

Media Commerce



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**Star Company Presentations**  
London 2005  
13-14 October

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- ***Dmail today***
- ***Group activities***
- ***Results at 30 June 2005***
- ***Activities underway***
- ***Foreseeable future business developments***



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## **DMAIL Today**

### *Dmail today:*

- Is a holding company active in local media and media commerce;
- Includes a network of 23 companies with 184 employees;
- Offers strategic, centralized services for business development, communication, administration, ordinary and extraordinary financial transactions and control.

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### **Dmail**

- Multi-channel and tele-sales of “useful and unique solutions”;
- Catalogue, call centers, internet, stores;
- 1 million customers;
- Outsourcing of all direct marketing processes;
- Italy, Portugal, Switzerland, Rumania;
- China.

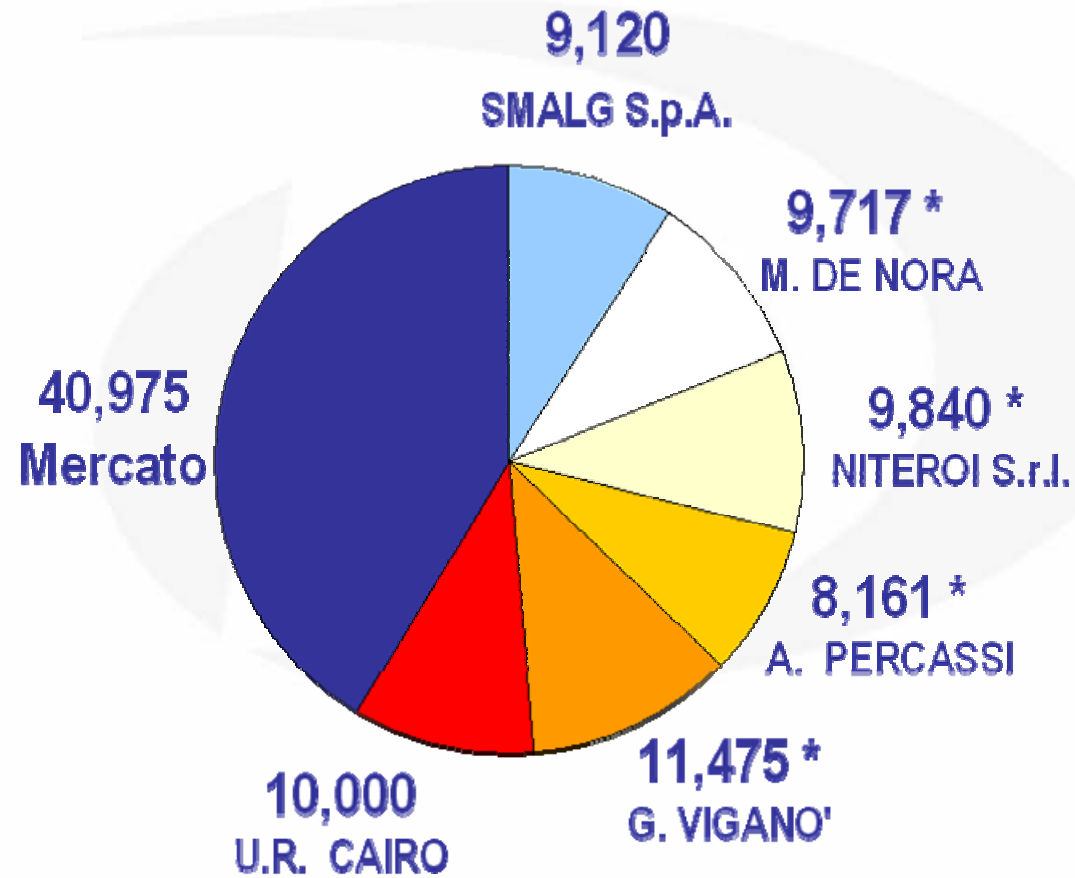
### **CAT**

- “Traditional” sales of consumer electronics and small domestic electrical appliances;
- China.



