

**EUROPEAN PUBLISHING MONITOR
ITALY**

**MEDIA GROUP TURKU SCHOOL OF ECONOMICS AND KEA
EUROPEAN AFFAIRS**

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1 INTRODUCTION

European Publishing Monitor is a 12 month project analysing the publishing industries in selected European countries. It is being undertaken on behalf of the European Commission's DG Information Society and Media by a team led by the Turku School of Economics and Business Administration (Media Group) in Finland with a substantial contribution from the KEA European Affairs in Belgium. The project will help the European Commission understand the challenges faced by the publishing industry in selected countries.

A *market analysis* will comprise qualitative and quantitative data covering market segmentations of all publishing sub-industries in each country chosen for economic and legal analysis. The market analysis will produce the quantitative analysis on production sales and consumption on publications nationally, where applicable to each sub-industry. The analysis will include the annual title production, sales and circulation data on publications. The data will be broken down by categories such as consumer and business to business, dailies, non-dailies, and free sheets, printed vs. electronic publishing, fiction, non-fiction, and education when the available national data provides for such subcategories. The production and consumption data will be adjusted to the national population.

The market analysis will also include the advertising market of the country with separate information on the development of the total advertising market and the development by media (inclusive of audiovisual and Internet).

The primary sources of data that will be used are European and national statistics on production and consumption of published media, National and international advertising statistics, and publications providing statistical information.

Circulation figures and sales revenues from both circulation and advertising demonstrate market trends, and can be linked to important economic and social trends that determine the market size for individual product types such as newspapers.

The industry structure analysis will provide a description and financial quantification of the newspaper publishing, magazine publishing, book publishing and directory publishing industries. The analysis will include the volume, number of firms and growth of operating income and employment, contribution to the national economy, the development of profitability of operations, the development of employee and real productivity. The figure for corporate turnover is a valid one for the analysis of competitiveness factors such as value-added, margins or employment costs. Although turnover is related to measures such as circulation and sales, it looks at the total firm and therefore includes revenues from other businesses that the firm might own.

The analysis will also include information of each country's major companies in respective industries. The major company analysis also includes a mapping of the ownership of these companies based on the latest published information. .

The major sources for the data for financial analysis are the Eurostat Newsrooms database and national statistical offices. Annual statements of individual companies will be used for the analysis of the major players and to supplement of the national statistical data.

We should also emphasise that the data collected by national statistical organisations, trade associations and others is intended to give a general picture rather than a firm basis for business decision-making, and this is how we have used it here. Any user of this report considering a business decision should use the data as a starting-point only, and would be advised to carry out their own detailed research, including field research if necessary. Similarly, the data can be used to identify areas where the EC may be interested in acting, but as before additional detailed research may be required to confirm the information and to determine the detailed causes of patterns or aberrations in the statistics.

Information on Italy's legal framework has been collected mainly through desk research by KEA – an internal check and verification has been made within KEA through review by senior lawyer Philippe Kern.

External control has been implemented through the assistance of Italy-based legal experts. One legal expert has been indicated by FEP and works for the Italian Federation of Book Publishers (AIE), one legal expert has been indicated by ENPA and works for the Italian Federation

of Newspapers Publishers (FIEG) and the third legal expert has been directly contacted by KEA within the Department of Italy's Government dealing with publishing and press.

The two experts indicated by FEP and ENPA reviewed the report prepared by KEA and provided useful suggestions and comments which have been integrated into the final draft. The ministerial expert was unable to respond to our query on time.

2 EXECUTIVE SUMMARY

According to Euro stat Newsrooms database the total number of publishing companies (newspaper, magazine and book publishing) in 2003 was approximately 5 700. Majority of them (57 %) were book publishers.

The total number of employees in the publishing industries in Italy was almost 34 000 in 2003. The growth of real employment costs has been eminent over the past years.

In 2003 the combined turn over of the publishing industries in Italy was close to 11 billion Euros. The combined reported value added was approximately 3, 4 billion Euros. The publishing industries' contribution to the GDP was 0, 26 per cent.

Newspaper publishing

Circulation of paid-for daily newspapers has been either static or slightly falling for some years. The total number of paid-for daily newspaper titles is quite stable in the long term. In Italy over 90 per cent of newspapers distribution is through single copy sales.

The percentage share of advertising revenue captured by newspapers is closely related to their circulation per thousand populations. In Italy the advertising markets are dominated by television and the share of newspaper advertising has been declining since the Millennium. Falling circulations accompanied with a fall in the share of advertising revenues is one of the major challenges of the newspapers in Italy.

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most EU Member States since 1995. In 2000 and 2001, this trend either reversed or flattened in many countries. Similar development took place in Italy too. Since year 2000 the share of advertising revenues has declined from 60 per cent to 41 per cent.

The total employment in the newspaper publishing industry is declining. At the same time the number of journalists in the newspaper publishing industry is rising. This could mean that newspaper publishers have outsourced part of their operations that are not directly related to content

creation. At the same time personnel costs per person employed have been increasing.

Total turn over of the newspaper publishing industry was rising until 2001 and has been declining after that. The average operating margin of the Italian newspaper publishing companies was 13, 2 per cent in 2003. Value added in real terms in the newspaper publishing industries shows a stable increasing trend between 1995 and 2003. In 2003 the newspaper publishing industry's value added in real terms was 1 252 million Euros and the contribution to the GDP was 0, 10 per cent.

Magazine and periodical publishing

The total number of magazine titles is has been declining steadily over the past few years. In 1995 the total number of consumer magazine titles was 975. By the year 2004 the number of consumer magazines was declined with 20 per cent to 782 titles. Three quarters of magazine distribution is through single copy sales.

The percentage share of advertising revenue captured by magazines has been either stable or declining since the early 1990's. In 2004 the share of magazine advertising was 15, 7 per cent. There has been a long-term trend towards increasing dependence on advertising rather than sales revenues in Italy since 1995. At the turn of the century this trend reversed. Since 1999 the share of advertising revenues has declined from 55 per cent to 26 per cent.

The total employment in the magazine publishing industry was declining until 2001. After that the total employment in the magazine publishing industry has been increasing. At the same time personnel costs per person employed have been increasing.

The change in turnover in the magazine publishing industry varied a great deal during 1996-2003. In 2003 the total turnover on of the magazine publishing industry declined 10 per cent. The average operating margin of the Italian magazine publishing companies was 9, 6 per cent in 2003. Value added in real terms in the magazine publishing industries shows a stable or slightly increasing trend between 1995 and 2003. In 2003 the magazine publishing industry's value added in real terms was 749 million Euros and the contribution to the GDP was 0, 06 per cent.

Book publishing

Number of published titles has been relatively stable during the last couple of years but the number of copies produced is declining. This means that average print run of a book declining. In 2003 the number of published titles was 54 650 and the number of copies produced over 249 million copies. In 2004 books published as first editions constituted 63,7 per cent of the total, reprinting accounted for 31,2 per cent, and subsequent editions totalled 5,1 per cent. The average printing run per book was 4 637 copies.

There is a clear upward trend in the total sales of books. In 2004 the value of book sales was 3, 8 billion euros. Most books (approximately 80 per cent) in Italy are sold through bookshops.

The number of book publishing companies is quite stable. In 2003 the total number book publishing companies was 3 264. The industry is very fragmented and majority of the book publishing companies are small. The average number of published titles per company per year is 16, 3 titles. Approximately 75 per cent of all published titles are published by the big book publishers.

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2001 the number of books in public libraries per capita is 0, 7. The intensity of the public use is measured by loans per capita. Number of loans per capita has been declining since 1997. In 2001 number of loans per in public libraries was 4, 1.

The number of people employed in the book publishing industry has been quite stable during the last five years. In 2003 the total number of employees in the book publishing industry was 13 382. Personnel costs per person employed in the book publishing industries show a rising trend.

The average operating margin in the book publishing industry was 15, 7 per cent in 2003. There is no clear upward or downward trend in development of profitability of the book publishing industry in Italy. In 2003 the book publishing industry's value added in real terms was 1 381 million Euros and the contribution to the GDP was 0, 11 per cent.

3 NEWSPAPER PUBLISHING

3.1 Market analysis

3.1.1 Definition of the sector

Several terms are used within the report with very specific meaning to define sub-sectors of the industry. It is essential for any understanding of the report that the definitions used for these sub-sectors are also understood. These definitions follow the NACE data collection categorisation used by Eurostat (which makes the definitions effectively immutable from the point of view of reporting on the newspaper sector at the European level). Category 22.12 covers newspaper publishing. Newspapers are categorised under four categories:

Daily newspapers include those published between four and seven times each week.

- National newspapers are available throughout a country, but are not always high in circulation: in some countries, the leading regional papers can sell more than some national papers.
- Regional daily newspapers are a significant force in several European countries. For example in Italy they have larger combined circulations than the national papers. They are usually supported by extensive classified advertising as well as income from circulation.

The definition of "regional" can vary and in some cases a "regional" paper might serve a very small market and be considered as "local" rather than "regional." For the purposes of this report, such differences are disregarded in the statistical information. Although there is a large number of such papers, some are little more than differently-labelled editions of the same newspaper, perhaps with slightly different local content.

Non-daily newspapers are, for the most part, weekly local papers, with strong classified advertising content as well as local news. They are published between one and three times a week.

The term “free sheets” covers a diverse category of newspapers. It includes weekly local free newspapers of the type published widely as advertising-based "shopping papers", as well as daily "commuter" newspapers such as the Metro newspapers published in several European cities and often distributed at transport nodes. The business models and performance indicators for these categories are very different, and the category could usefully be split into two (daily free sheets and weekly free sheets) to make it more useful in future.

Some European markets (notably Italy, France and Spain) sustain newspapers dedicated to sport. These have been classified with daily or weekly papers according to frequency.

3.1.2 Circulation related measures

The total circulation of daily newspapers was approximately 5,7 million copies in year 2004. The total circulation of daily papers has declined 5,5 per cent between since year 2000. In year 2004 there was a minor increase in the total circulation of daily newspapers. The development of circulation has been very different for national and regional newspapers. Between years 2000 and 2004 the total circulation of paid-for daily national newspapers was increased by 1,9 per cent. At the same time the total circulation of regional and local paid-for dailies were decreased by 16,8 per cent.

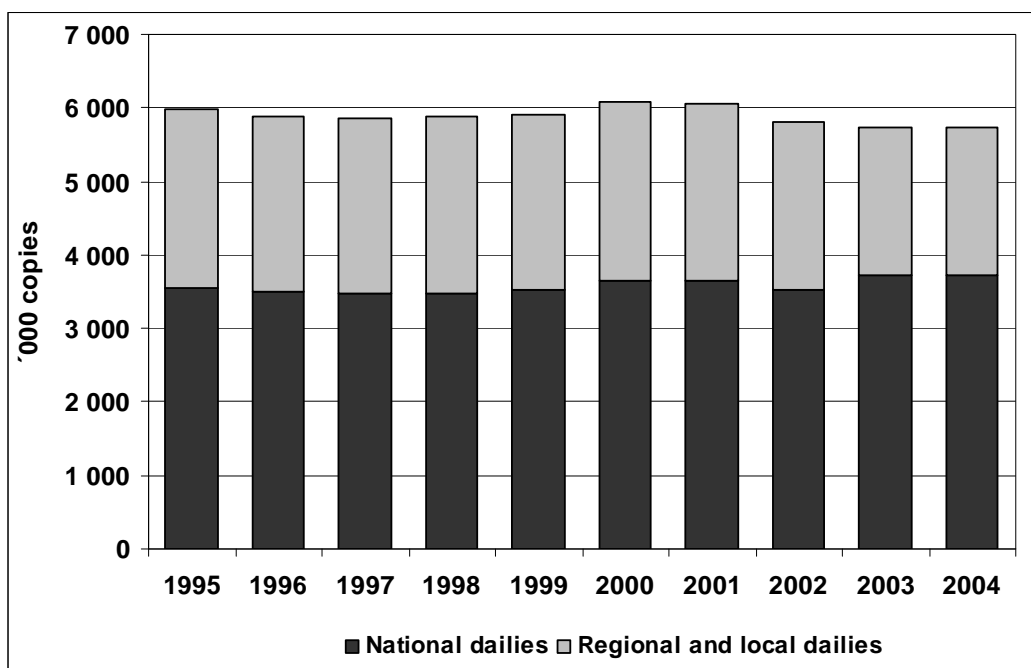


Figure 1 Total circulation of paid-for daily newspapers 1995 to 2004 (Source: Dati & Tariffe, information based only on members of FIEG)

The total circulation of free dailies was 1,6 million copies year 2004. The total circulation of free daily papers grew rapidly after they were launched to the Italian market in the late 1990's. For the last couple of years the total circulation of free daily dailies has been declining.

