



## 2006 Annual Results

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May 2007



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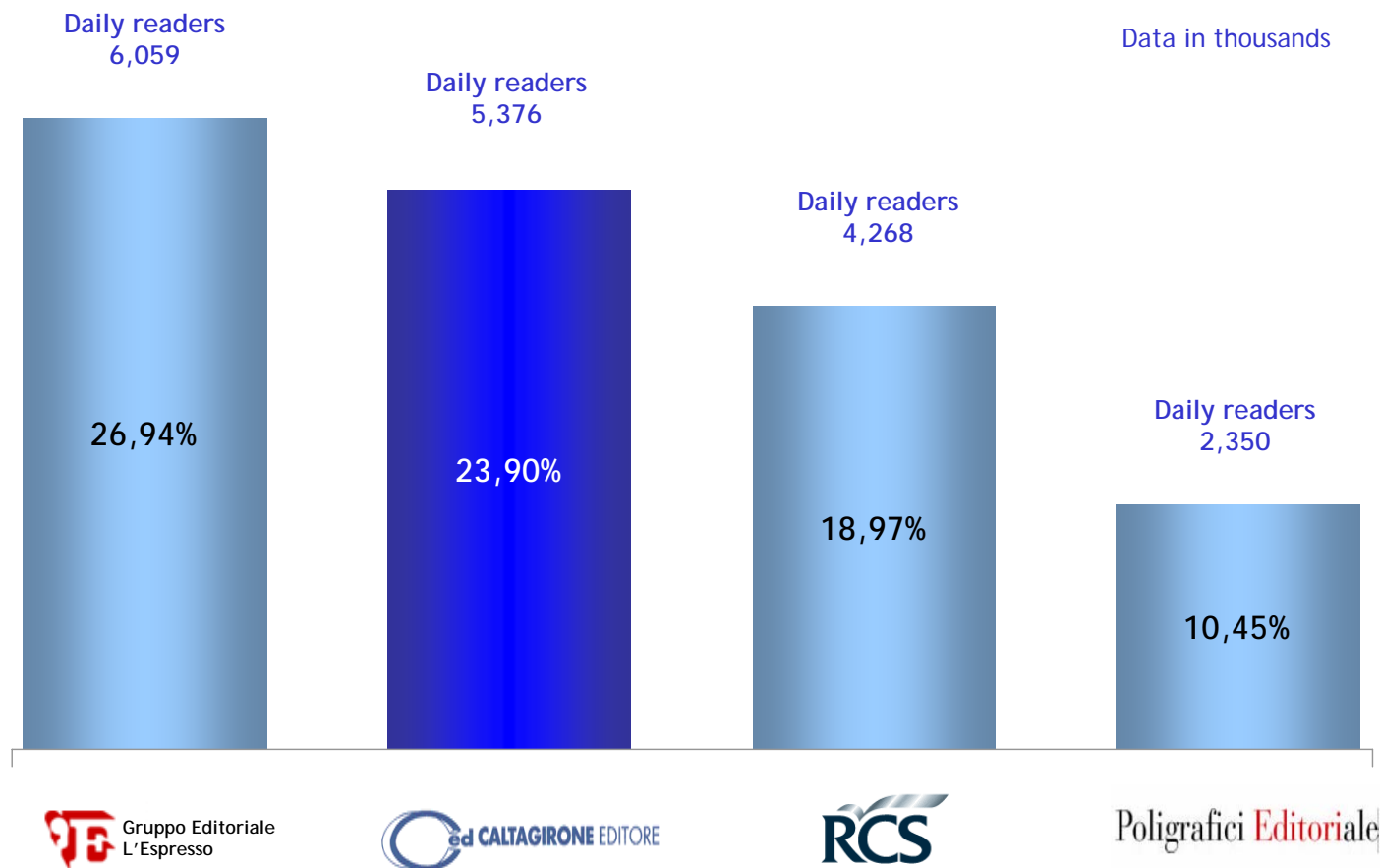
Il Messaggero headquarter in Via del Tritone, Rome



## The Group

## N.2 in the domestic market

Caltagirone Editore is the 2nd Italian publishing group with 23.9% share of average daily readers <sup>(1)</sup>



(1) Source: Audipress 2006/II excluding financial and sports daily newspapers and including free press

# The Group: traditional newspapers and free press



## *Traditional newspapers (1)*

### **Il Messaggero**

- Circulation 229,471
- Readership 1,433,000

### **IL MATTINO**

- Circulation 86,465
- Readership 757,000

### **IL GAZZETTINO**

- Circulation 97,525
- Readership 685,000

### **Corriere Adriatico**

- Circulation 20,044
- Readership 283,000

### **NUOVO di Puglia Quotidiano**

- Circulation 19,699
- Readership 210,000

## *Advertising*



- Advertising agency for the Group

## *Free Press*



- 2,008,000 daily readers <sup>(2)</sup>
- 2006 Sales: € 25 millions
- National network in 15 cities
- Avg. 24 pages full color

(1) Sources of circulation and readership are respectively ADS 2006 (daily moving average of 12 months from January to December 2006) and Audipress 2006/II

(2) Fonte: Audipress 2006/II



## Traditional newspapers

### **Il Messaggero**

- National newspaper with 13 local editions
- Avg. 50 pages up to maximum 72 pages full color

### **IL MATTINO**

- National newspaper with 8 local editions
- Avg. 50 pages up to maximum 64 pages, of which 40 in color

### **IL GAZZETTINO**

- National newspaper with 8 local editions
- Avg. 50 pages up to maximum 64 pages, of which 12 in color

### **Corriere Adriatico**

- Regional newspaper with 7 local editions
- Avg. 52 pages up to 64 pages, of which 16 in color

### **NUOVO Quotidiano di Puglia**

- Newspaper with 3 local editions
- Avg. 45 pages up to 56 pages, of which 8 in color

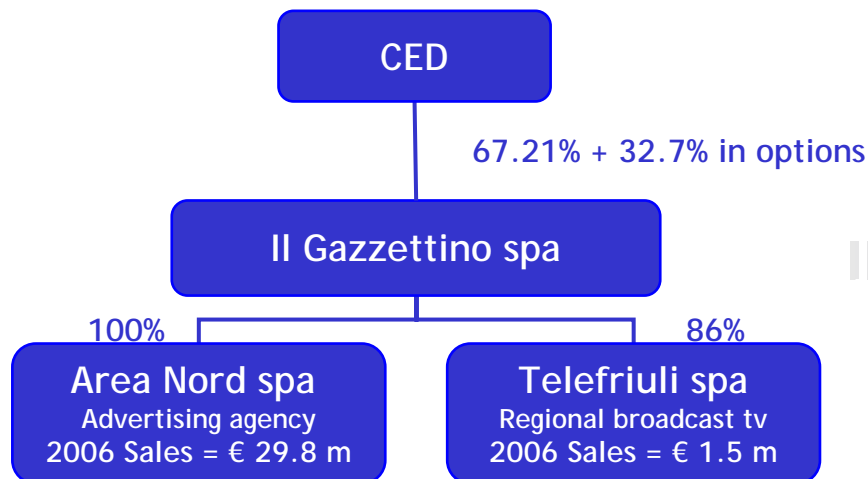


# The acquisition of Il Gazzettino



With *Il Gazzettino di Venezia* acquisition, CED becomes the 2nd Italian publishing Group with over 5.4 millions of readers <sup>(1)</sup>