## **Local Media Area**

- Netweek, the first circuit of local weeklies in Lombardy that includes 15 newspapers;
- circulation of 190,000 copies weekly;
- 650,000 readers per week;
- Outsourcing of publishing services and products.



\* Shareholders' Agreement (37.97 %) expiring on 30 June 2007



## The Dmail Group's Stock (DMA.MI)



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	30/06/2004	30/09/2005	Change
Price	2,90	9,395	224
Average volumes	28.000	116.000	314,3
N. of shares	6.450.000	7.650.000	18,6
Capitalization	18,7	71,9	284,5
Share capital	12,9	15,3	18,6
Net equity	22,8	33 *	44,7
ROE	0,82	2,17 *	164,6

\* at 30/06/2005

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**Dmail Group**  
s.p.a.

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**Dmail Group**  
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**Group activities**  
From 30 June 2004  
through 30 June 2005

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## **Dmail Group** S.p.A.

- New shareholders
- PTB
- Settlement of Gidienne Stampa litigation
- Capital increase to complete asset transfer
- Sale of minority stakes in local media
- Buy Back approval
- Structuring of the holding and opening of Milan office
- Improved communications and Investor Relations
- Merger of Dmail S.r.l./Dmail Store S.r.l./ DMC S.r.l.
- Opening in Rumania
- DocData N.V. agreement
- Cairo Communications S.p.A. operation
- New multimedia IT systems for local media
- New headquarters for Local Media division
- Merger of Local Medias Editrice Lecchese-Editrice Lariana
- Acquisition of "La Gazzetta della Martesana"
- Sale of E.mail.it S.r.l.
- Sale of Galassia S.r.l.
- Sale of Promotion Services S.r.l.
- Tax structure optimization

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# Results at 30 June 2005





## IMPACT OF IAS/IFRS IMPLEMENTATION

### Consolidated Income Statement at 31 December 2004

	Year 2004 Italian GAAP	Year 2004 IAS/IFRS	Change
Revenues	45.203	45.179	(24)
EBITDA	4.162	4.085	(77)
Amortization, depreciation and write- downs	(4.292)	(1.615)	2.677
EBIT	(130)	2.470	2.600
Pre-tax profit/(loss)	(544)	2.080	2.624

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## IMPACT OF IAS/IFRS IMPLEMENTATION

### Consolidated Balance Sheet at 31 December 2004

	Year 2004 Italian GAAP	Year 2004 IAS/IFRS	Change
Total non current assets	20.044	27.704	7.660
Total current assets	22.876	22.690	(186)
Total assets sold/ destined to be sold	0	186	186
Total assets	42.920	50.580	7.660
Net assets	24.061	26.150	2.089
Non current liabilities	5.075	5.086	11
Current liabilities	13.784	19.344	5.560
Total liabilities	42.920	50.580	7.660

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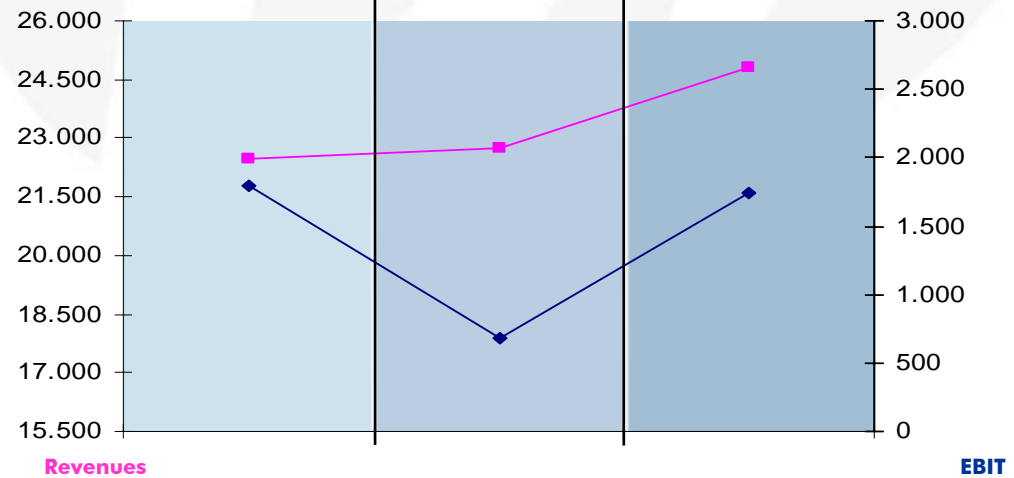