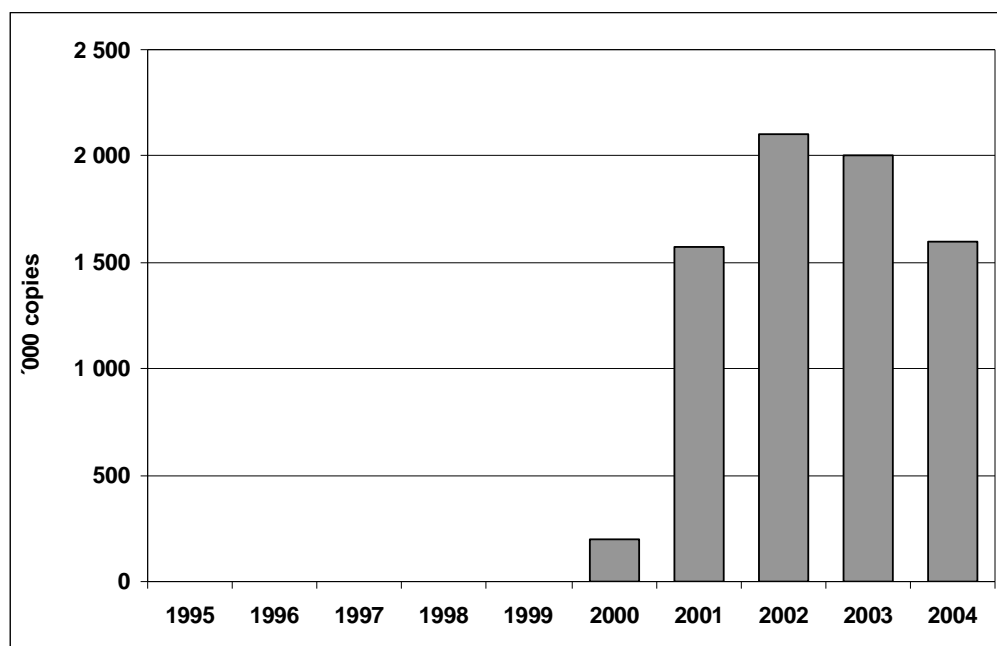


Figure 2 Total circulation of free daily newspapers 1995 to 2004 (Source: Dati & Tariffe, information based only on members of FIEG and FIEG based on Communications Regulatory Authority AGCOM data)

The number of newspaper readers per 1000 population is an important factor in terms of both revenue generated from selling newspapers and their ability to command advertising revenue. There is a relationship between daily circulation per 1000 population and the share of total advertising revenue taken by newspapers. The circulation of paid-for daily newspapers per 1000 population has been declining since the Millennium. In year 2000 the circulation per 1000 population was 106 copies. By the year 2004 the circulation per 1000 population had dropped to 99 copies.

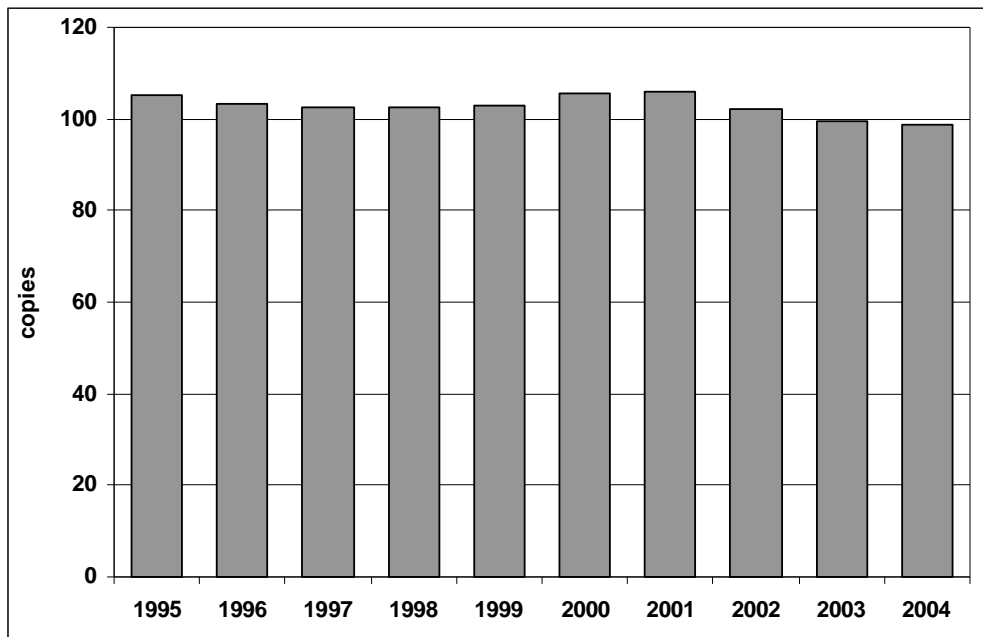


Figure 3 Circulation of paid-for dailies per 1000 population (Source: World Press Trends and Statistics Finland, World in Figures)

The average circulation of daily newspapers has been declining for four years. In year 2001 the average circulation of a daily newspaper was 69 000 copies. By the year 2004 the average circulation had declined to 63 000 copies.

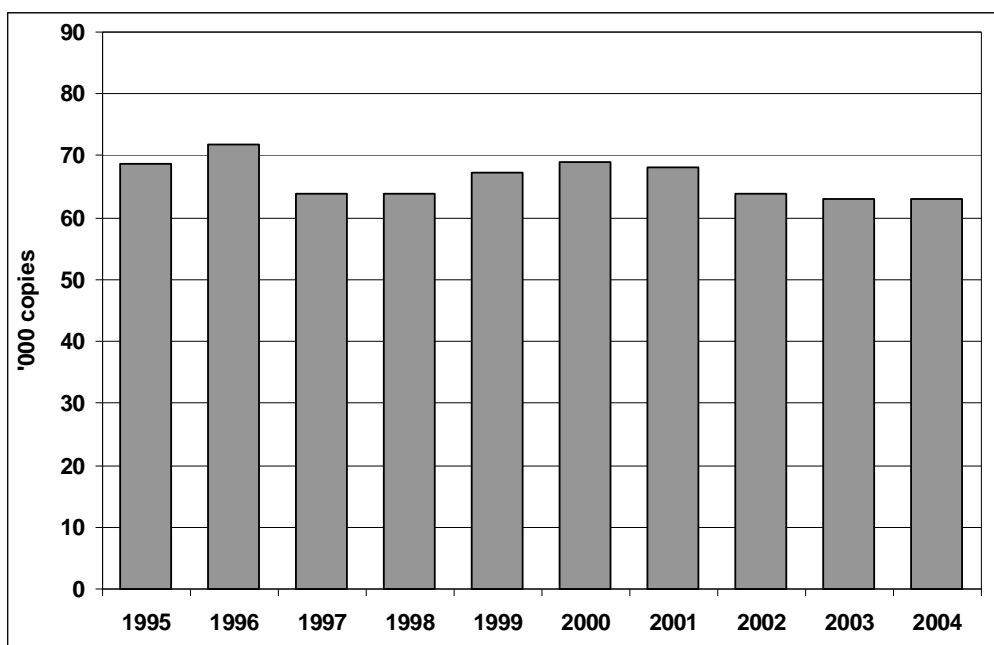


Figure 4 Average circulation of paid-for daily newspapers 1995 to 2004 (Source: World Press Trends)

The total annual sales of an individual newspaper are calculated by multiplying circulation with annual number of issues. The total annual

sales of newspapers are calculated by adding up individual newspapers total annual sales. The total annual sales volume of paid-for daily newspapers was approximately 2, 9 billion copies in year 2004. The total annual sales volume of paid-for daily newspapers has declined 3, 2 per cent in since year 2000. In year 2004 there was a minor increase in the annual sales volume of paid-for daily newspapers. Due the development of circulation the development of the annual sales volume has been very different for national and regional paid-for newspapers. Between years 2000 and 2004 the total circulation on paid-for daily national newspapers was increased by 4, 5 per cent. At the same time the annual sales volume of paid-for regional and local dailies were decreased by 14, 6 per cent. The total annual sales volume of free dailies was 500 million copies in year 2004. For the last couple of years the total annual sales volume of free daily dailies has been stable.

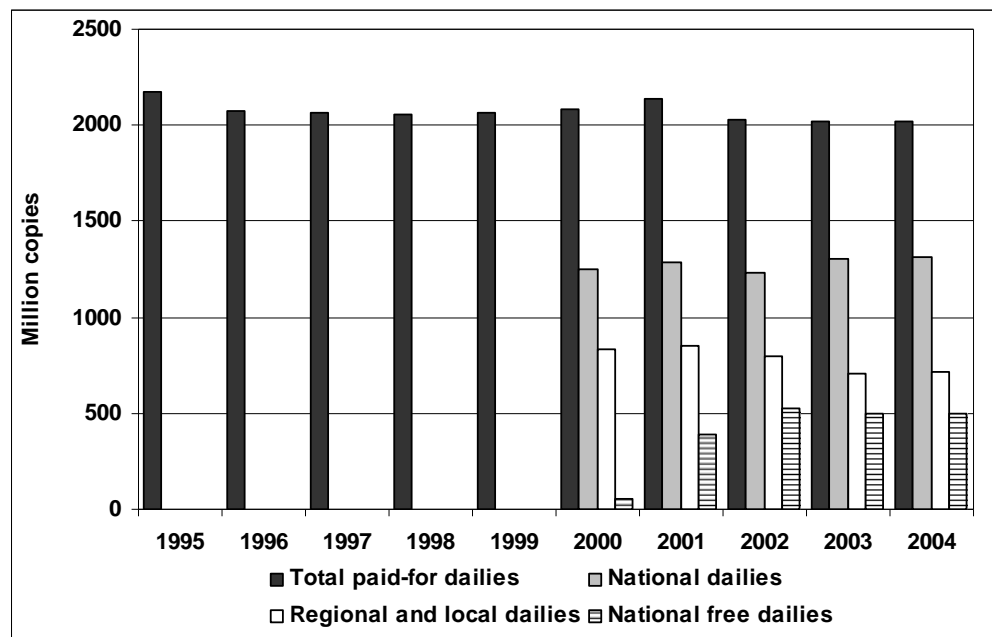


Figure 5 Total annual sales of daily newspapers and free sheets 1995 to 2004, millions of copies (Source: World Press Trends based on Dati & Tariffe data)

3.1.3 Number of titles published

The number of titles published has not changed significantly over the last decade and number of dailies has been close to 90 titles. In year 2004 there was three daily free newspapers.

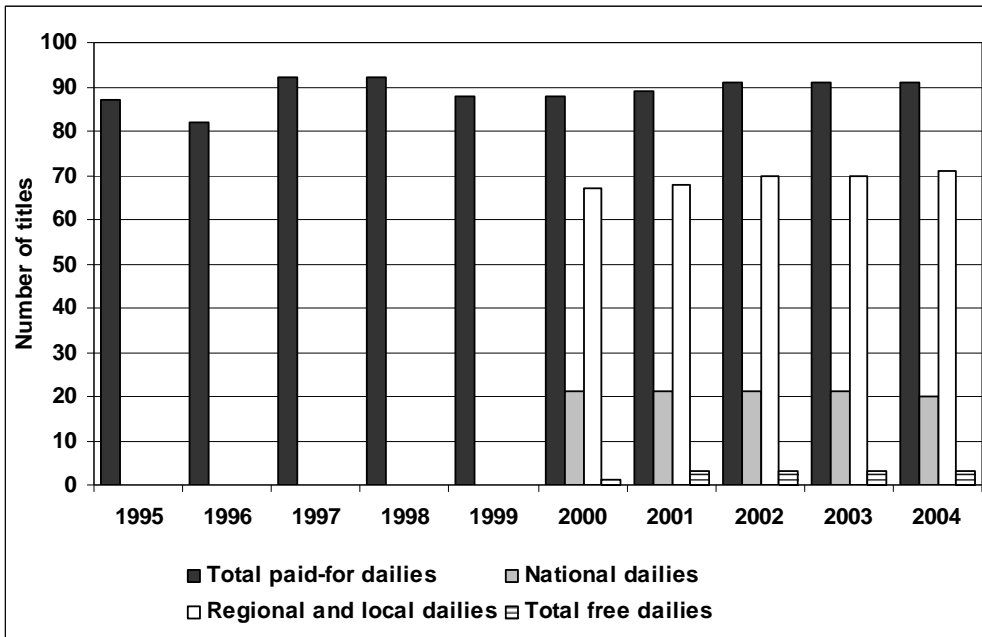


Figure 6 Number of daily newspaper and free sheet titles 1995 to 2004 (Source: World Press Trends)

The number of titles published per million populations gives a general indication of the intensity of competition for market share. The smaller countries have a higher density of titles per million populations. In Italy the number of titles published per million populations is low. In year 2004 the number of titles published per million populations was only 1,6.