- **Strategy**
  - Expansion of the Group in the North Eastern part of Italy and stronger competitive position in the Adriatic regions
- **The deal**
  - Until December the 31th 2006, CED acquired 67.21% of share capital paying 143.6 millions of Euro
  - Further 51 millions of Euro will be paid out against put and call option agreement on 32.7% of share capital



2006 Highlights	(Euro 000)
Sales	29,153
EBITDA	28
EBT	-2,180
Net debt	837

(1) Source: Audipress 2006/II excluding financial and sports daily newspapers and including free press. Daily avg. readers

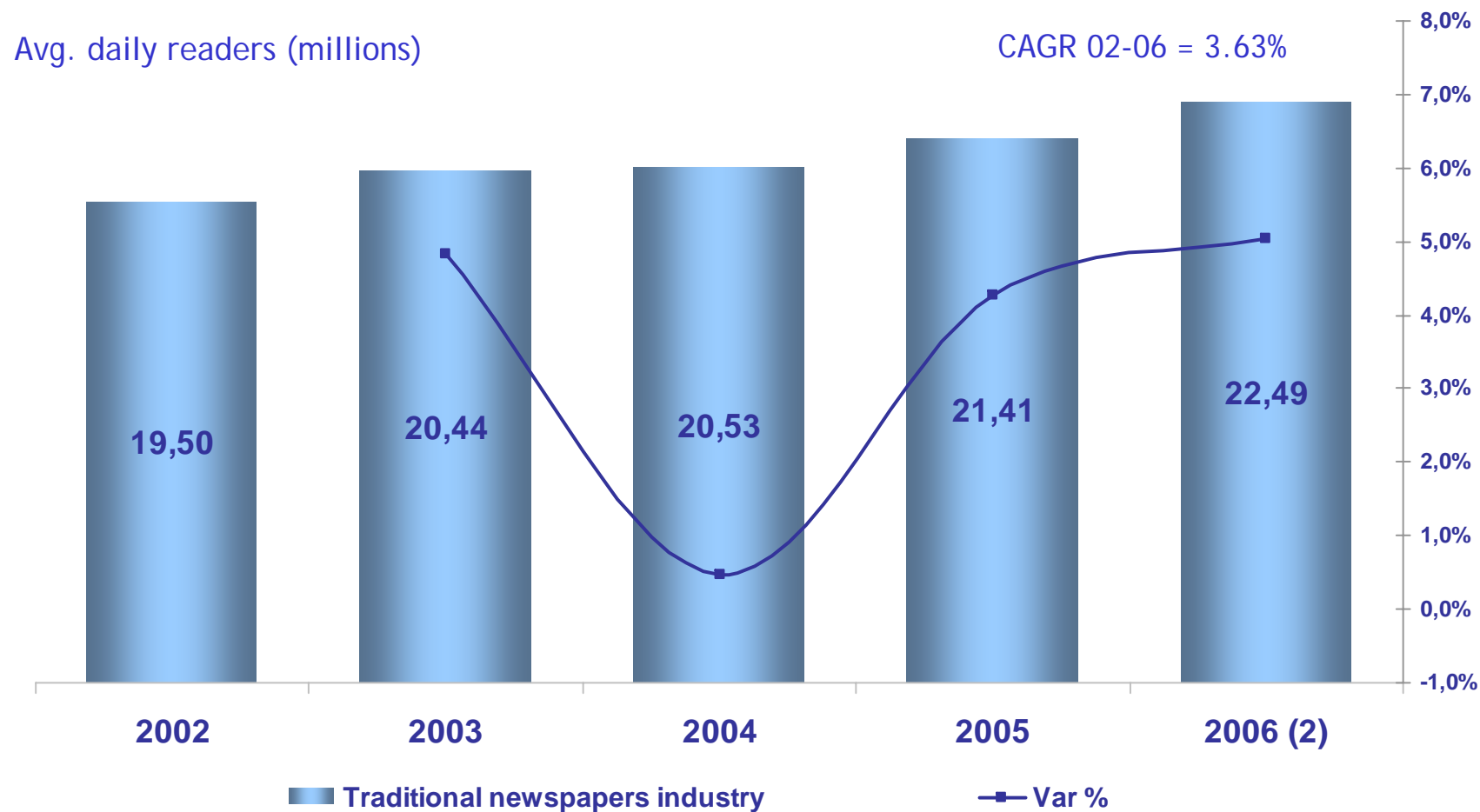




## Traditional newspapers

# Italian newspapers industry

Readership has been growing gradually over the last few years



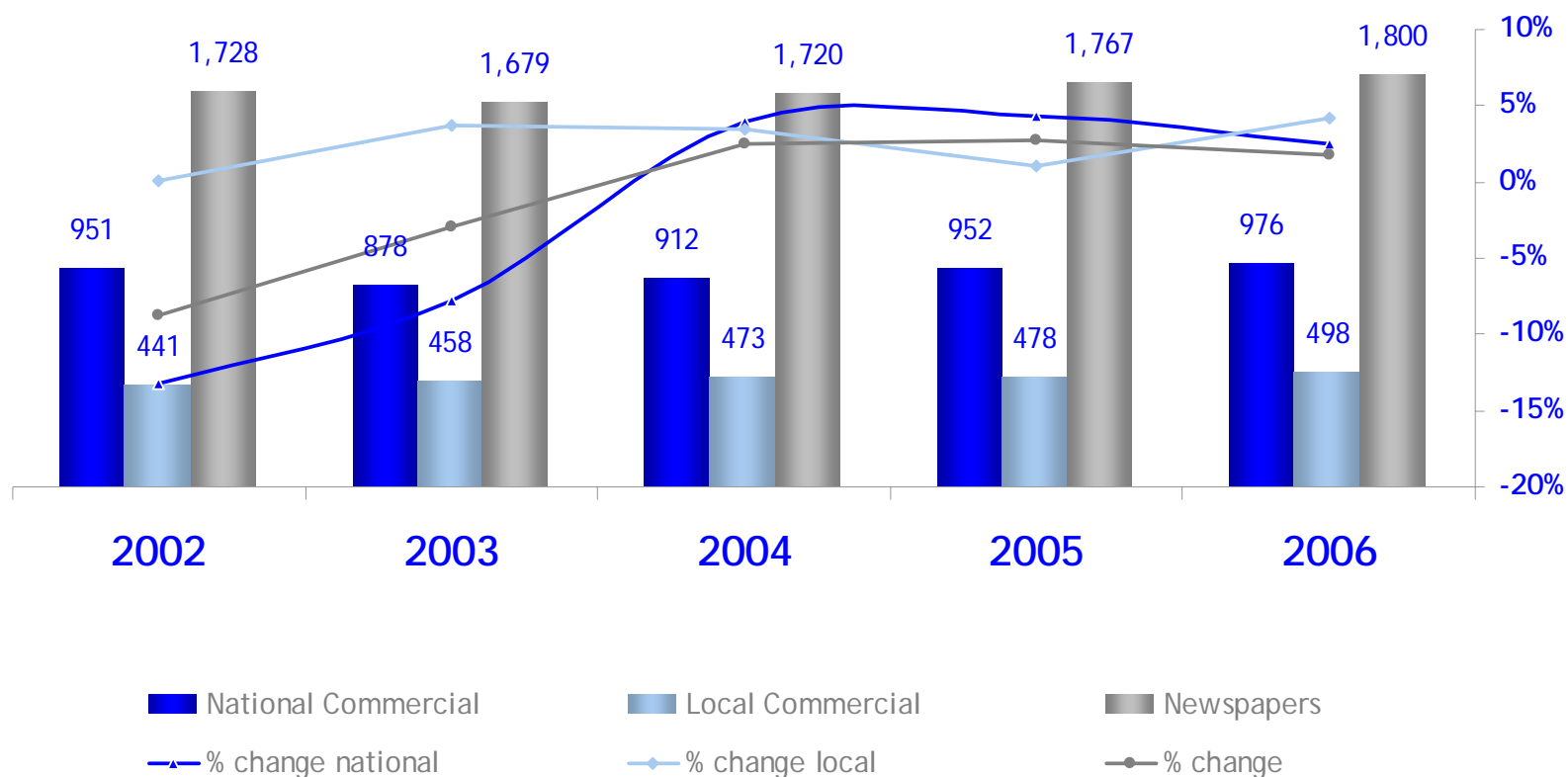
(1) Source: Audipress Autumn 2002, 2003, 2004/II, 2005/II, 2006/II, on total readers (including financial and sports daily newspapers)

(2) 2006 data first include free press

# Newspaper advertising market <sup>(1)</sup>

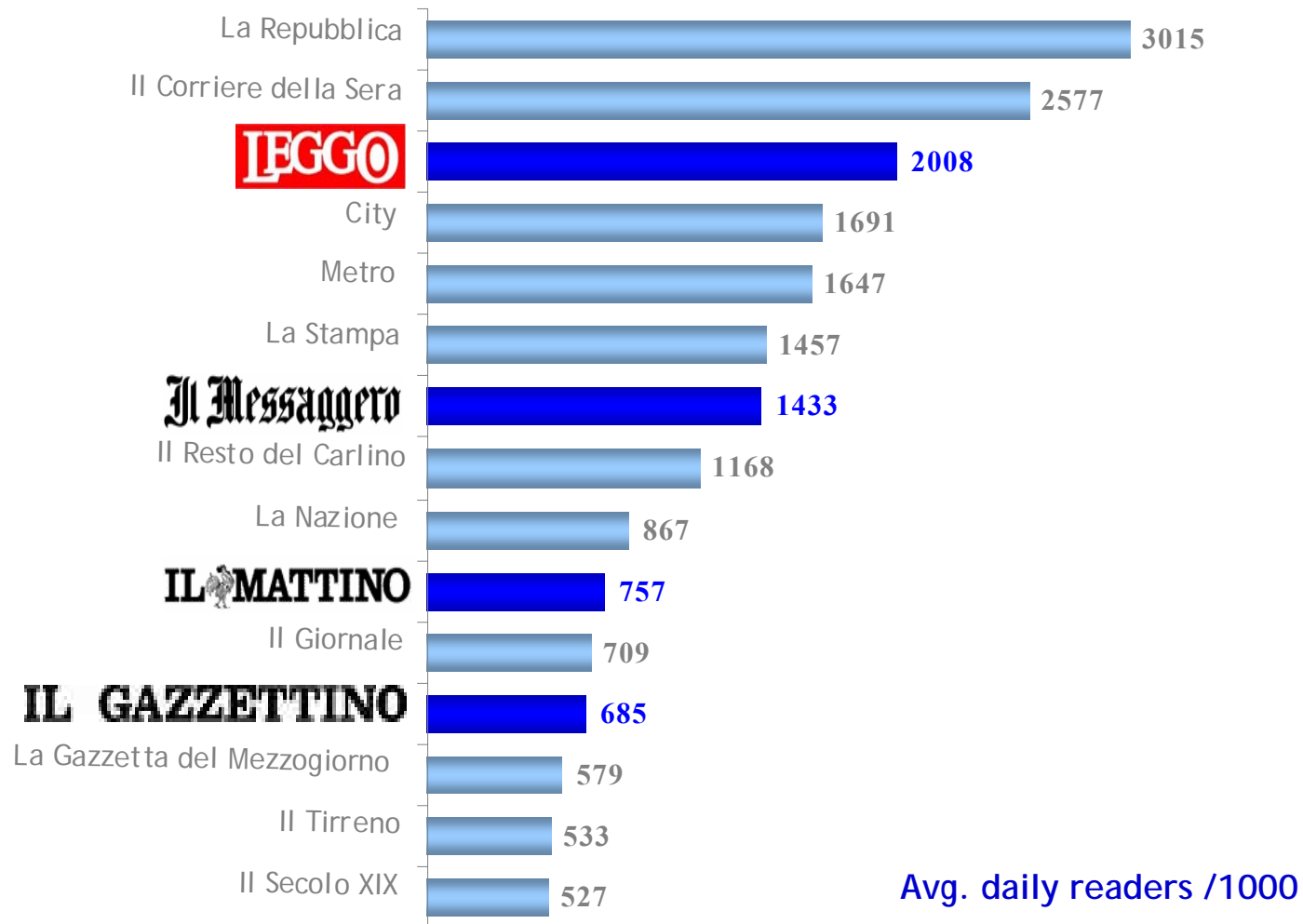
In 2006 both national and local advertising market trended upwards