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## Consolidated Income Statement DMAIL GROUP

	1H 2004	2H 2004	1H 2005	Change
Revenues	22.448	22.731	24.827	10,6
EBITDA	2.755	1.330	2.514	(8,7)
Amortization, depreciation and write-downs	(960)	(655)	(768)	(20,0)
EBIT	1.795	675	1.746	(2,7)
Pre-tax profit/(loss)	1.497	583	1.410	(5,8)



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## Consolidated Balance Sheet DMAIL GROUP

	06/30/2004	12/31/2004	06/30/2005	Change
Total current assets	22.359	27.704	31.277	12,9
Total non current assets	23.302	22.690	23.142	2,0
Total assets sold/to be sold	0	186	46	(75,3)
Total assets	45.661	50.580	54.465	7,7
Net assets	22.841	26.152	33.076	26,5
Non current liabilities	4.949	5.086	6.290	23,7
Current liabilities	17.871	19.344	15.099	(21,9)
Total liabilities	45.661	50.580	54.465	7,7



## Net Financial Position

	06/30/2004	12/31/2004	06/30/2005	Change
NFP	(3.572)	(791)	(2.042)	(42,8)
DIVIDEND	0	0	765	N.C.

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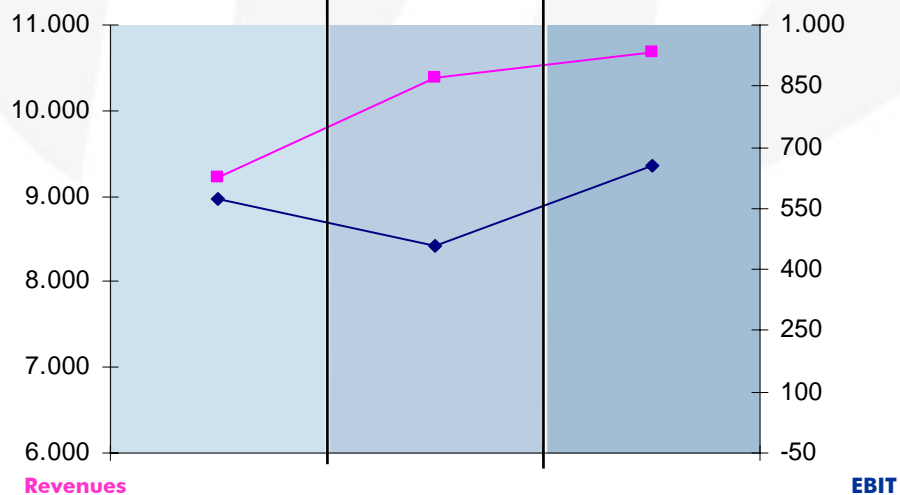


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## Income Statement / DMail Commerce Media Area

	1H 2004	2H 2004	1H 2005	Δ%	Margin
Revenues	9.218	10.393	10.676	15,8	
EBITDA	737	559	821	11,3	7,7
Amortization, depreciation and write-downs	(166)	(99)	(163)	1,7	1,5
EBIT	571	459	657	15,1	6,2
Pre-tax profit/(loss)	424	465	485	14,4	4,5