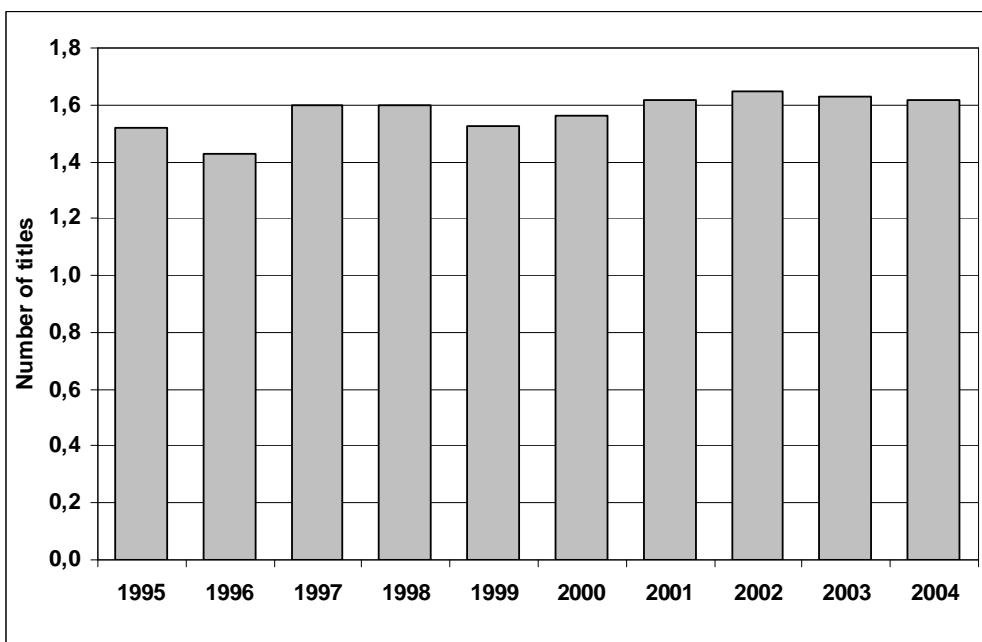


Figure 7 Number of paid-for daily newspaper titles per million populations 1995 to 2004 (Source: World Press Trends and Statistics Finland, World in Figures)

The number of titles published can be assessed according to area. A higher number of titles may be an indication of intensity of competition among the regional press and that in urban centres. Newspapers which operate in countries with a high ratio of titles to area are likely to encounter more competitive conditions. In Italy the number of titles published per 1000 km² is low. In year 2004 the number of titles published per 1000 km² populations was only 0, 3.

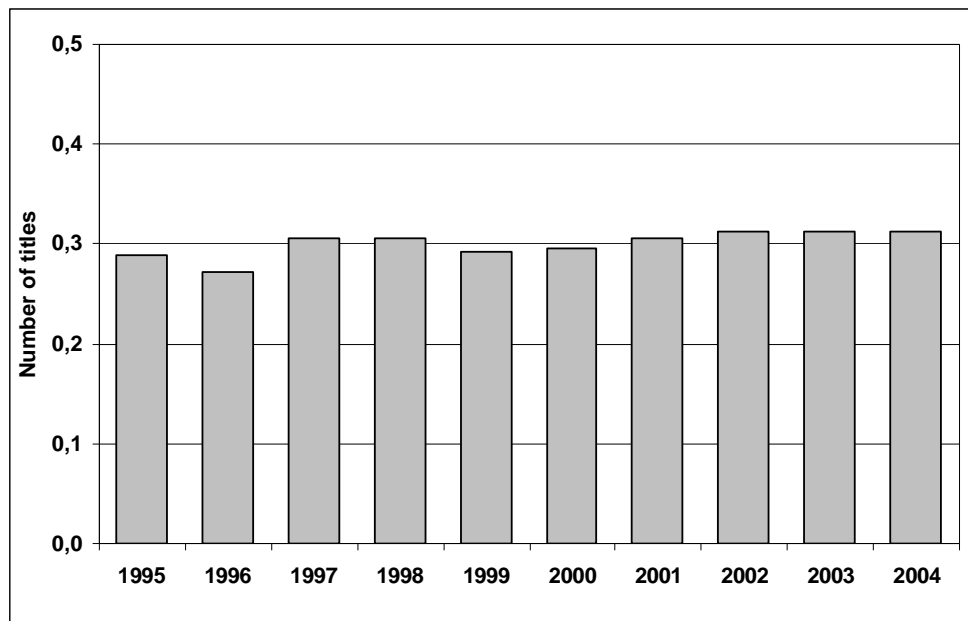


Figure 8 Number of paid-for daily newspaper titles per 1000 km² 1995 to 2004 (Source: World Press Trends and Statistics Finland, World in Figures)

There are large variations in the way newspapers are distributed to consumers in the European Union. In the Northern European nations most newspapers are paid-for by subscription and delivered to readers' homes by postal service. In Southern member states and in UK the distribution is mainly through single copy sales. In Italy over 90 per cent of newspapers distribution is through single copy sales.

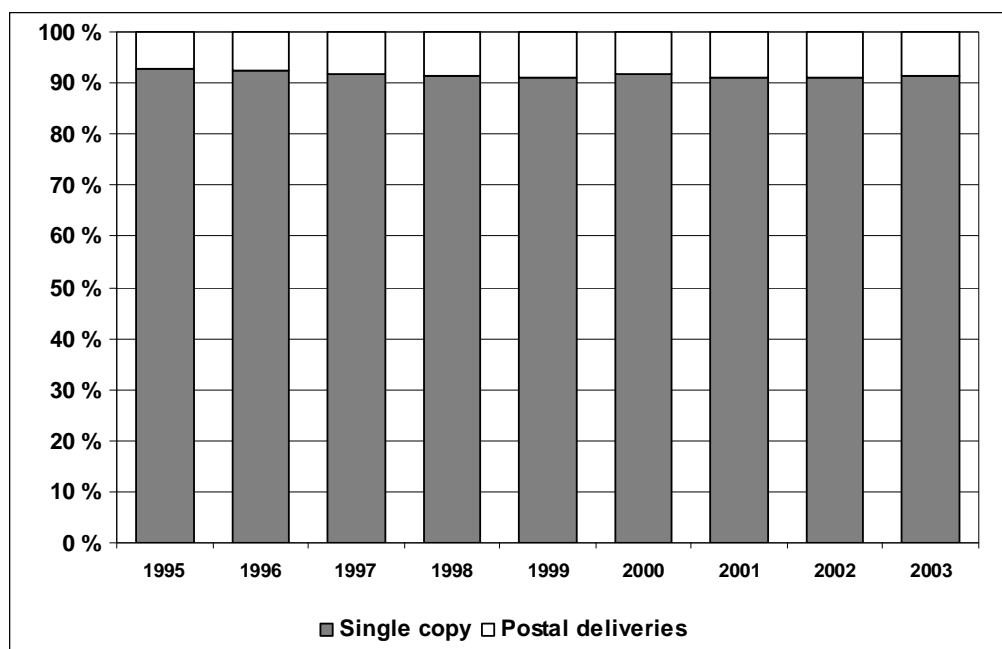


Figure 9 Type of newspaper sales (Source: World Press Trends 2005)

Table 1 Top 20 newspapers in Italy based on circulation in year 2004 (Source: Accertamenti Diffusione Stampa)

Rank	Newspaper	Circulation
1.	Corriere della Sera	677 542
2.	La Repubblica	625 381
3.	La Gazzetta dello Sport	405 971
4.	Il Sole 24 Ore	373 723
5.	La Stampa	345 060
6.	Il Messaggero	240 778
7.	Corriere dello Sport	235 972
8.	Il Giornale	208 407
9.	Il Resto del Carlino	176 277
10.	La Nazione	144 463
11.	Tuttosport	123 921
12.	Il Secolo XIX	110 586
13.	Il Gazzettino	109 594
14.	Avvenire	97 934
15.	Il Mattino	87 777
16.	Il Tirreno	85 786
17.	Italia Oggi	79 384
18.	Il Giorno	75 601
19.	Giornale di Sicilia	67 216
20.	L'Unione Sarda	66 700

The Internet was introduced in the mid 1990's and Italian dailies moved quite rapidly to the Internet. By the year 2000 all daily newspaper had an online edition.

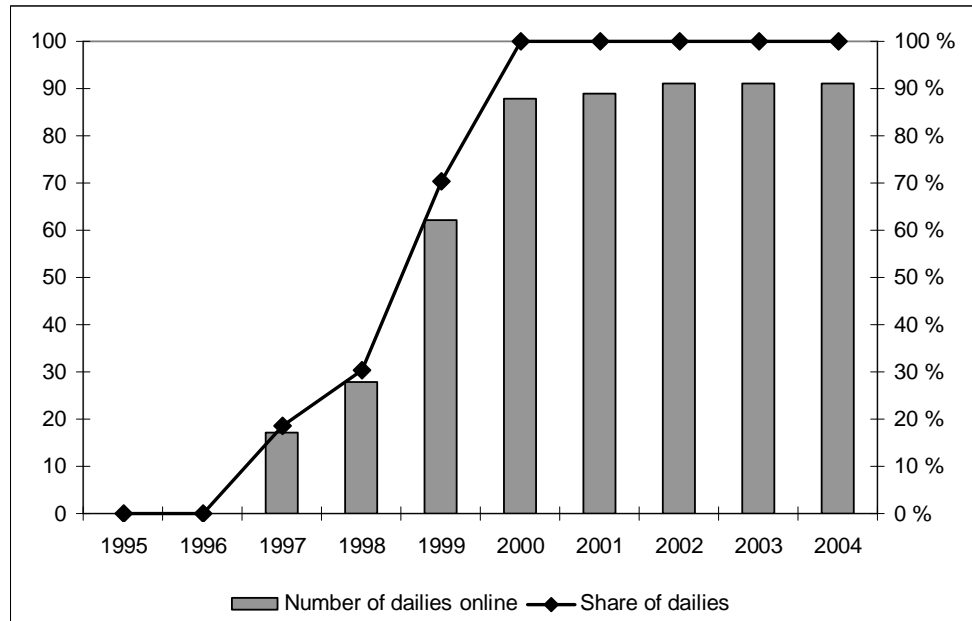


Figure 10 Number of daily newspapers online 1995 to 2004 (Source: World Press Trends)

3.1.4 Revenue related measures

In year 2000 newspaper advertising was almost 2 010 million euros (constant 2000 prices). After that it has been declining and in year 2004 newspaper advertising was 1 556 million euros (constant 2000 prices). This means that the value of newspaper advertising has diminished over 20 percent in five years.

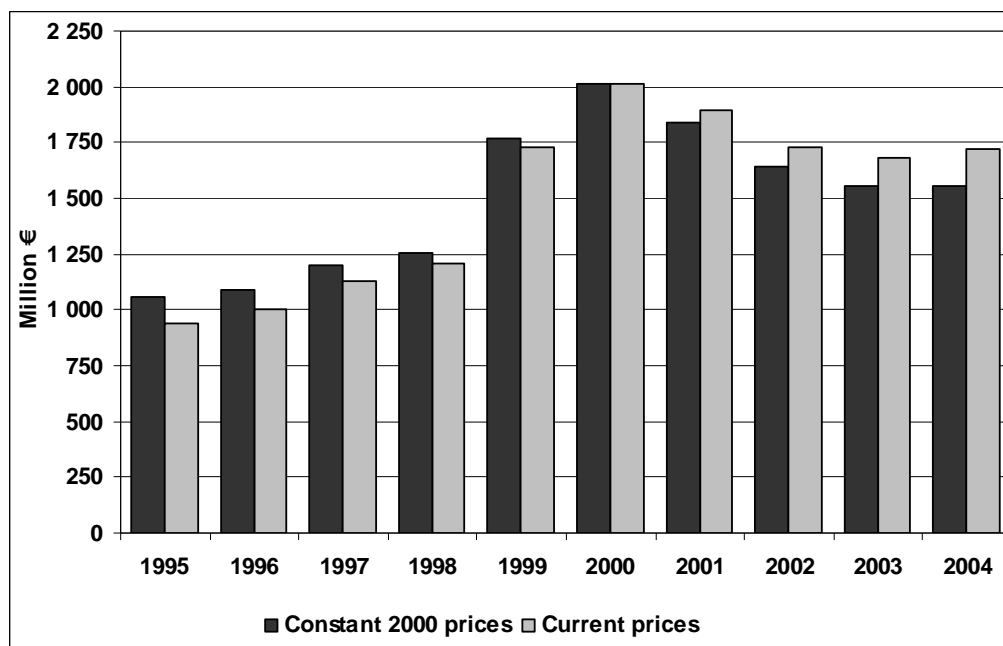


Figure 11 Newspaper advertising 1995 to 2004 (Source: World Advertising Trends 2005 based on Nielsen Media Research: European Advertising and Media Forecast 2005, WARC)

The share of advertising revenue is closely related to the number of copies circulated per thousand populations. The newspapers in countries where circulation per thousand is high tend to command a higher percentage share of the total advertising market. In other low-ranked countries such as Italy, where newspapers attain a 21 per cent market share, they are usually competing with commercial television stations in particular. Advertising growth in the newspaper industry fell slightly behind growth in advertising overall. This means that newspapers are losing share to other media.

