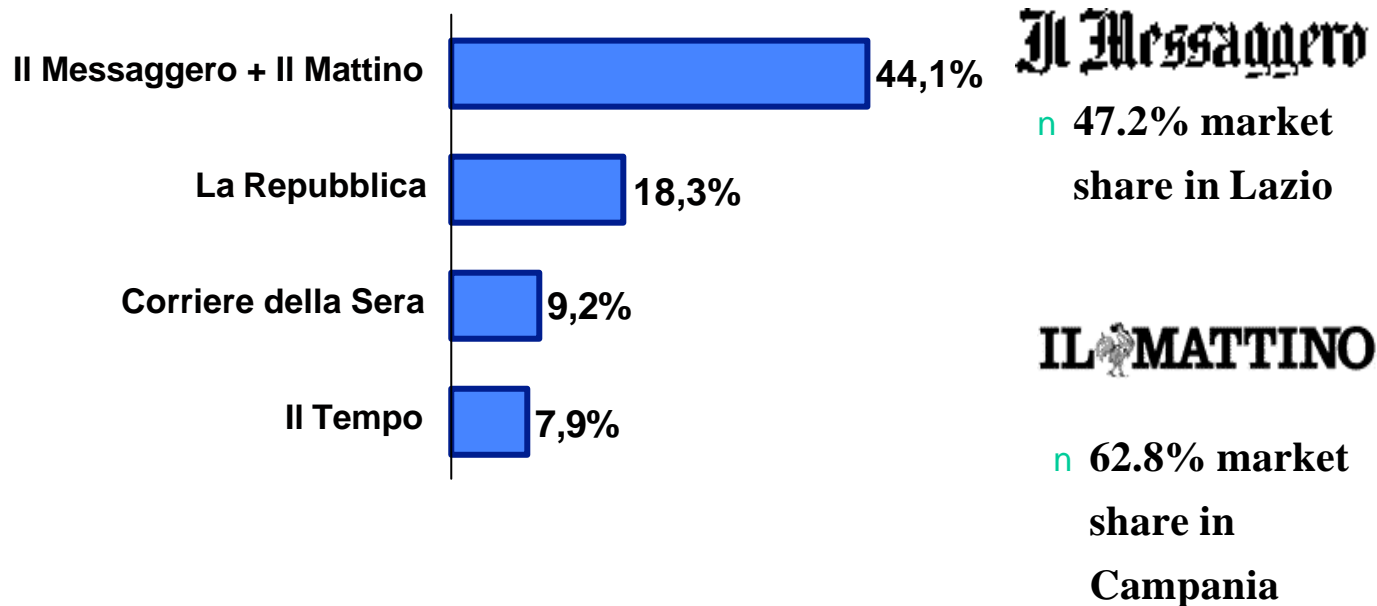


<sup>1</sup> Excluding financial and sport dailies

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## Dominant player in the Macroregion

Percentage market share 1999



100% = avg. no. of readers per day in the Macroregion = 4.7 mm

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# Ced has consistently outperformed the market both in readership ...

Average no. of readers per day in 1997-1999

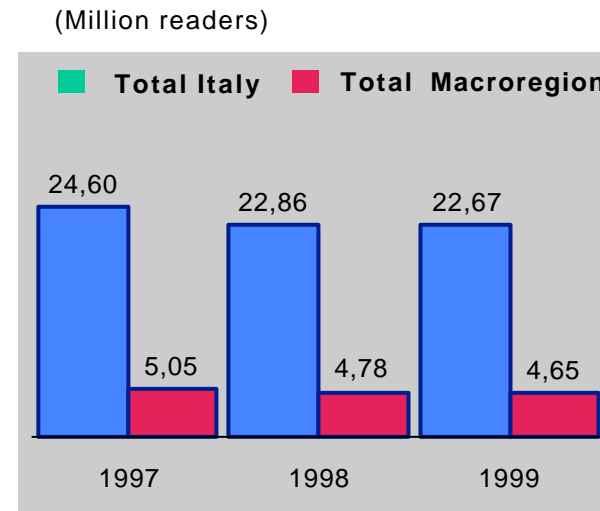
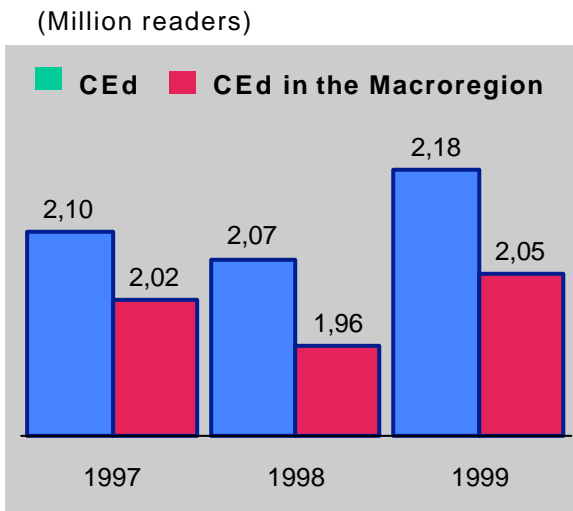
+1.8%