€ thousands



# The first 15 Italian newspapers <sup>(1)</sup>

CED is the 2nd Italian Group by readers, with 4 titles among the first 15



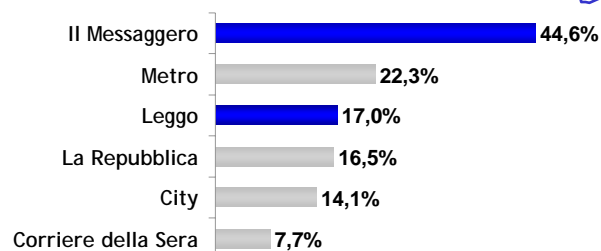
(1) Source: Audipress 2006/II excluding financial and sports daily newspapers and including free press

# CED has a strong local leadership <sup>(1)</sup>

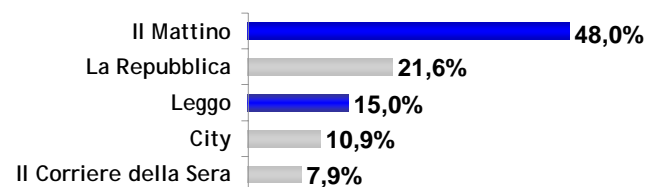


- Regions in which CED is leader
- Considerable presence (> 10%)
- Leggo's presence (> 4%) <sup>(2)</sup>

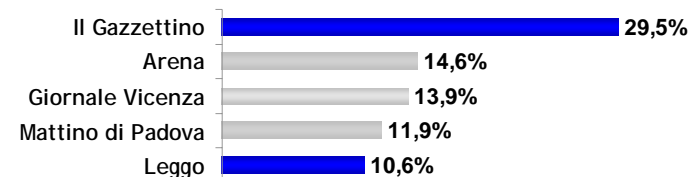
## READERSHIP IN LAZIO 61.7%



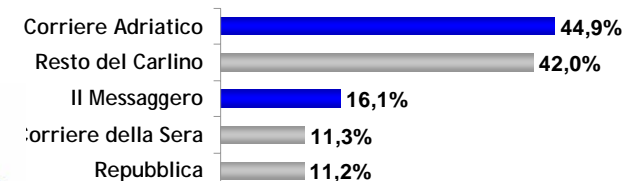
## READERSHIP IN CAMPANIA 63.2%



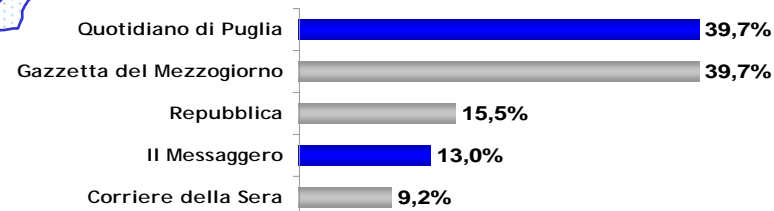
## READERSHIP IN VENETO 40.2%



## READERSHIP IN MARCHE 61.2%



## READERSHIP IN SALENTO <sup>(3)</sup> 53.6%



(1) Source: Audipress 2006/II, avg. daily readers excluding financial and sports daily newspapers and including free press

(2) Readership is as follows: 5.35% in Tuscany, 4.5% in Emilia Romagna

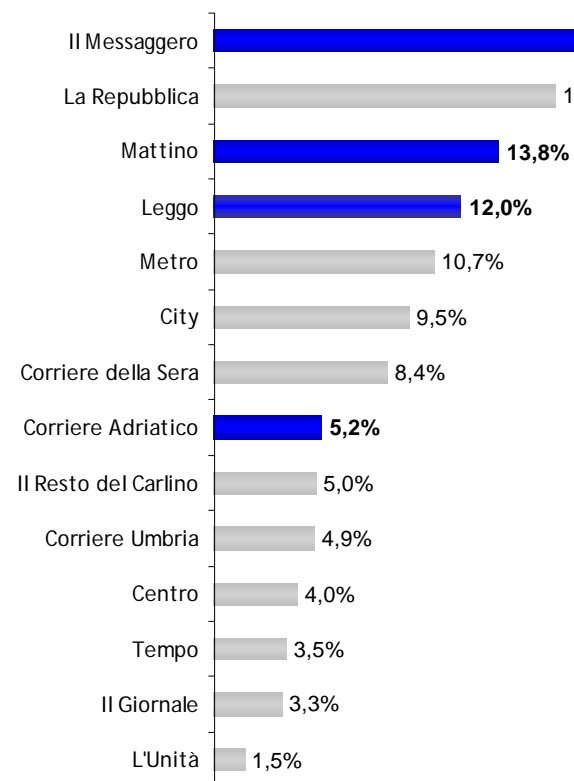
(3) Unlike the other Group newspapers, Il Nuovo Quotidiano di Puglia is not a regional newspaper because it is sold only in 3 cities: Lecce, Brindisi e Taranto (Salento)

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

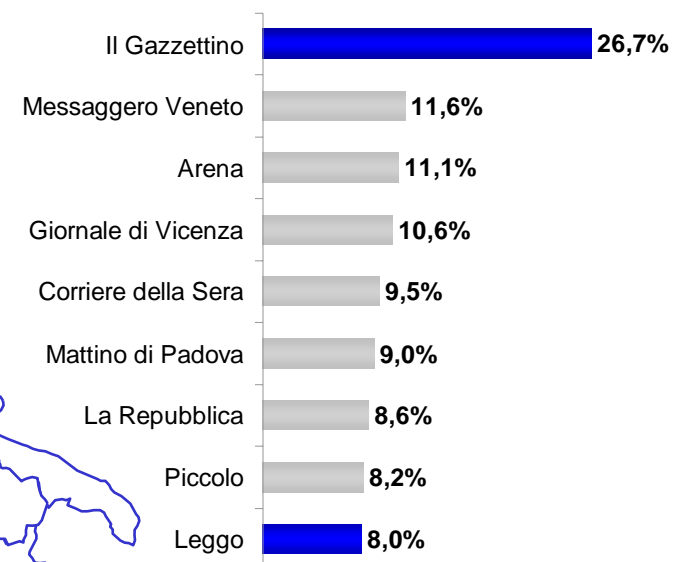
# Leadership in the Centre and North East of Italy

Group newspapers have strong readership in the North East and in the central regions of Italy <sup>(1)</sup>

## READERSHIP IN THE MACROREGION <sup>(2)</sup> 55.3%



## READERSHIP IN VENETO + FRIULI VENEZIA GIULIA 35.1% <sup>(3)</sup>



(1) Source: Audipress 2006/II, avg. daily readers excluding financial and sports daily newspapers and including free press