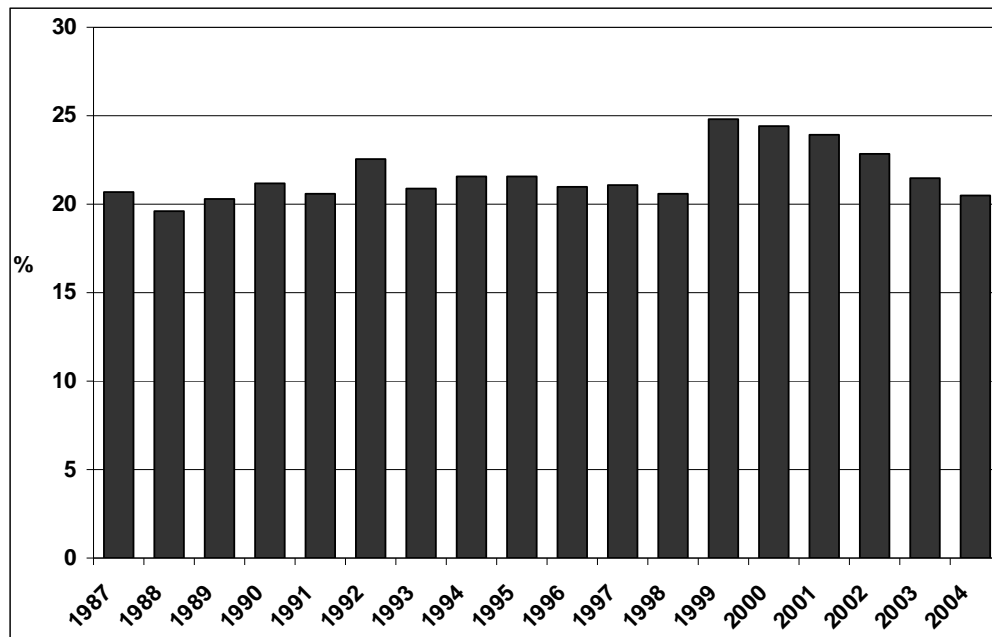


Figure 12 Share of newspaper advertising of total advertising (Source: World Advertising Trends 2005 based on Nielsen Media Research: European Advertising and Media Forecast 2005, WARC)

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most EU Member States since 1995. In 2000 and 2001, this trend either reversed or flattened in many countries. Similar development took place in Italy too. Since year 2000 the share of advertising revenues has declined from 60 per cent to 41 per cent.

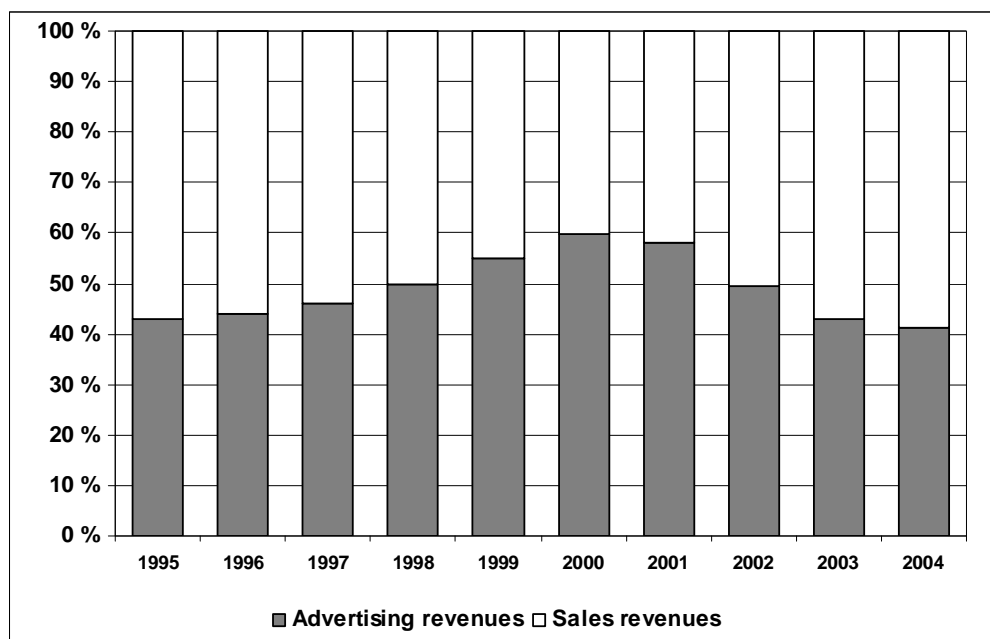


Figure 13 Revenue split between advertising and sales revenues (Source: World Press Trends 2005 based on Osservatorio FCB-FIEG)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will create a gradually bigger market. This has been the case in Italy until 2001.

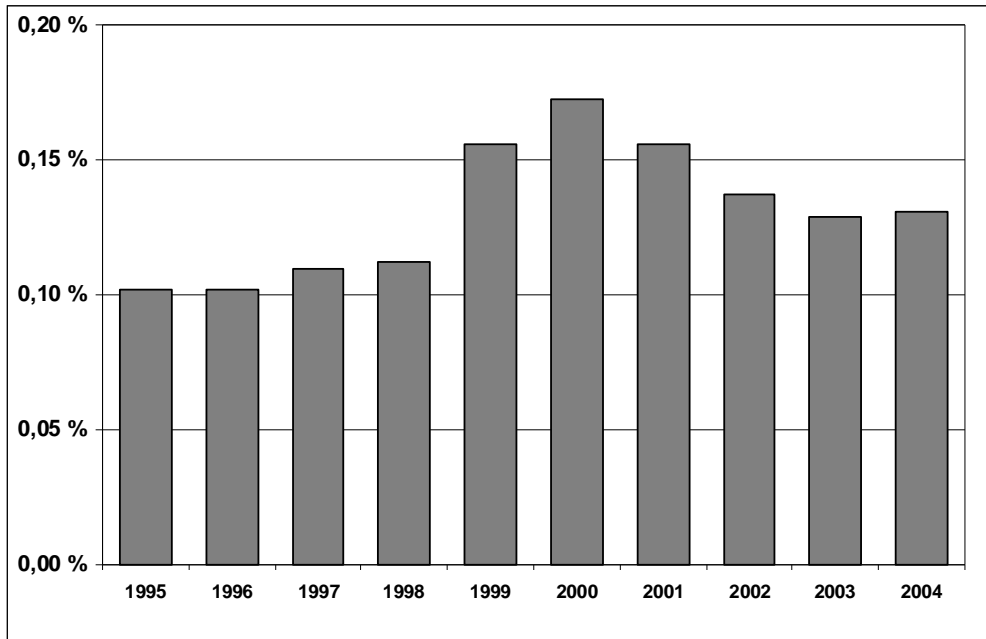


Figure 14 Newspaper advertising per GDP (Source: World Advertising Trends)

3.2 Industry structure analysis

3.2.1 Number of companies

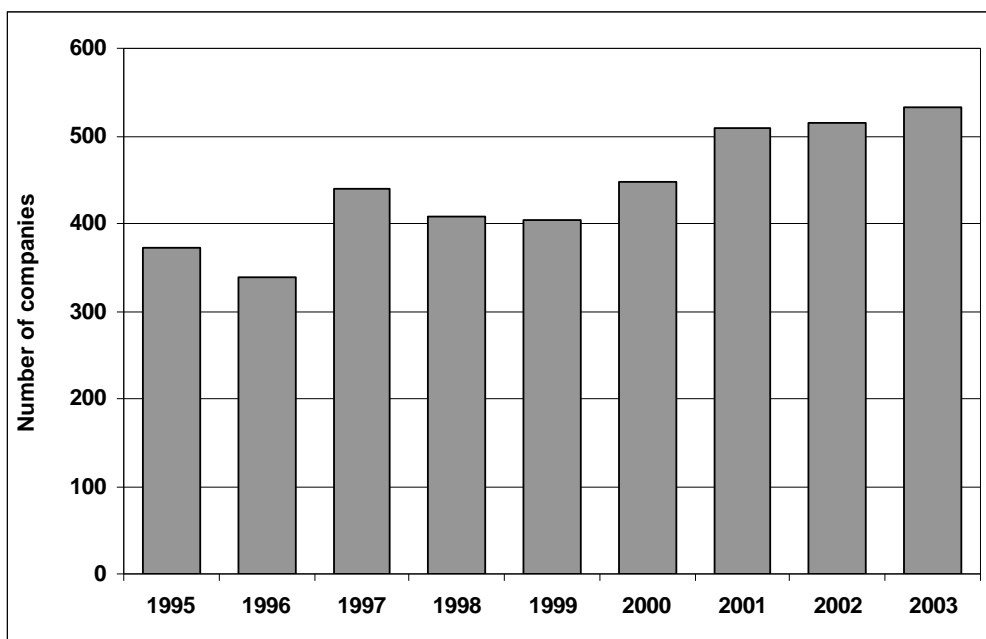


Figure 15 Number of newspaper publishing companies (Source: Eurostat NewCronos database)

3.2.2 Biggest newspaper publishers

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
RCS QUOTIDIANI S.P.A.A.	RIZZOLI CORRIERE DELLA SERA MEDIAG	n/a	n/a	R.C.S. IBERICA S.P.A. R.C.S. SPORT R.C.S. WEB S.R.L. RCS INTERNATIONAL NEWSPAPERS BV RCS FRANCE R.C.S. SPORT EVENTS CITY ITALIA S.P.A. RCS FACTOR S.P.A. RATEALFACTOR S.P.A. RCS PERIODICI S.P.A. EDITORIALE MESSAGGERO VENETO EDITORIALE VENETO BURDA RCS INTERNATIONAL HOLDING GMBH EDITORIALE TRENINO ALTO ADIGE R.C.S.-LHT S.R.L. RCS - IHT S.R.L. SPORT SET S.P.A. EDITORIALE DEL MEZZOGIORNO S.R.L. S.N.L.EUROPEEN EUROGRAVURE S.P.A. SEPAD S.P.A. SEROM SPA HDP INTERNAL AUDITING O SOLO HDP I CONSULEDIT RAISAT - S.P.A. ANSA S.R.L. - IN LIQUIDAZIONE BLEI S.P.A. RCS MEDIAGROUP SPA

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
GRUPPO EDITORIALE L'ESPRESSO - SOC	CIR S.P.A. - COMPAGNIE INDUSTRIALI DE BENEDETTI CARLO CARACCIOLIO CARLO CRESPI MOZZONI GIULIA MARIA GENERALI ASSICURAZIONI SPA (IFRS) ALPA SRL BANCA INTESA SPA via its funds CAPITALIA SPA via its funds GENERALI VITA SPA BANCA LOMBARDA E PIEMONTESE SPA via its funds ERSEL FINANZIARIA SPA via its funds INA VITA SPA VENEZIA ASSICURAZIONI SPA (LA) ALLEANZA ASSICURAZIONI SPA AUTOCENTROLE INTESA VITA SPA DE BENEDETTI CARLO KOLUTIONS S.P.A. LOESCHER EDITORE - S.R.L.	50,44 - 8,99 0,36 0,05 1,97 - - 0,97 - - 0,42 0,29 0,23 0,12 0,10 - - -	n/a 50,23 8,99 2,34 2,06 1,97 1,16 1,04 n/a 0,68 0,60 n/a n/a n/a 0,12 n/a n/a n/a	ROTOSUD S.P.A. A. MANZONI & C. S.P.A. C.P.S. - S.P.A. ELEMEDIA SPA FINEGIL EDITORIALE S.P.A. KATAWEB - SOCIETA' PER AZIONI RETE A SRL ROTOCOLOR - SOCIETA' PER AZIONI SOMEDIA S.P.A. ELETV - SOCIETA' PER AZIONI EDITORIALE FVG SOCIETA' PER AZIONI S.E.T.A. SOCIETA' EDITRICE SELPI - SOCIETA' PER AZIONI LE SCIENZE SAIRE SRL AGF - S.R.L. CONSULEDIT SRL AGENZIA ANSA - AGENZIA NAZIONALE S ANSA S.R.L. - IN LIQUIDAZIONE E-INK CORPORATION AIR LIQUIDE ITALIA S.P.A. S.E.T.A. SOCIETA' EDITRICE TIPOGRA

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
IL SOLE 24 ORE S.P.A.	CONFEDERAZIONE GENERALE DELL' INDUSTRIA CORDERO DI MONTEZEMOLO LUCA	n/a n/a	n/a n/a	BANDERA SRL IL SOLE 24 ORE EDAGRICOLE IL SOLE 24 ORE FRANCE SARL NUOVA RADIO SPA 24 ORE TELEVISION S.P.A. IL SOLE 24 ORE UK LIMITED SC MULTITRADE SPA INDIS S.P.A. ACTIVEST GROUP LTD AUDIRADIO S.R.L. ANSA SOCIETA' COOPERATIVA A RL CONSULEDIT S.R.L. BORSA ITALIANA S.P.A. IMMOBILIARE EDITORI GIORNALI SFC SISTEMI FORMATIVI CONFINDUSTRI OPERA MULTIMEDIA

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
POLIGRAFICI EDITORIALE	MONTI RIFFESER MARIA LUISA MONRIF RIZZOLI CORRIERE DELLA SERA MEDIAG EFIPARIND B.V. SOCIETE DEPART. FINANCIERE ITALMOBILIARE FONDAZIONE CASSA DI RISPARMIO DI TRIESTE FINECO ASSET MANAGEMENT DOMENICO SANFILIPPO EDITORE SOCPRESSE AUTOCENTROLE FINAVEST ACIES AZIENDE COMMERCIALI INDUSTRI	- - - - - - - - - - - -	60,34 n/a 7,59 4,77 n/a 2,93 n/a n/a n/a n/a n/a n/a	CSP - CENTRO STAMPA POLIGRAFICI REGIE PRINT SARL SUPERPRINT EDITORIALE S.R.L. EDITRICE IL GIORNO SPA SOCIETA' TIPOGRAFICA TIBURTINA MONRIF NET S.R.L. GIUNTI MONRIF TV CD FLSH.COM S.P.A. LOGITAL S.P.A. AKROS FINANZIARIA SPA ANSA S.R.L. - IN LIQUIDAZIONE C.A.A.F. DELL'IND. DELL'EMILIA ROM. SPA C.T.A. - COMPAGNIE TELEVISIVE ASSOCIATE CENTRO STAMPA POLIGRAFICI S.R.L. I CONSORZIO EDITORI ASSOCIATI DADA SPA GRAFICA EDITORIALE PRINTING S.R.L. SOCIETA' PUBBLICITA' EDITORIALE S. (S.P.E.)