+0.8%

CAGR  
1997-1999

-4.0%

-4.0%



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## ... and advertising growth

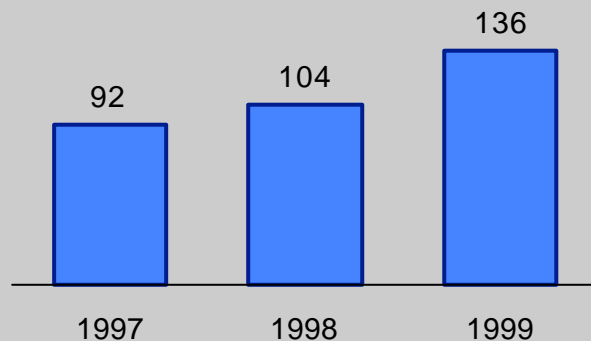
### A must for national and local advertisers

+21.6%

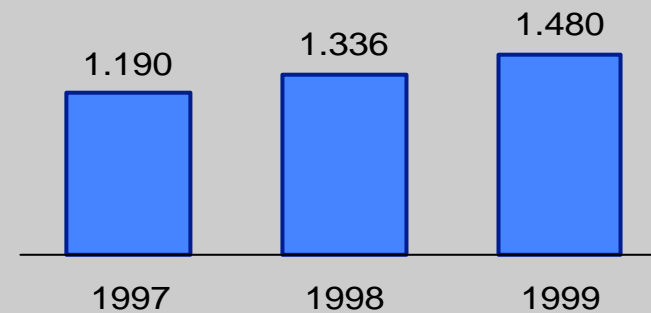
CAGR 1997-1999

+11.5%

**CEd dailies ad revenues euro mm**



**Total ad on Italian dailies euro mm**



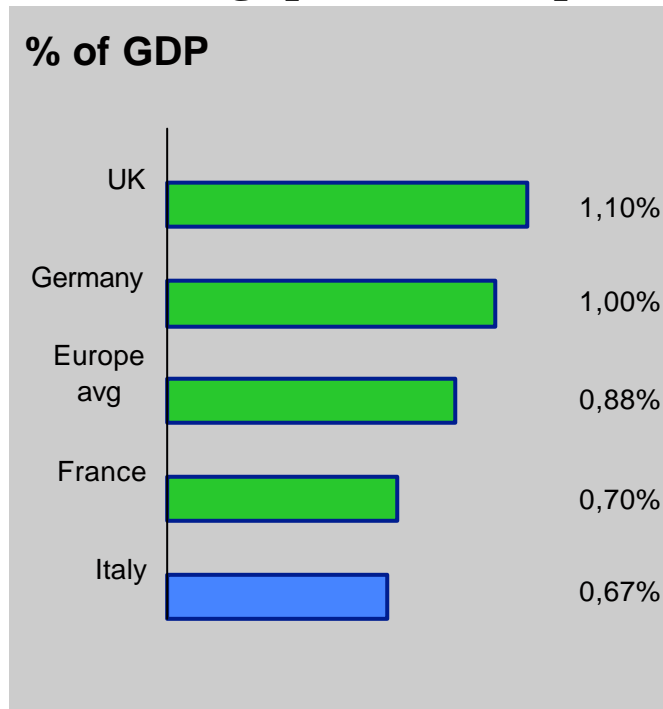
- Outperforming sector growth 2-to-1 by leveraging on competitive strength in the center and south of Italy
- National advertising market share in 1999: Il Messaggero 6.8% and Il Mattino 2.4%