(2) Macroregion consists of Lazio, Campania, Marches, Umbria, Abruzzi and Molise

(3) It includes also Messaggero's readers (0.35%)



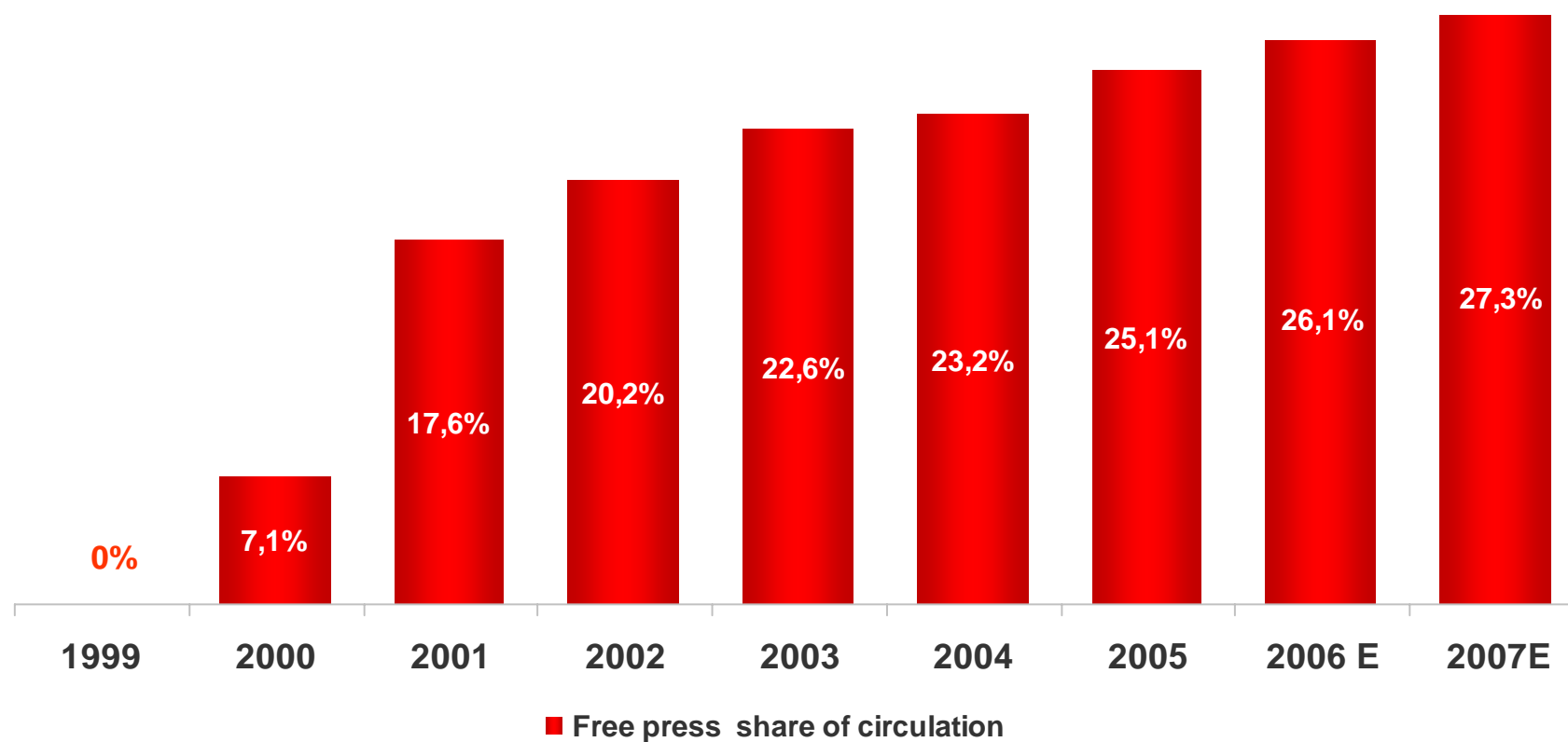
## Free Press



# Free press: the market

Free press is continuing to gain market share from traditional newspapers <sup>(1)</sup>

% of total circulation



(1) Source: ADS and Eurisko data. Percentages are based on free press circulation on total newspapers circulation