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
EDITRICE LA STAMPA - SOCIETA' PER	ITEDI ITALIANA EDIZIONI S.P.A. LA (ITEDI) FIAT S.P.A. NASI & AGNELLI FAMILIES	100 - -	100 100 n/a	EDITALIA SRL EDITORIALE CORRIERE ROMAGNA S.R.L. EDIZIONI DOST SRL SOCIETA' EDITRICE MERCANTILE SEM SOCIETA SOCIETA' EDITRICE MERCANTILE - S.E IMMOBILIARE EDITORI GIORNALI ANSA S.R.L. - IN LIQUIDAZIONE CONSULEDIT S.R.L. MILLENIUM SRL ORIONE - CONSORZIO INDUSTRIALE PER TRENTO PRESS SERVICE - S.R.L. CONSORZIO FIAT MEDIA CENTER FIAT SERVIZI PER L'INDUSTRIA S.C.P (SE.P.IN.) SIRIO - SICUREZZA INDUSTRIALE SOCI

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
IL MESSAGGERO SOCIETA' PER AZIONI	CALTAGIRONE EDITORE SOCIETA' PER A CALTAGIRONE FRANCESCO GAETANO	90 -	n/a n/a	EMERA SPA PIEMME SPA PIEMME - S.P.A. CONCESSIONARIA DI

Source: Bureau van Dijk Amadeus-database

3.2.3 Employment related measures

The number of employees measures the number of people involved in the operations of an industry. When this number is compared to total employment it indicates the relative importance of that industry in employment terms. This indicator should preferably be counted from the full-time equivalent number of employees. However, the number is rarely available from the statistical sources. In these tables, the number of employees includes temporarily employed and part-time employed in a given year. Employment in the newspaper publishing industry all rose until 2001. After that it has been declining.

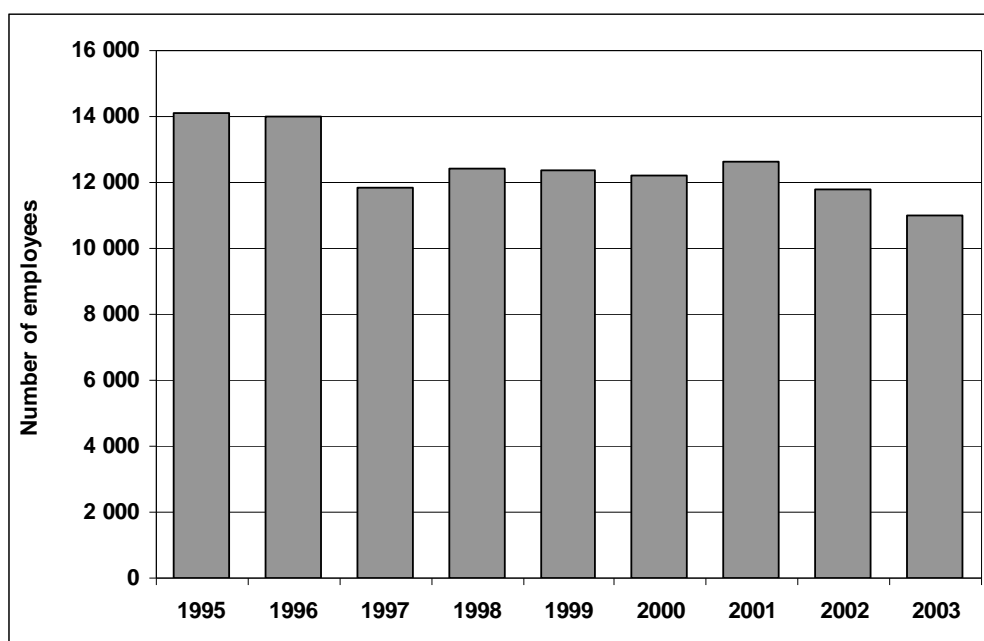


Figure 16 Employment in the newspaper industry (Source: Eurostat NewCronos Database)

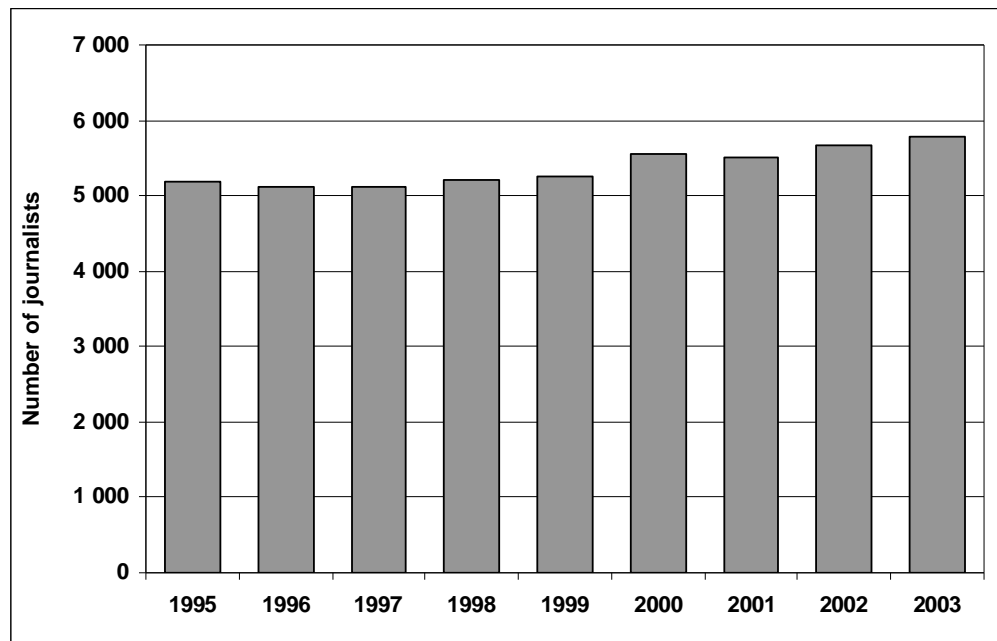


Figure 16 Number of journalists in the newspaper industry (Source: World Press Trends)

The cost of employing a person within the newspaper industry differs considerably between Member States. The highest-cost country is Italy, where employment costs in the industry have historically been high. In year 2003 the personnel costs per person were 75 700 euros.

Low per-employees costs are not necessarily beneficial: if an industry cannot pay good salaries to employees, it will not be able to recruit and retain good staff capable of operating the existing business well, responding to changing conditions and innovating as new ideas are required.

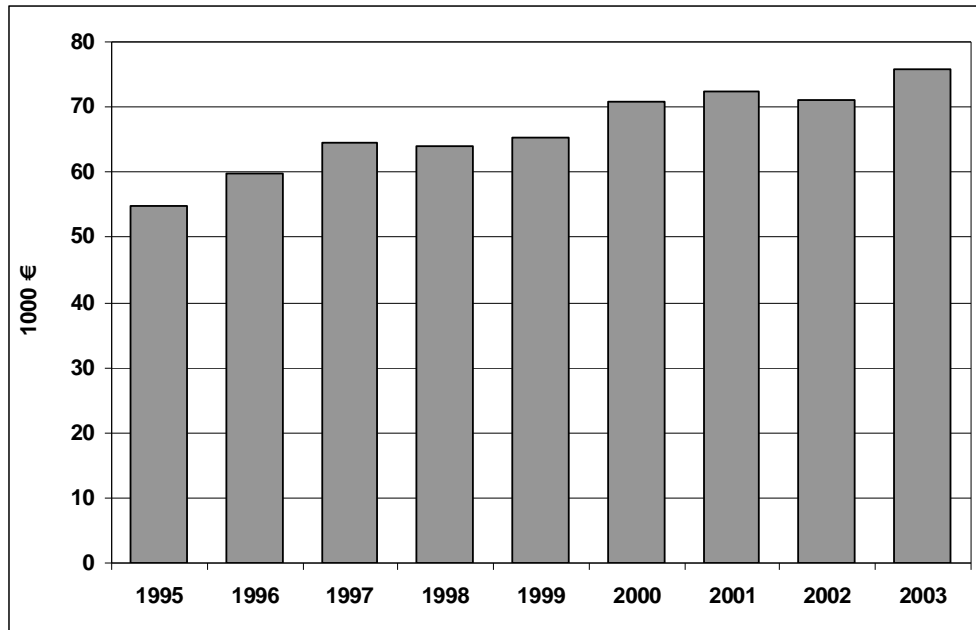


Figure 17 Personnel costs per person employed (Source: Eurostat NewCronos Database)

3.2.4 Financial measures

Turnover

Turnover measures the industry's value of sales in a particular year, adjusted for stock changes. It measures the volume of operations, but overestimates an industry's contribution to national income because it includes the value of inputs produced by other industries.

In Italy, the turnover of the newspaper publishing industry fluctuated between growth and contraction until 2001. After that the total turnover of the newspaper industry has been declining. In year 2003 the total turnover was approximately 3, 2 billion euros.

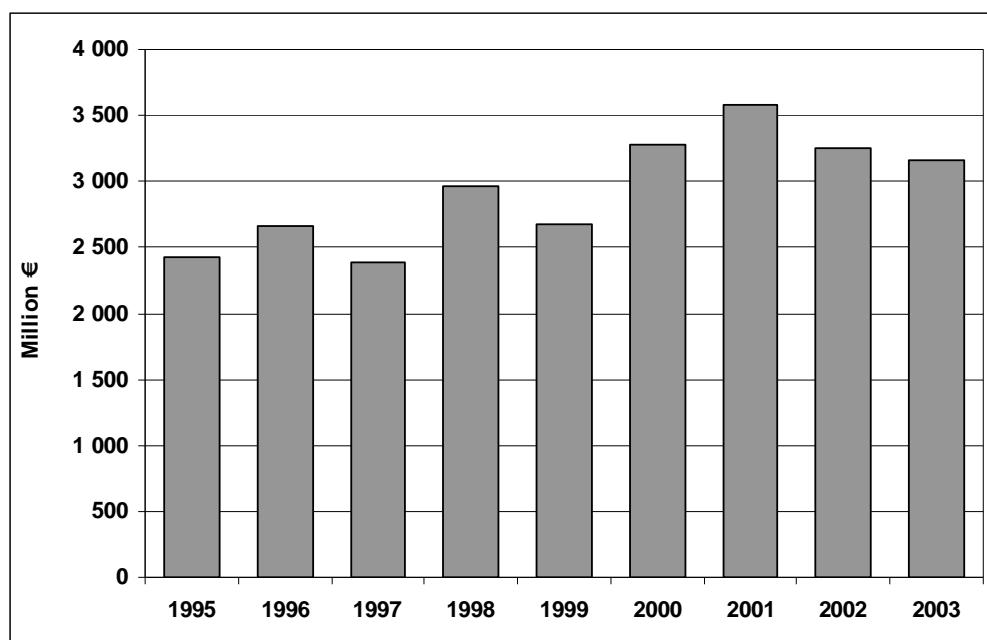


Figure 18 Total turnover of the newspaper publishing industry (Source: Eurostat NewCronos Database)

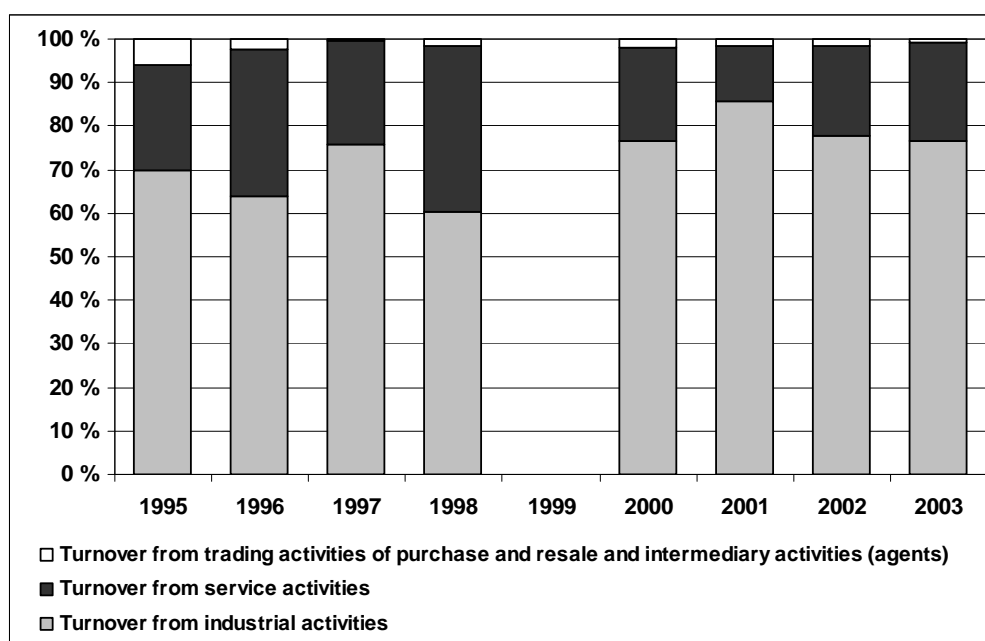


Figure 19 Distribution of turnover of the newspaper publishing industry by business activities (Source: Eurostat NewCronos Database)

Change in turnover

The procentual change in turnover in the newspaper publishing industry varied a great deal during 1996-2003. In 1998 the newspaper publishing industry saw the most rapid growth during the years under scrutiny, growing almost 25 per cent. In 2003 the total turnover on of the newspaper publishing industry declined -2, 6 per cent.