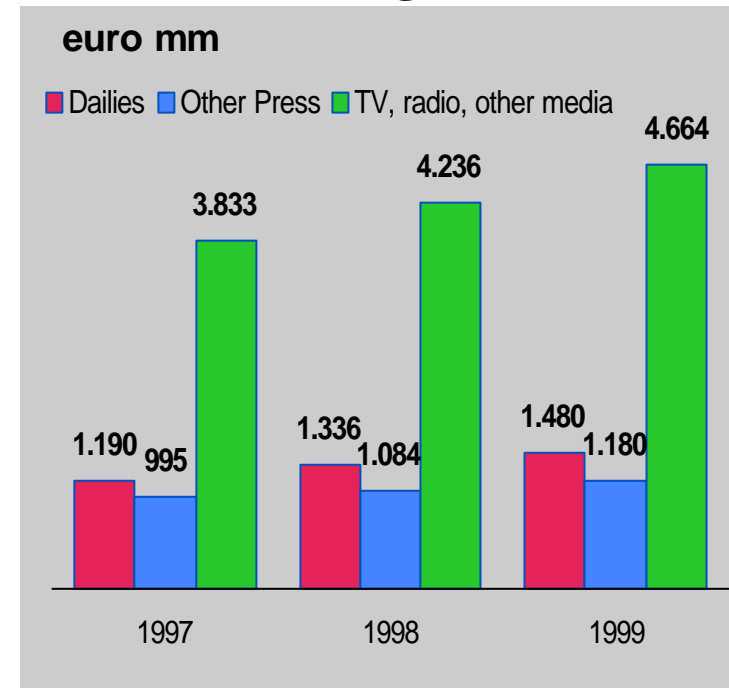
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## Best positioned to benefit from expected expansion of the Italian ad market

### Advertising spend in Europe

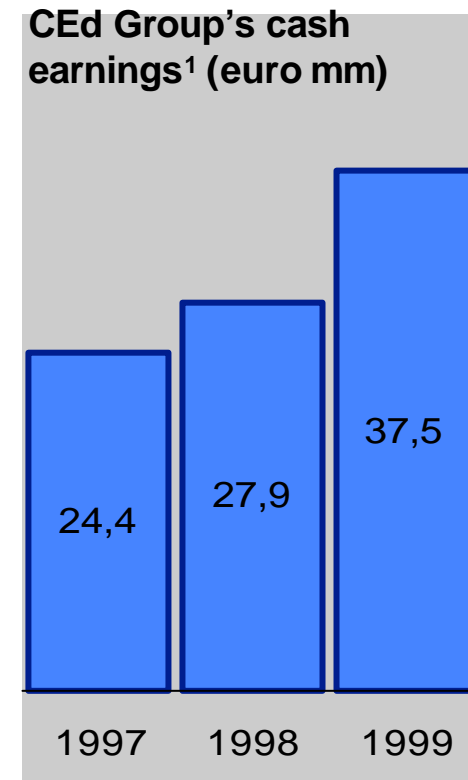
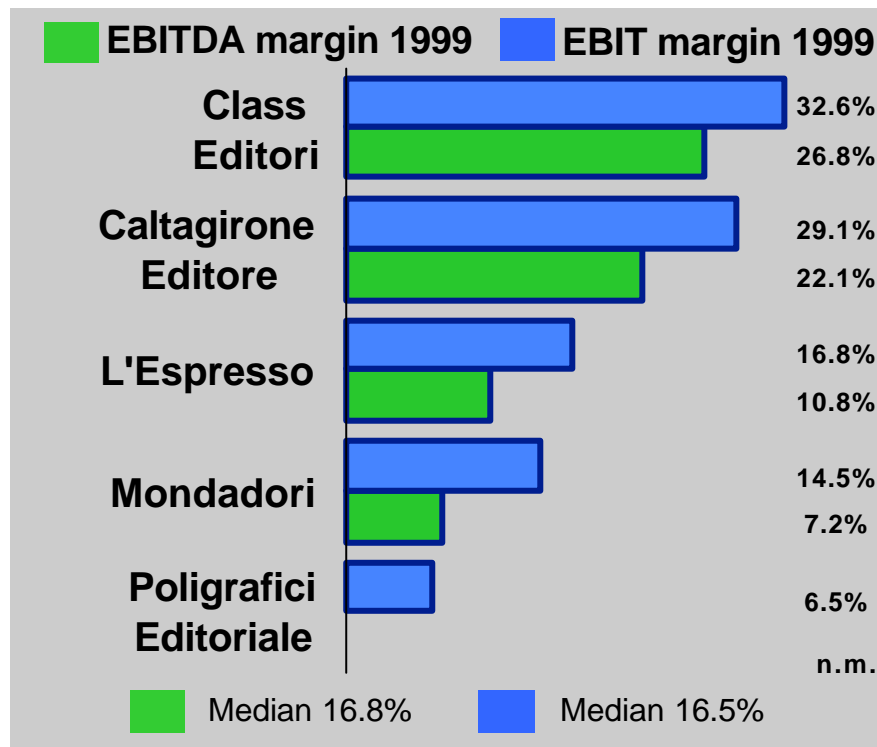