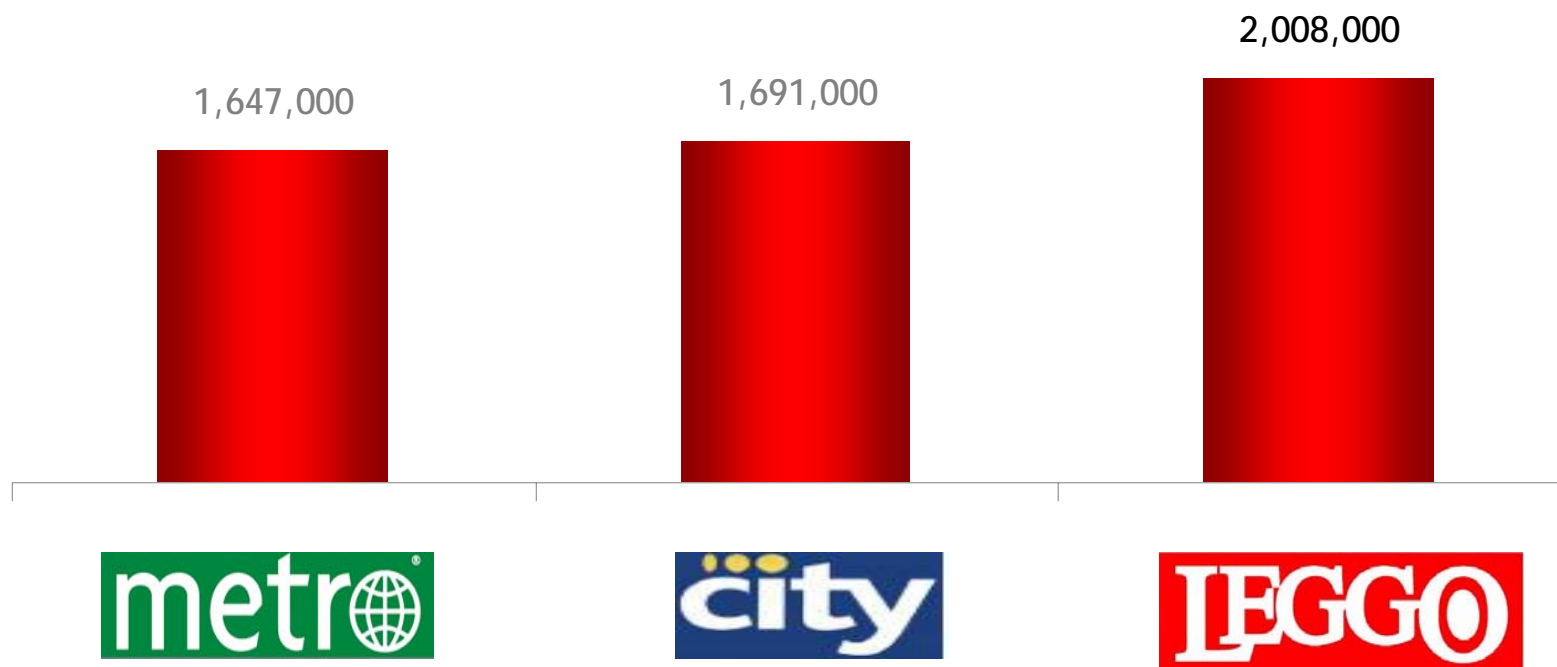
## N.1 in domestic market

**LEGGO**

**Ed CALTAGIRONE EDITORE**

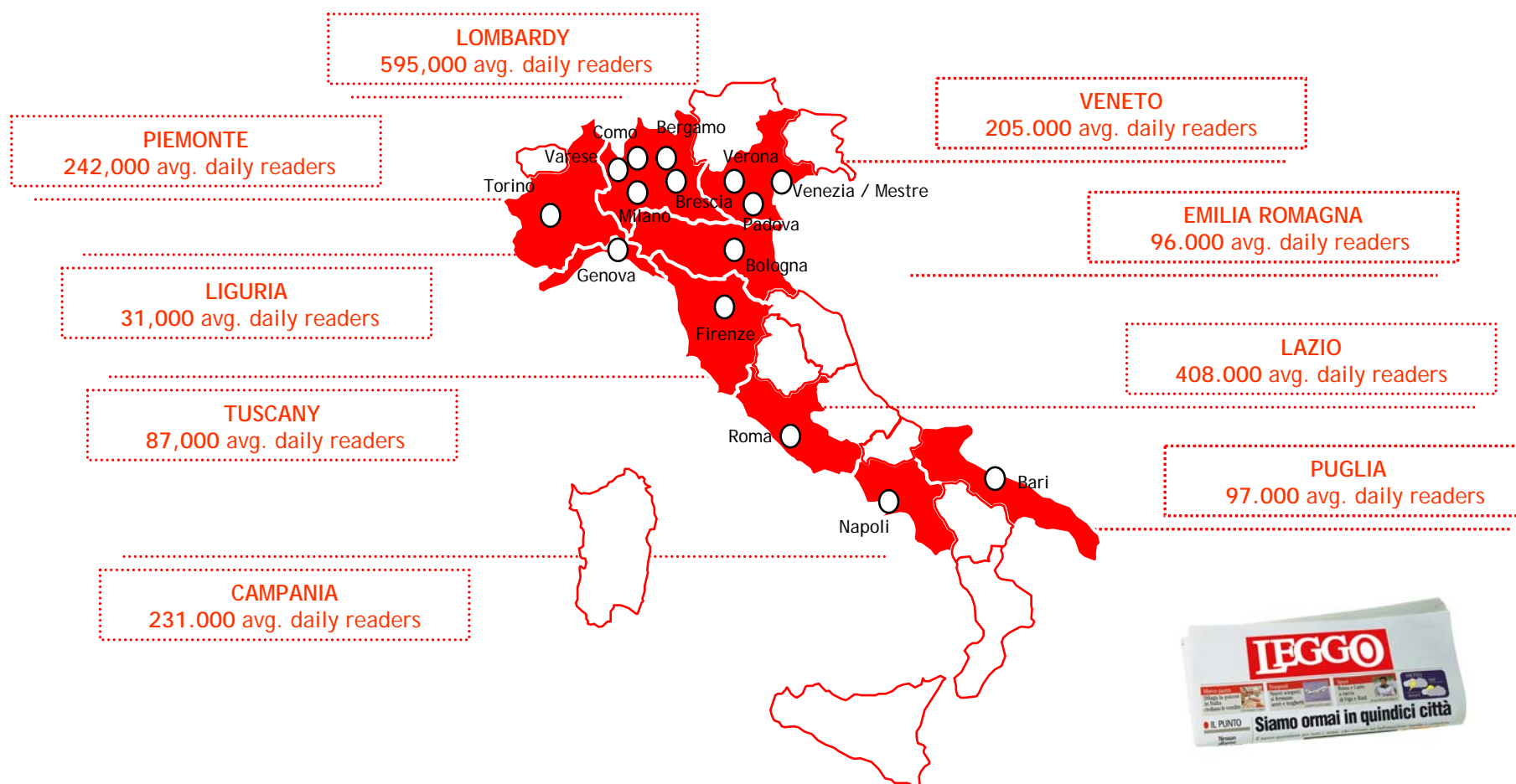
Leggo is leader in the free press market with 37.6% share of avg. daily readers, 19% more than City and 22% more than Metro <sup>(1)</sup>

Avg. daily readers



(1) Source: Audipress 2006/II

Leggo is the 1st free newspaper in Italy with 2,008,000 avg daily readers in 9 regions <sup>(1)</sup>