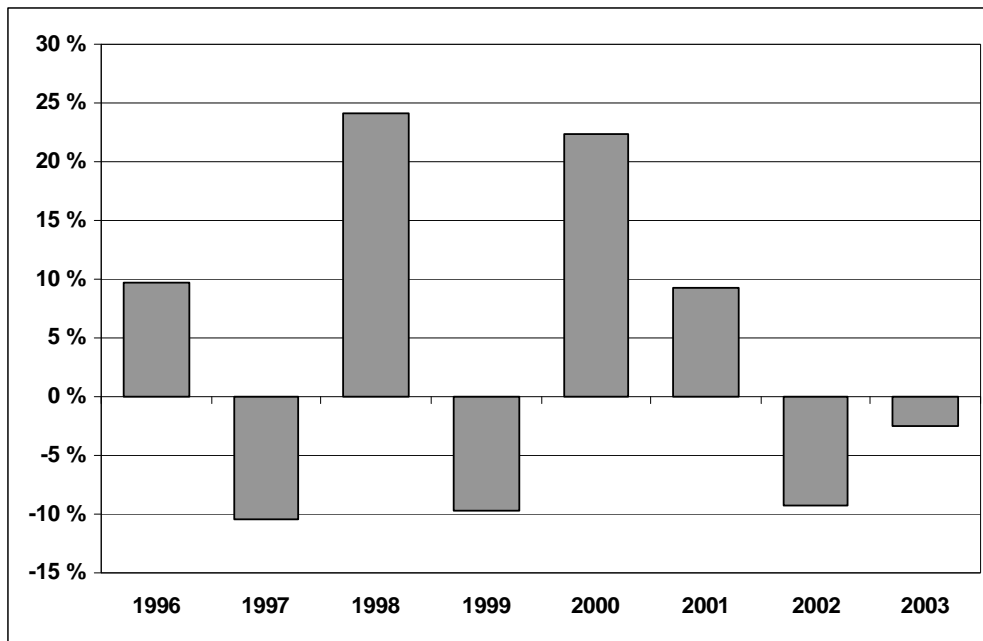


Figure 20 Change in turnover (Source: Eurostat NewCronos Database)

Value added

Value added is the measure of the total annual output of goods and services produced by the residents of a particular country. This is the value of turnover less the value of inputs from other industries. On a single firm level it means the value that is created by the factors of production of that firm.

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The newspaper publishing industry's has contribution to the GDP: 0.10 %.

Value-added is an important measure as it has a considerable impact on the ability of an enterprise to pay a workforce and generate a profit. These are hard to do with low value-added.

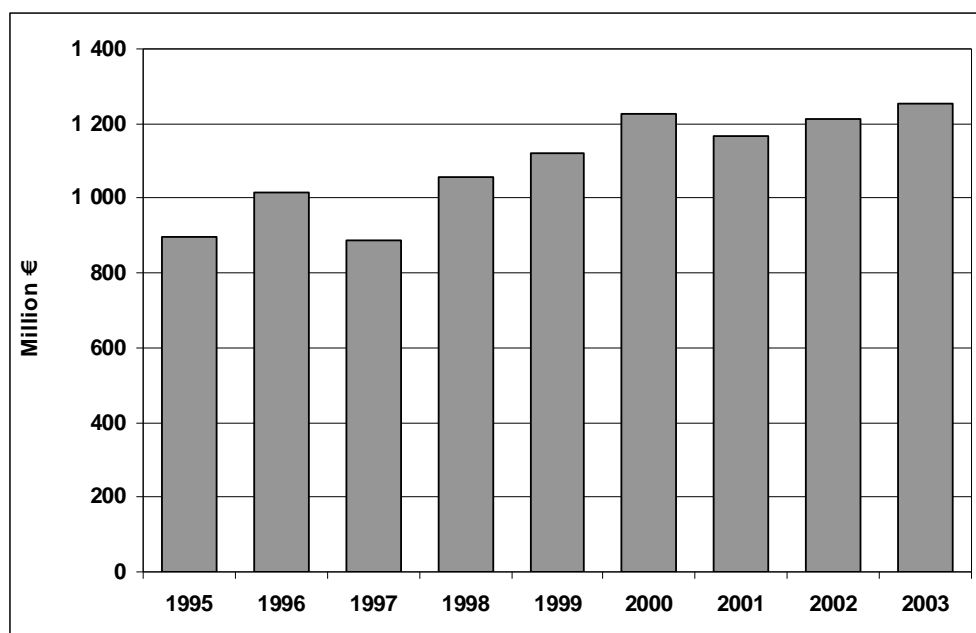


Figure 21 Total value added of the newspaper publishing industry at factor costs (Source: Eurostat NewCronos Database)

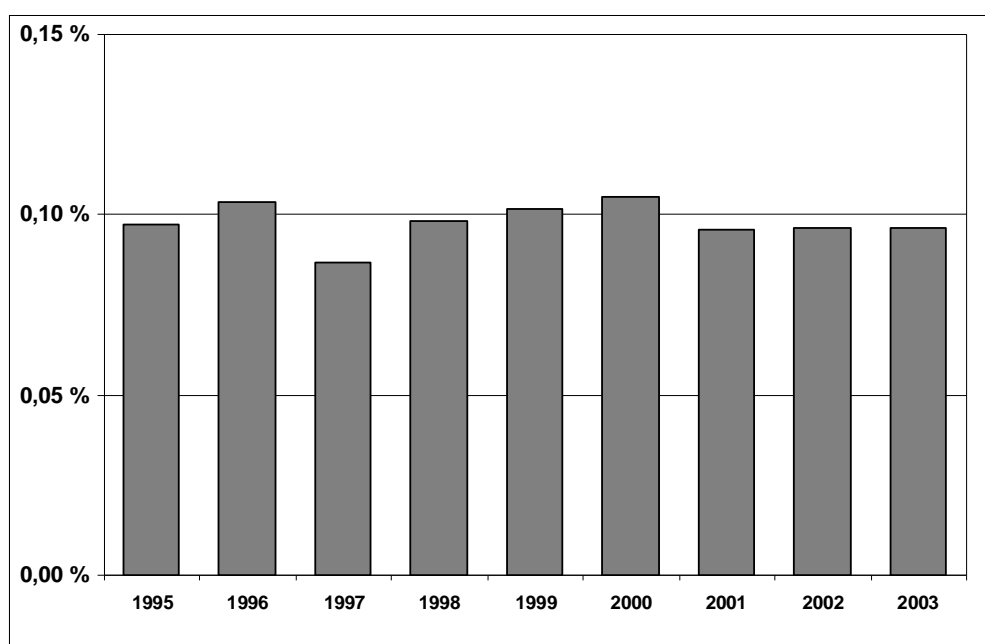


Figure 22 Value added to GDP (Source: Eurostat NewCronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1995-2003 except year 2001. In 2003 value added per employee was 113 700 euros.

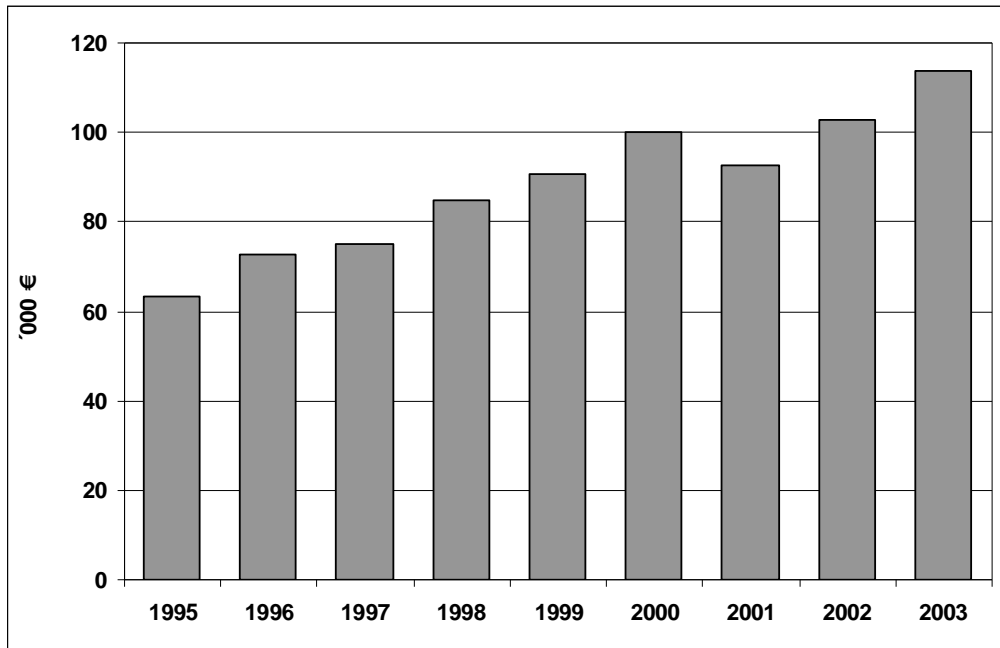


Figure 23 Value added per employee, 1000 €(Source: Eurostat NewCronos Database)

Value added per personnel costs

The ratio value added to personnel costs is an alternative way of looking at the relationship between costs of people employed in the industry and the value generated. It's a relative measure, and so not subject to distortions such as variation in exchange rates or inflation. Rather than being a direct measure of productivity, it is a measure of the effectiveness of the industry in the money it spend on employment, regardless of the number employed.

The critical vale for this is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2003 value added per personnel costs was 1, 5.

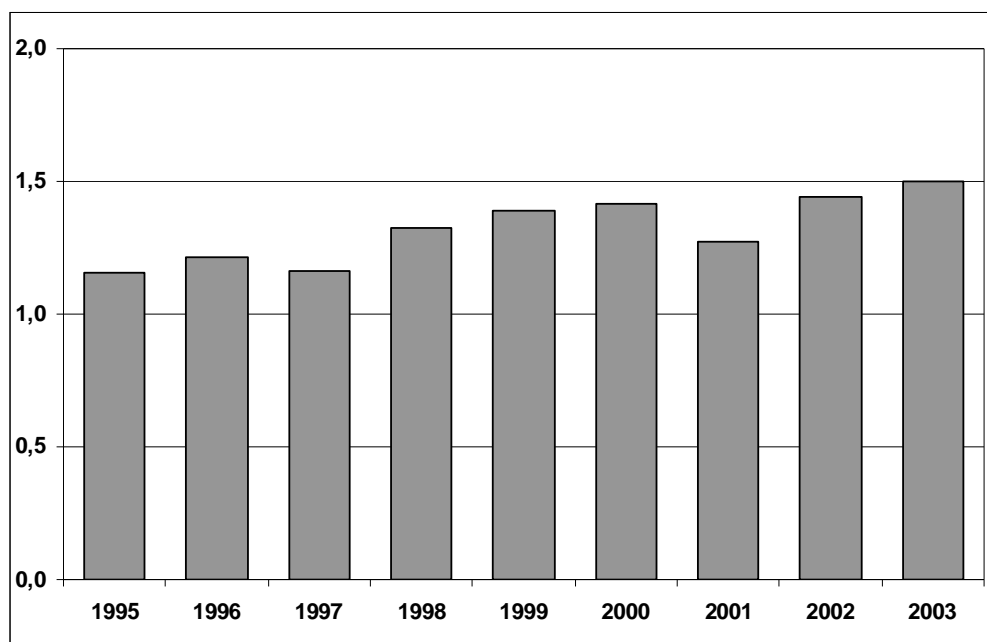


Figure 24 Value added per employee costs (Source: Eurostat NewCronos Database)

Turnover per employee

Turnover per employee in the magazine publishing industry was showed a clear positive trend between 1995 and 2003. In 2003 turnover per employee was 266 800 euros.