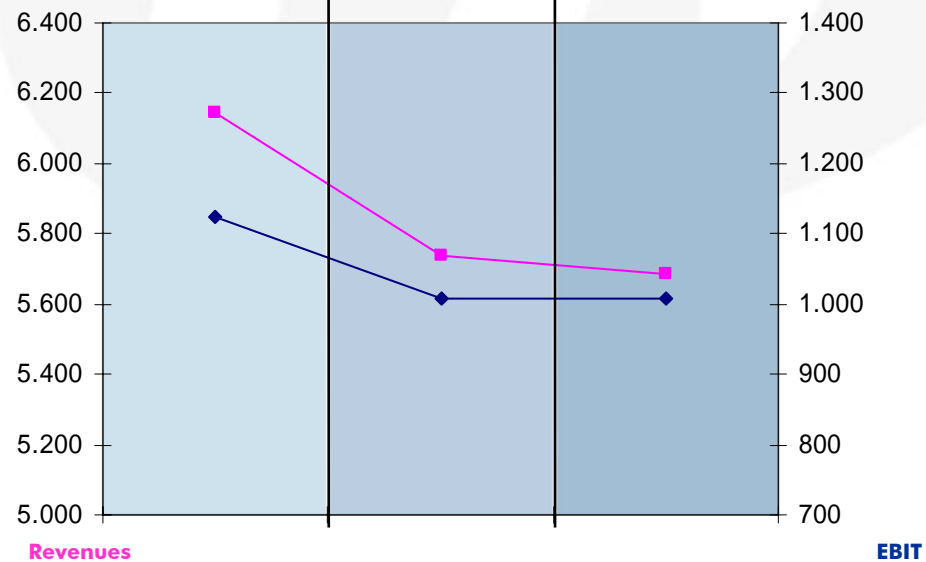
## Breakdown of revenues by DMail channel

Breakdown of revenues and other income by channel	30/06/2004	30/06/2005	Diff.	Diff. %	% of total
Internet	1.420	1.651	231	16,3	15,5
Mail	2.097	2.081	(16)	(0,8)	19,5
Call center	2.539	3.022	483	19,0	28,3
DOS	2.112	2.857	745	35,3	26,8
Outsourcing and other revenues	1.050	1.065	15	1,4	10,0
<b>Total</b>	<b>9.218</b>	<b>10.676</b>	<b>1.458</b>	<b>15,8</b>	<b>100,0</b>
Italy	7.536	8.969	1.434	19,0	84,0
Abroad	1.682	1.707	24	1,5	16,0
<b>Total</b>	<b>9.218</b>	<b>10.676</b>	<b>1.458</b>	<b>15,8</b>	<b>100,0</b>



## Income Statement / CAT Media Commerce Area

	1H 2004	2H 2004	1H 2005	Δ%	Margin
Revenues	6.144	5.737	5.686	(7,4)	
EBITDA	1.508	1.258	1.256	(16,8)	22,1
Amortization, depreciation and write-downs	(383)	(251)	(248)	(35,4)	4,4
EBIT	1.125	1.007	1.008	(10,4)	17,7
Pre-tax profit/(loss)	1.084	967	901	(16,9)	15,8





## Breakdown of revenues by CAT channel

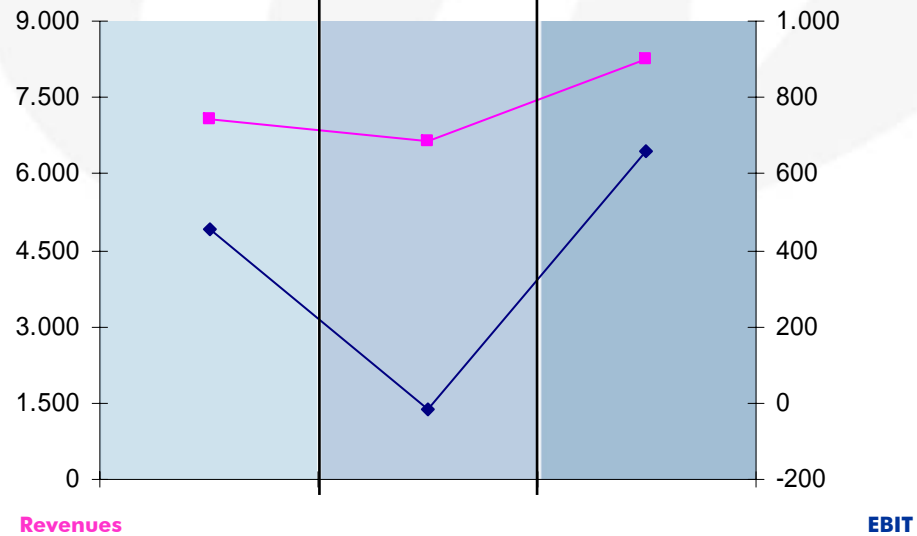
Breakdown of revenues and other income by channel	30/06/2004	30/06/2005	Diff.	Diff. %	% of total
Retail	3.758	2.957	(801)	(21,3)	52,0
Retail distribution	2.291	2.642	351	15,3	46,5
Outsourcing and other revenues	95	87	(8)	(8,4)	1,5
<b>Total</b>	<b>6.144</b>	<b>5.686</b>	<b>(458)</b>	<b>(7,4)</b>	<b>100,0</b>