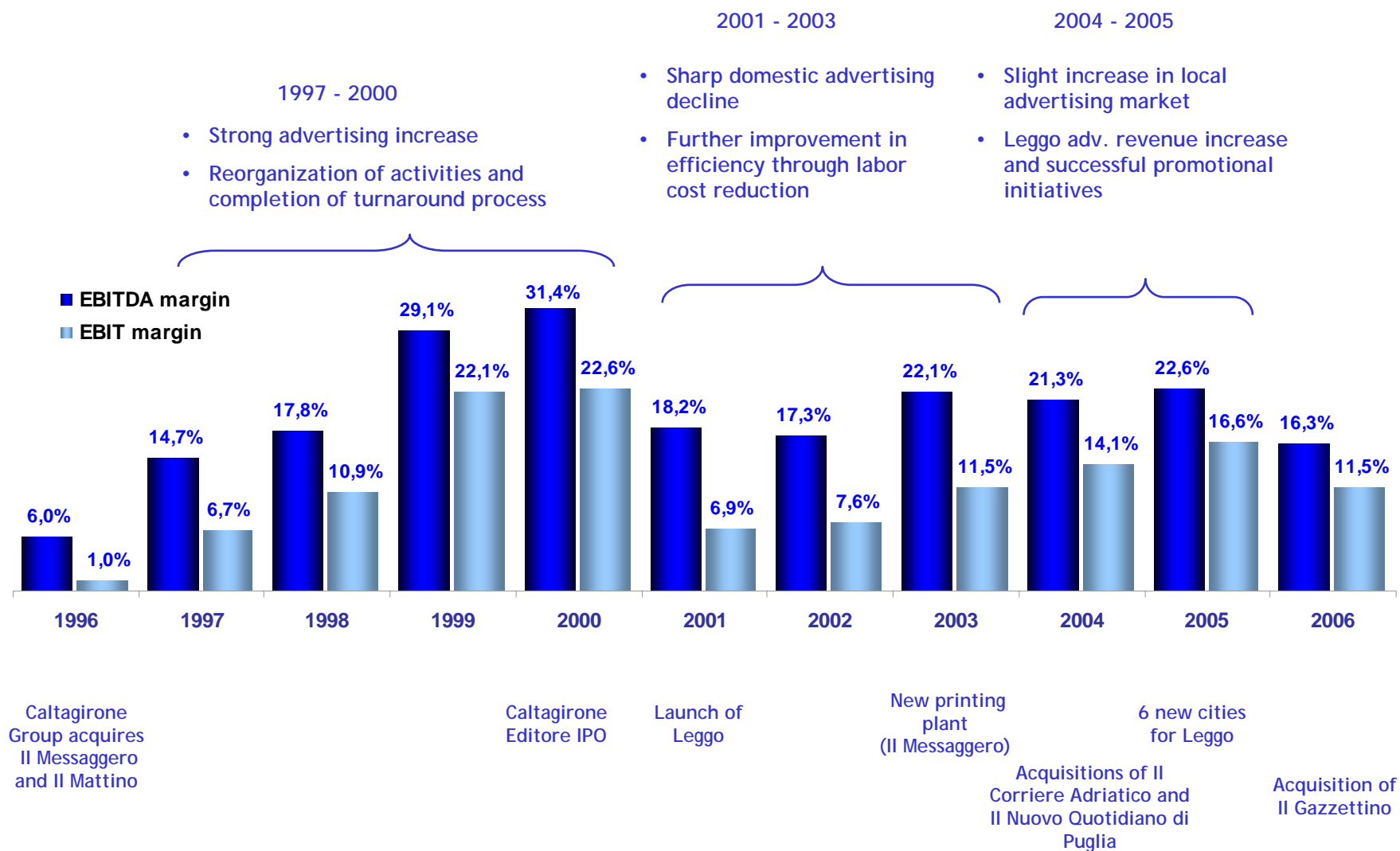


(1) Source: Audipress 2006/II



## Financial highlights

# Profitability over time

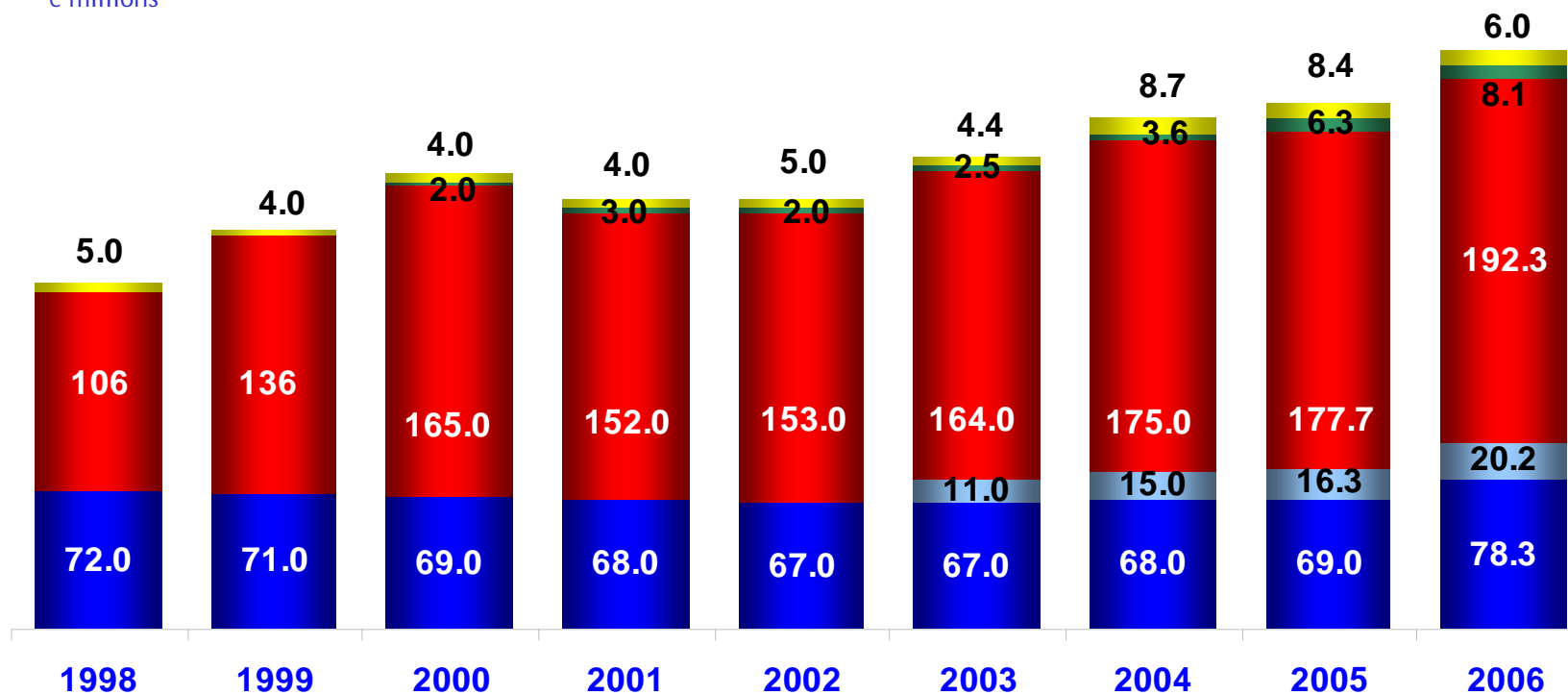


# Financial highlights

Advertising is the main revenue driver

■ Circulation ■ Promotions ■ Advertising ■ Internet & Services ■ Others

€ millions



# Financial highlights: full year 2006

<i>Euro thousands</i>	2006 <sup>(1)</sup>	SEP Group	2006	2005	Δ %
Circulation	83,842	14,608	98,450	85,231	15.5%
Advertising	178,412	13,821	192,233	177,692	8.2%
Services	8,101	1	8,102	6,269	29.2%
Other revenues	5,228	723	5,951	8,437	-29.5%
<b>Total revenues</b>	<b>275,583</b>	<b>29,153</b>	<b>304,736</b>	<b>277,629</b>	<b>9.8%</b>
Raw materials	(30,593)	(3,865)	(34,458)	(28,148)	22.4%
Personnel	(86,135)	(12,930)	(99,065)	(85,611)	15.7%
Services	(95,637)	(10,462)	(106,099)	(89,924)	18.0%
Use of third-party assets	(8,133)	(473)	(8,606)	(7,771)	10.7%
Other costs	(2,891)	(740)	(3,631)	(2,103)	72.7%
Other operating costs (2)	(2,497)	(655)	(3,152)	(1,396)	125.8%
<b>Ebitda</b>	<b>49,697</b>	<b>28</b>	<b>49,795</b>	<b>62,676</b>	<b>-20.7%</b>
D & A	(7,832)	(1,202)	(9,034)	(10,405)	-13.2%
Other (costs)/revenues	(4,788)	(874)	(5,662)	(6,238)	-9.2%
<b>Ebit</b>	<b>37,077</b>	<b>(2,048)</b>	<b>35,029</b>	<b>46,033</b>	<b>-23.9%</b>
Financial income	16,120	50	16,170	78,769	-79.5%
Financial charges	(8,569)	(182)	(8,751)	(3,740)	134.0%
<b>Financial result</b>	<b>7,551</b>	<b>(132)</b>	<b>7,419</b>	<b>75,029</b>	<b>-90.1%</b>
<b>Pre-tax profit</b>	<b>44,628</b>	<b>(2,180)</b>	<b>42,448</b>	<b>121,062</b>	<b>-64.9%</b>
Taxes	(8,788)	(416)	(9,204)	(26,495)	-65.3%
<b>Profit before minorities</b>	<b>35,840</b>	<b>(2,596)</b>	<b>33,244</b>	<b>94,567</b>	<b>-64.3%</b>
Minorities	(1,121)	7	(1,114)	(260)	328.5%
<b>Group net profit</b>	<b>34,719</b>	<b>(2,589)</b>	<b>32,130</b>	<b>94,307</b>	<b>-65.9%</b>

□ Revenues improved thanks to “Il Gazzettino” consolidation since H2 2006

□ Main newspapers cover price was increased to 1 Euro from December the 1st 2006

□ EBITDA suffered from the discontinued of state grants to the press industry (€ 1.8m), paper international price and other operating costs increase