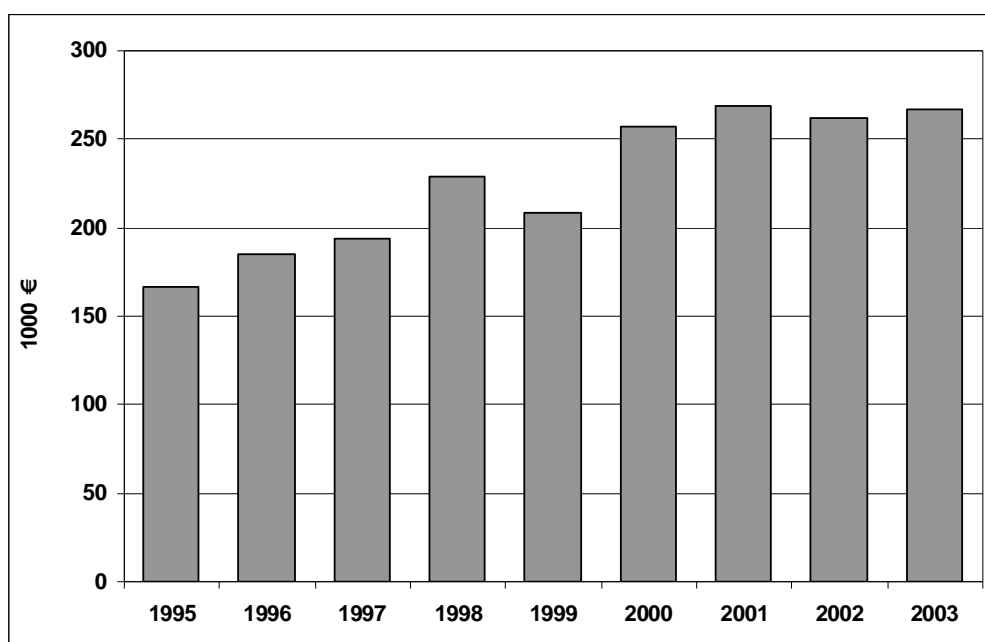


Figure 25 Turnover per employee (Source: Eurostat NewCronos Database)

Operating margin

This indicator measures the profit after operational costs (goods and services and personnel costs) as a percentage of the turnover. The need for operating profit depends largely on the investment intensity of the national industry. In countries where the printing facilities are largely integrated in the publishing firm, the need for operating profit in order to cover the depreciations and capital costs is higher than in countries where printing is largely outsourced.

The result of turnover, less value added and personnel costs is the operating profit. The operating margin of the newspaper industry remained relatively low in the mid 1990's. Operating margin for the newspaper industry in 2003 the operating margin of the newspaper industry was 13,2 per cent.

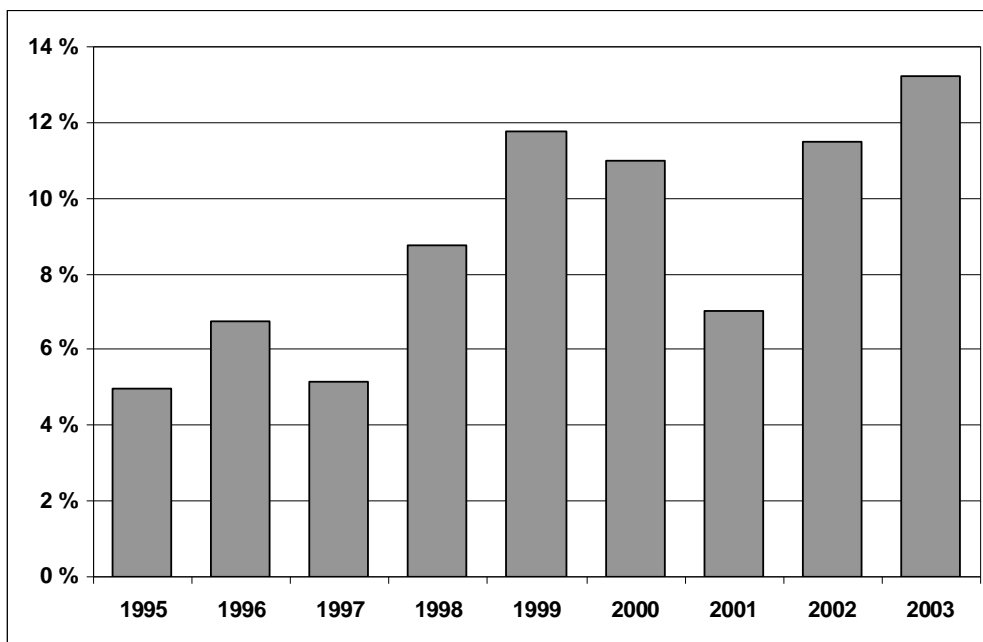


Figure 26 Operating margin of the newspaper industry (Source: Eurostat NewCronos Database)

4 MAGAZINE AND PERIODICAL PUBLISHING

4.1 Market analysis

4.1.1 Definition of the sector

Several terms are used within the report with very specific meaning to define sub-sectors of the industry. It is essential for any understanding of the report that the definitions used for these sub-sectors are also understood.

There is no accurate subdivision of the industry; the NACE classification scheme revision 1.1 covers includes “publishing of journals and periodicals” as a single category, distinguished from “publishing of books” and “publishing of newspapers” . As this defines the statistical base, we have not been able to provide a detailed statistical analysis at sub-sectoral level. However, as the business issues affecting the magazine and journals industries vary considerably between sub sectors we identify the following categories for more detailed analysis:

- Consumer magazines
- Business-to-business magazines
- Academic journals

Although most consumer magazines are relatively distinct from business-to-business magazines, the boundary is not a rigid one and some title (for example, some computer magazines, financial magazines and news and analysis titles) has elements of both consumer and business models. Similarly, the line between business-to-business magazines and academic journals is also not a sharp one and are titles that include elements of both, with peer-reviewed papers but also journalistic content and advertising. However, the large majority of publications are recognisable through business model and content as falling into one category or another.

Consumer magazines are aimed at individual buyers, usually with leisure or entertainment content. However, the sector also includes titles that

concentrate on news, information and analysis. Consumer magazines are available both through subscription and through single-copy purchase (the proportion differing between Member States). Advertising makes up a significant proportion of the revenue for consumer magazines. Consumer magazines are almost entirely written by professional journalists.

Business-to-business magazines (also sometimes known as “trade press” or “trade journals”) are aimed at readers at work: they usually focus on a particular industry or business sector, occupation or profession. Content is usually based on industry news and features. The business model can include single copy sales, but is mainly composed of subscriptions and advertising. Some titles have only advertising revenue, and are sent to “qualified” readers. Some newsletter publishers have a subscription-only model. Business-to-business publishers sometimes use a key brand across channels such as exhibitions and directories as well as for a magazine.

For the most part, business-to-business magazines are written and edited by professional journalists but often include contributions from experts within the industry covered.

Academic journals are mainly sold to libraries in universities and colleges and to research departments of large companies. The most common content model is refereed papers contributed by researchers: the content is not paid for. Revenue comes almost entirely from subscriptions, although some leading titles carry a small amount of advertising.

Many industries also have hybrid technical magazines, containing articles written by industry experts as well as refereed papers, and with more advertising content.

A fourth category of magazines, customer magazines, is also growing in importance in some countries: these are magazines produced for large companies (or other large organisation) that are distributed free of charge to customers or users. These will typically include professionally written content driven by the marketing strategy of the organisation, and third party advertising as well as house advertising (for example, advertisers in the customer magazines of mobile phone network operators include handset manufacturers, and food manufacturers advertise in supermarket magazines).

These magazines are usually produced by specialist companies that may offer a full range of services including advertising sales as well as content development and production management. There is only limited statistical information about this sector available at present.

4.1.2 Number of titles published

In 2001 the total number of magazine titles was close to 2 900 titles. After that the total number of magazine titles has been steadily declining. By the year 2004 the number of magazine titles had decreased by 10 percent to 2 582 titles. In 2004 the number of consumer magazine titles was 782 titles. This means that two thirds of the published magazine titles are business-to-business magazines.

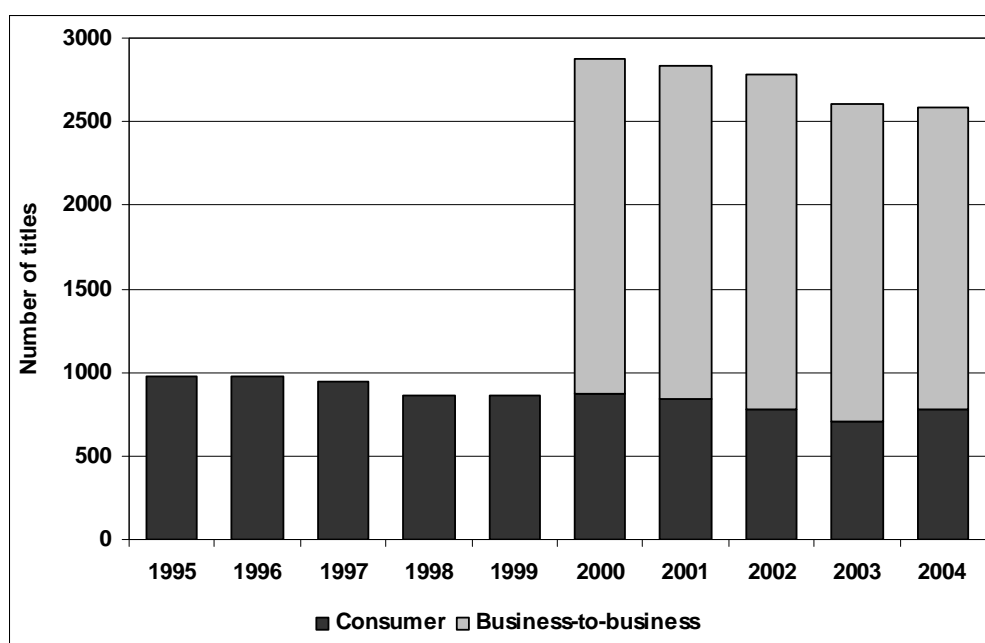


Figure 27 Number of published magazine titles (Source: ANES Estimates; Dati & Tariffe)

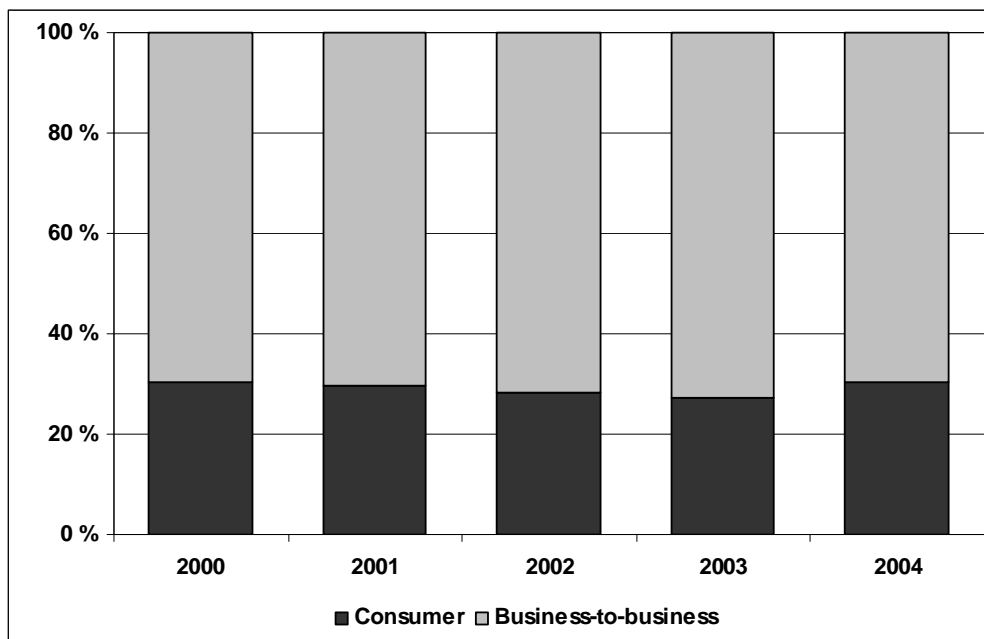


Figure 28 Magazine titles share between consumer titles and business-to-business titles (Source: ANES Estimates; Dati & Tariffe)

The number of titles published per million populations is an indication of the activity publishers undertake to provide a market with the range of products that they believe the market is able to support. A lower number indicates that consumers have limited choice; conversely, a higher number may indicate that each title can only attain a limited market, which may suggest inefficiencies.

There is a clear descending trend in the number of titles per million populations. In 2000 the number of published magazine titles per million populations was 50,4 titles. By 2004 the number of titles per million populations had declined to 44,4 titles.