### Italian Advertising Market



# Strong profitability and cash flow generation

## Publicly traded publishing companies

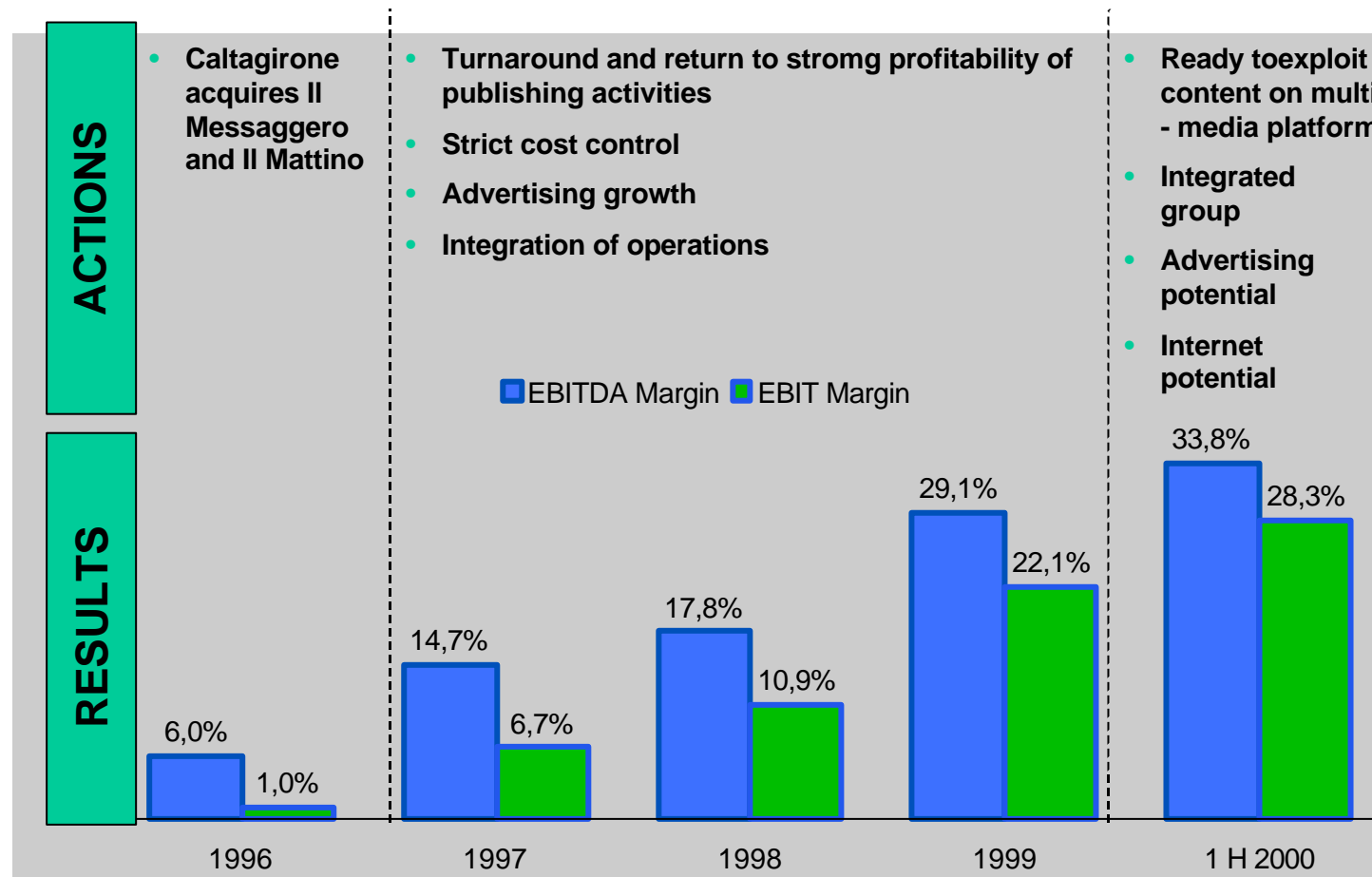


n Group's profitability is outperforming the sector average

n High cash earnings

<sup>1</sup> Cash earnings calculated as net income + depreciation and amortisation