□ The Group expects personnel restructuring costs of around € 2.9m due to 80 redundancies, which should generate savings of around € 5.3 m from 2008

□ 2005 financial result benefited from gains realized on the disposal of stakes in Rcs Media Group and BNL



# Financial highlights: full year 2006

## Circulation revenues

<i>(Euro thousands)</i>	2006	2005	Δ %
Circulation	78,266	68,968	13.5%
Promotions	20,184	16,263	24.1%
• Il Messaggero	12,478	10,390	20.1%
• Il Mattino	4,053	4,795	-15.5%
• Corriere Adriatico	942	816	15.4%
• Quotidiano di Puglia	217	262	-17.2%
• Il Gazzettino	2,494	-	n.a.
<b>Total</b>	<b>98,450</b>	<b>85,231</b>	<b>15.5%</b>

## Advertising revenues

<i>(Euro thousands)</i>	2006	2005	Δ %
• Il Messaggero	100,489	102,733	-2.2%
• Il Mattino	38,213	37,808	1.1%
• Leggo	24,692	23,539	4.9%
• Quotidiano di Puglia	6,902	6,851	0.7%
• Corriere Adriatico	5,316	3,754	41.6%
• Il Gazzettino	13,821	-	n.A
• Others	2,800	3,007	-6.9%
<b>Total</b>	<b>192,233</b>	<b>177,692</b>	<b>8.2%</b>

# Financial highlights: full year 2006

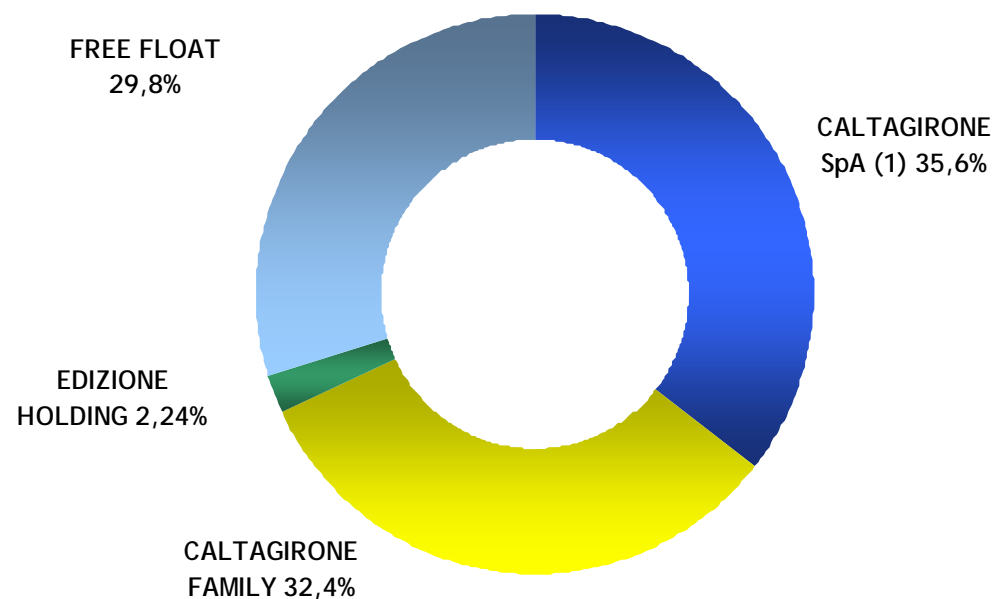
## Net Financial Position on December 31st, 2006



(1) Including extraordinary capex of around € 9 millions



## Main shareholders



N° of ordinary shares: 125,000,000  
Market capitalization: € 810 millions <sup>(2)</sup>

(1) Indirectly through Edigolfo spa

(2) As of May 18, 2007

- Caltagirone Spa is a holding company which controls three different subsidiaries active in the cement, media and construction industries
- 2006 consolidated sales achieved around € 1.5 bn
- The Group structure is the following:



(a) Mkt cap is based on prices at May 18th, 2007

(b) Of which 54.1% directly and 12.6% through Capitolium Spa (100% controlled company)

(c) Of which 50.0% directly and 6.4% through Capitolium Spa. Other companies of the Group own another 7.7%

(d) Through Edigolfo spa. The Caltagirone Family owns directly and/or indirectly another 32% of Caltagirone Editore SpA



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