## Income Statement / Local Media Area

	1H 2004	2H 2004	1H 2005	Δ%	Margin
Revenues	7.079	6.639	8.235	16,3	
EBITDA	731	324	982	34,2	11,9
Amortization, depreciation and write-downs	(265)	(342)	(324)	22,2	3,9
EBIT	457	(18)	658	44,1	8,00
Pre-tax profit/(loss)	302	(131)	522	72,8	6,3



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## Breakdown of revenues by channel

Breakdown of revenues and other income	30/06/2004	30/06/2005	Diff.	Diff. %	% of total
Revenues from publishing	2.140	2.259	119	5,6	27,4
Revenues from advertising, communication and marketing	4.006	4.321	315	7,9	52,5
Outsourcing and other revenues	933	1.655	722	77,4	20,1
<b>Total</b>	<b>7.079</b>	<b>8.235</b>	<b>1.156</b>	<b>16,3</b>	<b>100,0</b>



**Income Statement / LA MARTESANA**

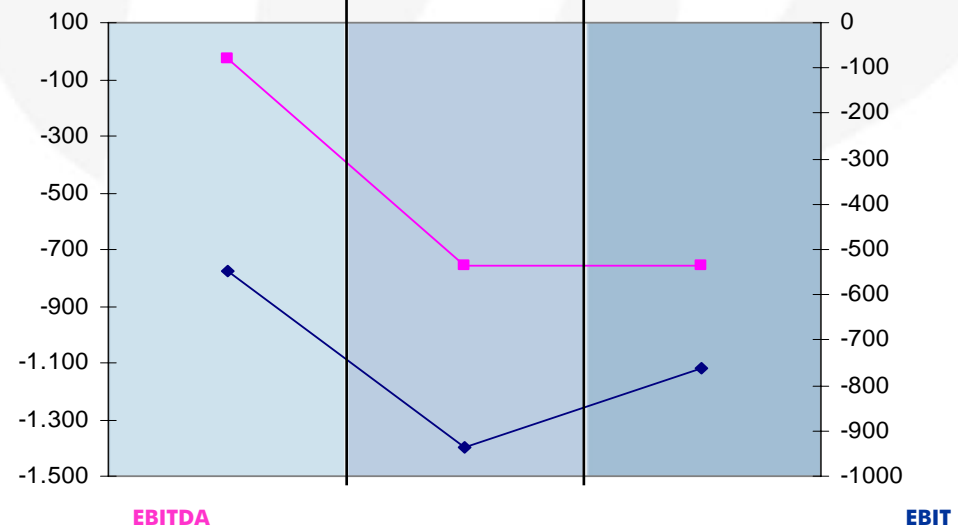
<b>Consolidated Publiet Srl + Editrice la Martesana Srl</b>	<b>06/30/2005</b>
Revenues and other operating income	983
EBITDA	206
EBIT	184
Pre-tax profit/(loss)	184
Employees	23
NFP	179
Net equity	177
Value of real estate assets	200

The two companies were purchased for an overall price of €1.2 million. Their respective asset values are consolidated as at 30 June 2005.