## A successful turnaround story



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# Strategic goals

- n **Consolidated further its leadership in the Macroregion**
  - n **Enhance local content Production**
  - n **Take full advantage from extensive customer base (2.2 mm readers)**
  
- n **Expand in contiguous markets in Italy**
  - n **Strengthen leading position through internal and external growth**
  - n **Leverage on advertising know - how**
  
- n **Grow in New Medio sector (Internet and radio)**
  - n **Enhance content provider role**
  - n **Exploit synergies within Caltagirone Group**
  - n **Improve web - services**
  - n **Launch new vortals**

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# **CEd Financial Results**

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**Ced 1st HALF '00 MARGINS**  
**FINANCIAL RESULTS (mm euro)**

	<b>1st H '99</b>	<b>1st H '00</b>	<b>Δ 00/99</b>
Revenues	105.32	121.25	+ 15%
Operating costs	77.17	80.27	+ 4%
EBITDA	28.15	40.98	+ 45%

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## REVENUES

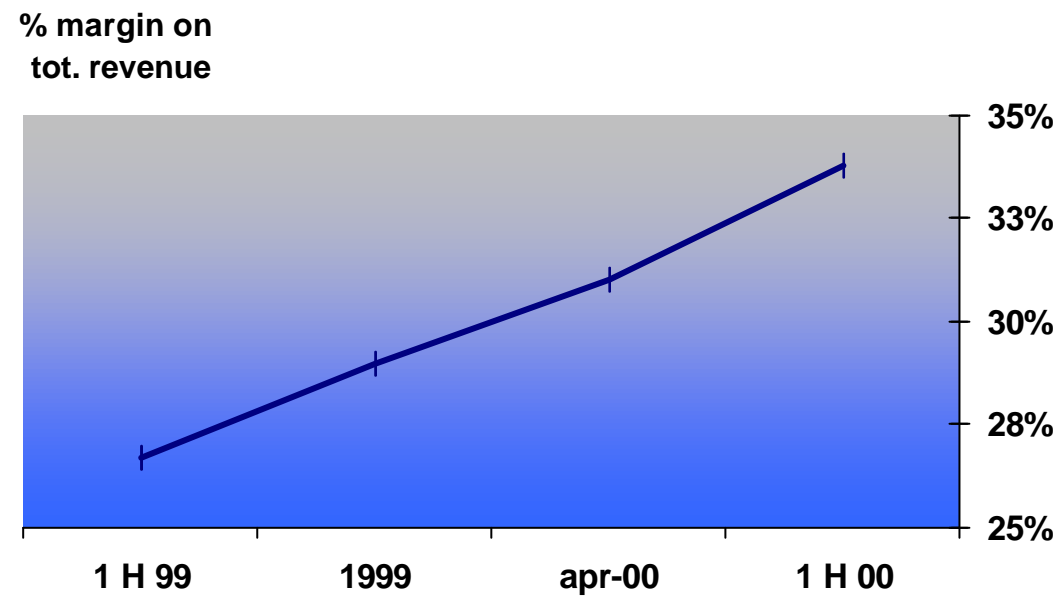
### FINANCIAL RESULTS (mm euro)

	1999	1st H '99	1st H '00	△ 00/99
<b>Advertising</b>	136.4	67.8	83.9	+ 23.8%
● Il Messaggero	100.1	54.1	58.3	
● Il Mattino	36.1	13.7	22.0	
● Others	0.2		3.6	
<b>Circulation</b>	70.8	34.5	34.4	- 0.2%
● Il Messaggero	52.2	25.6	24.7	
● Il Mattino	18.6	8.9	9.8	
<b>Other revenues</b>	3.6	3.0	2.9	- 3.3%
<b>Total Revenues</b>	210.8	105.3	121.2	+ 15.1%

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# EBITDA FINANCIAL RESULTS





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## CEd 3rd Q '00 MARGINS

### FINANCIAL RESULTS (mm euro)

	30.09.99	30.09.00	30.09.00 (1)	△ 00/99
<b>Revenues</b>	<b>149.37</b>	<b>170.10</b>	<b>170.02</b>	<b>13.8%</b>
<b>Operating Costs</b>	<b>112.51</b>	<b>121.61</b>	<b>119.50</b>	<b>6.21%</b>
<b>EBITDA</b>	<b>36.86</b>	<b>48.51</b>	<b>50.52</b>	<b>37.06%</b>

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<sup>1</sup> without internet activities

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# **EXPECTED END YEAR RESULTS FINANCIAL RESULTS**

- **CEd estimates that:**
  - **Revenues will exceed budget expectations**
  - **Margins will exceed budget expectations**