## DMAIL GROUP Income Statement

	1H 2004	2H 2004	1H 2005	Δ
Revenues	308	409	17	(291)
EBITDA	(30)	(760)	(760)	730
Amortization, depreciation and write-downs	(516)	(175)	(3)	(513)
EBIT	(546)	(935)	(763)	(217)
Pre-tax profit/(loss)	(500)	(214)	400	900



  
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## Impact of group activities

<b>COSTS / REVENUES</b>	<b>1H 2004</b>		<b>2H 2004</b>		<b>1H 2005</b>		<b>Δ%</b>
Consolidated non-recurring costs	221		884		303		37,1
Consolidated non-recurring revenues	173		256		456		163,6
Dmail Group S.p.A. operating costs	337		646		623		84,9
<b>EFFICIENCY</b>							
Total revenues	22.448		22.731		24.827		10,6
Dmail revenues	9.218		10.393		10.676		15,8
Dmail EBITDA	5.840	63,3%	6.559	63,1%	6.919	64,8%	18,5
CAT revenues	6.144		5.737		5.686		(7,4)
CAT EBITDA	3.290	53,5%	2.829	49,3%	2.982	52,4%	(9,4)
Local Media revenues	7.079		6.639		8.235		16,3
<b>EFFICIENCY</b>							
EBIT	1.795		675		1.746		(2,7)
Dmail Group S.p.A. operating costs	337		646		623		84,9
Total	2.341		1.610		2.509		7,2

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## Impact of group activities

<b>FINANCIAL POSITION</b>	<b>1H 2004</b>	<b>2H 2005</b>	<b>1H 2005</b>	<b>Δ%</b>
NFP	(3.572)	(791)	(2.042)	(42,8)
Net financial charges	297	92	336	13,1
<b>TAXATION</b>				
Taxes (Income Statement)	(531)	2.753	(628)	18,3
Tax credits (Balance Sheet)	198	3.949	3.803	N.C.
<b>BALANCE SHEET SOUNDNESS</b>				
Non current assets	22.359	27.704	31.277	39,9
Current assets	23.302	22.690	23.142	(0,7)
Non current liabilities	4.949	5.086	6.290	27,1
Current liabilities	17.871	19.344	15.099	(15,5)
Net equity	22.841	26.152	33.076	44,8
<b>ROE</b>				
Stock price (€)	2,9	5,45	7,98	175,2
Dividend (€)	0	0	0,10	N.C.

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**Activities underway**



## **Dmail Group** s.p.a.

- Valuation/sale of non core investments (APV Sr.l. e Brown Editore S.p.A.)
- Valuation/sale of real estate assets (20 cadastral units / 9 real properties / €8.3 million on the balance sheet / €2.1 million related debt)
- Merger D-Media Group S.p.A./Gidienne Stampa S.r.l.
- Performance of DocData N.V. Joint Venture.
- New Group IT management system
- Value of prior losses not booked in the financial statements
- Optimization of financial management
- Optimization of industrial synergies (within the Group/with the relevant shareholders)
- Development of D-Store S.r.l. activities
- Completion of corporate structure rationalization
- Completion of IAS/IFRS implementation
- Fine tuning of holding structure



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# **Dmail Group** s.p.a.

## **Foreseeable future business developments**



  
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## **Commerce Media Area**

### **Dmail**

- Development of new foreign markets for Dmail products
- Outsourcing of all direct marketing activities
- Expansion of retail sectors
- Development of new channels (through proprietary or third party channels)

### **CAT**

- Development of new sales channels (BtoB)
- Direct sales (BtoC)



## **Local Media Area**

- Expansion of territorial coverage (Lombardy / other regions)
- Multi-channel/multimedia sale of local information (BtoB/BtoC)
- Outsourcing of publishing services and sales (BtoB)

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**Thank you**

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**Dmail Group**  
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**Q. & A.**

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