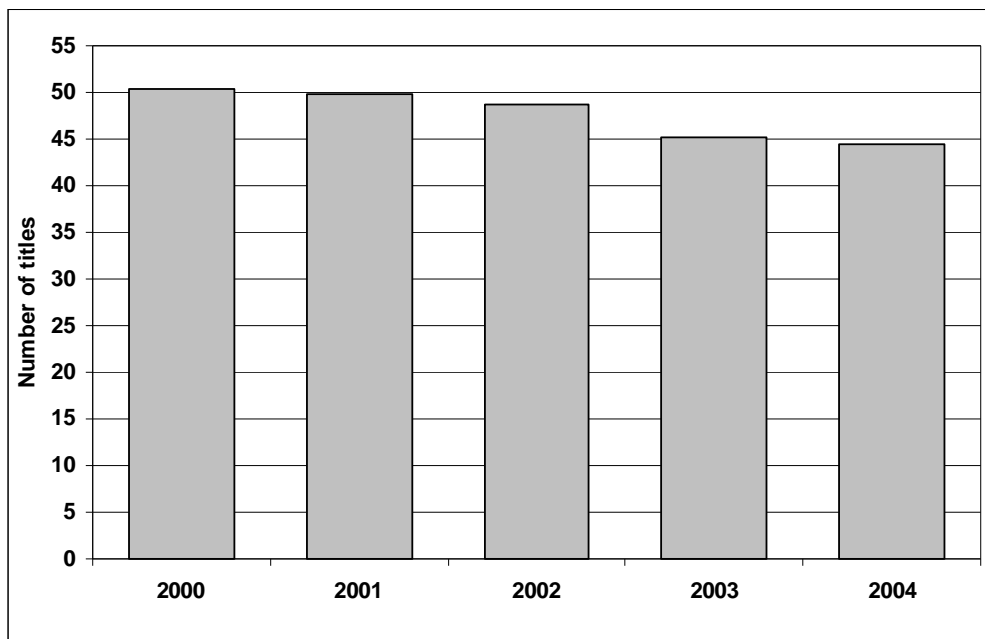


Figure 29 Number of magazine titles per million population (Source: ANES estimates; Dati & Tariffe and Statistics Finland, World in Figures)

The number of titles published can be assessed according to area. A higher number of titles may be an indication of intensity of competition. Magazines which operate in countries with a high ratio of titles to area are likely to encounter more competitive conditions. In 2004 the number of published magazine titles per 1000 km² was 8,6 titles.

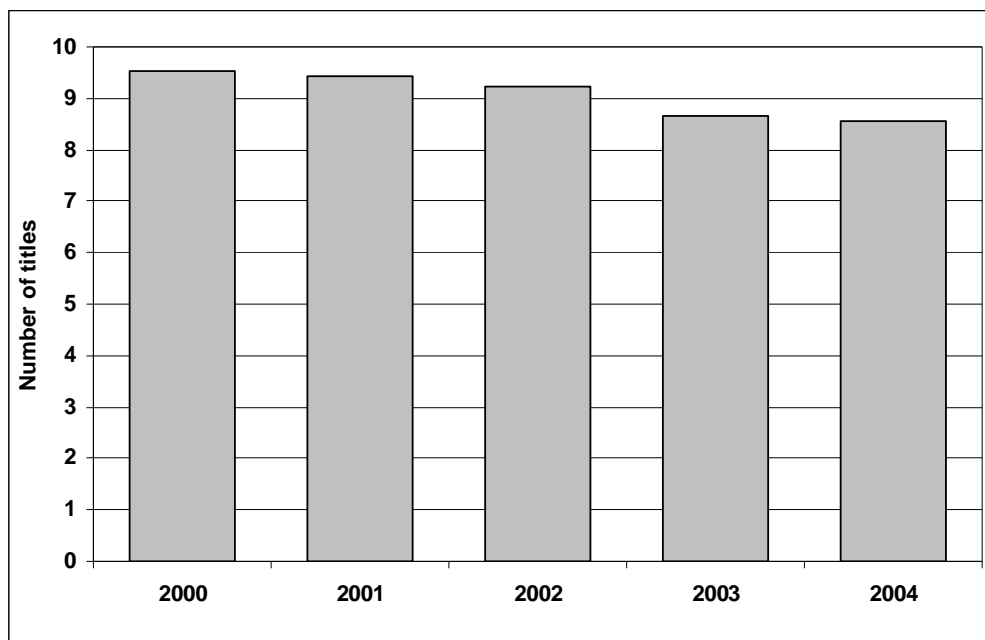


Figure 30 Number of magazine titles per 1000 km² (Source: ANES estimates; Dati & Tariffe and Statistics Finland, World in Figures)

There are quite large variations in the way magazines are distributed to consumers in the European Union. In the Central and Northern European nations most magazines are paid for by subscription and delivered to readers' homes by the national postal service. In Southern member states and in UK the distribution is mainly through single copy sales. In Italy approximately 75 per cent of magazine distribution is through single copy sales.

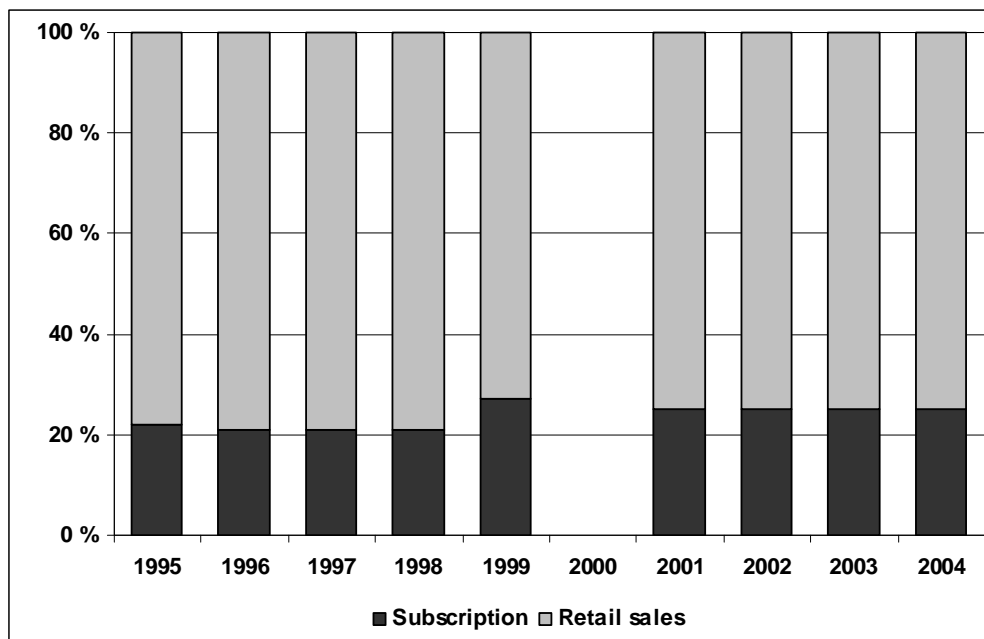


Figure 31 Type of magazine sales (Source: FIEG)

Table 2 Top 20 magazines in Italy based on circulation in 2004 (Source: World Magazine Trends 2005/2006)

Rank	Magazine		Circulation
1.	Sorrisi e Canzoni TV	TV Guides	1 381 000
2.	Automobile Club	Consumer special interest	867 000
3.	Settimanale Di Piu'	General interest	814 000
4.	Famigliana Christiana	General interest	778 000
5.	Focus	Consumer special interest	748 000
6.	Al Volante	Consumer special interest	720 000
7.	Oggi	General interest	675 000
8.	Corriere della Sera Magazine	General interest	648 000
9.	Messaggero Di S. Antonio	General interest	633 000
10.	Il Venerdì Di Repubblica	General interest	618 000
11.	Telesette	TV Guides	575 000
12.	Gente	General interest	573 000
13.	Chi	Women's magazines	524 000
14.	Io Donna	Women's magazines	521 000
15.	Panorama	General interest	514 000
16.	Donna Moderna	Women's magazines	502 000
17.	Quattroroute	Consumer special interest	464 000
18.	D La Repubblica Delle Donna	Women's magazines	448 000
19.	Cose Di Casa	Consumer special interest	400 000
20.	Sport Week	Men's magazines	400 000

The Internet was introduced in the mid 1990's and Italian business-to-business magazines have moved quite slowly to the Internet. By the year 2004 approximately 20 per cent of the business-to-business magazines had a website.

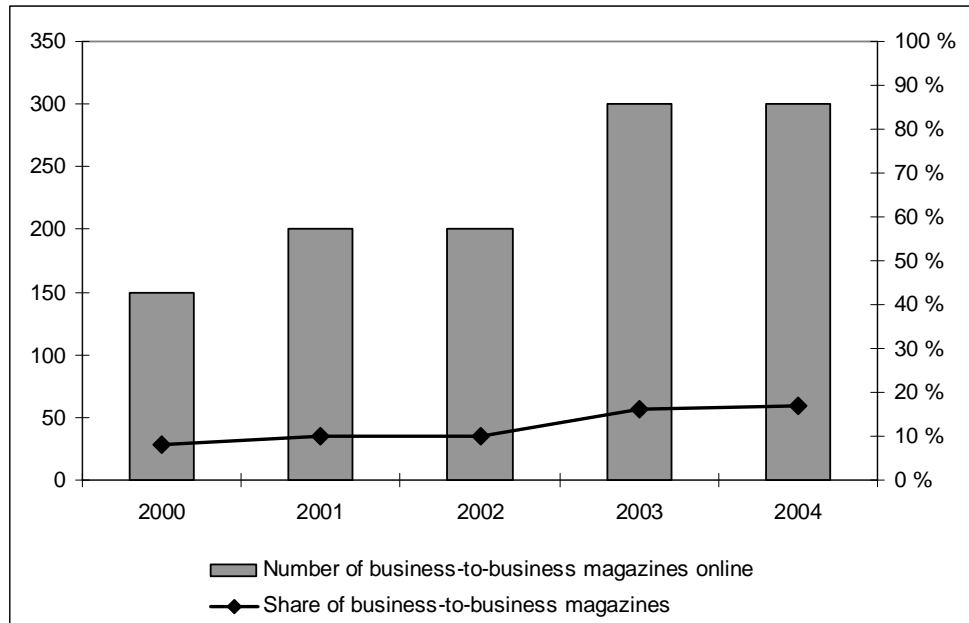


Figure 32 Number of business-to-business magazines online (Source: World Magazine Trends)

4.1.3 Revenue related measures

In 2000 magazine advertising was almost 1 400 million euros. After that it has been declining steadily and in 2004 magazine advertising was 1 195 million euros. This means that the total value of magazine advertising has declined 12 per cent in five years.

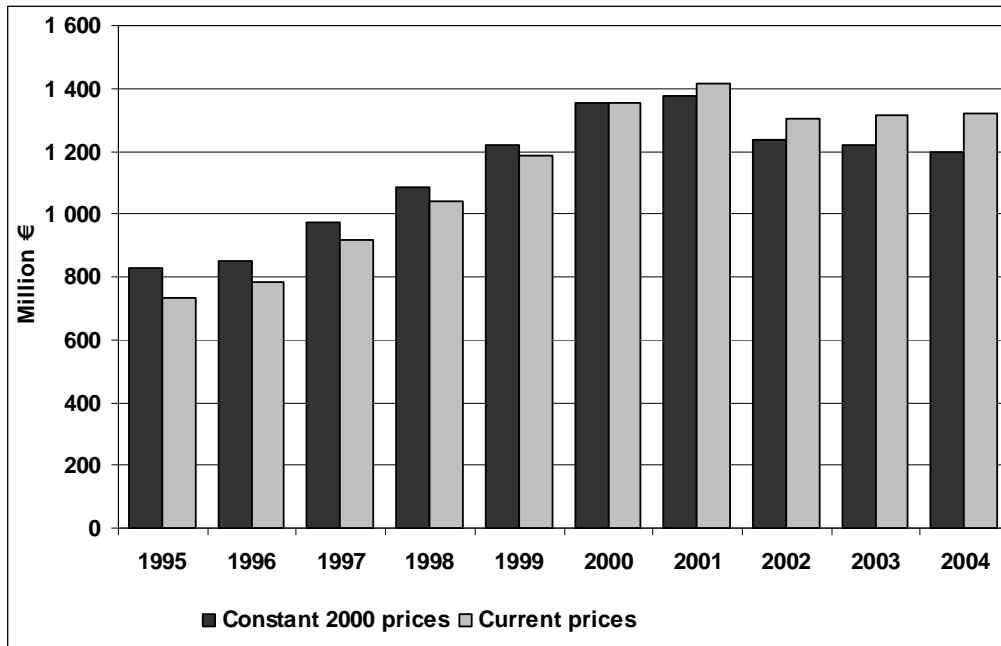


Figure 33 Magazine advertising 1995 to 2004, constant 2000 prices (Source: World Advertising Trends 2005 based on Nielsen Media Research: European Advertising and Media Forecast 2005, WARC)

The share of magazine advertising declined drastically in the early 1990's. After that the share of magazine advertising has varied around 17 per cent. After 2001 the share of magazine advertising has been declining again. In 2004 the share of magazine advertising was 15,7 per cent.

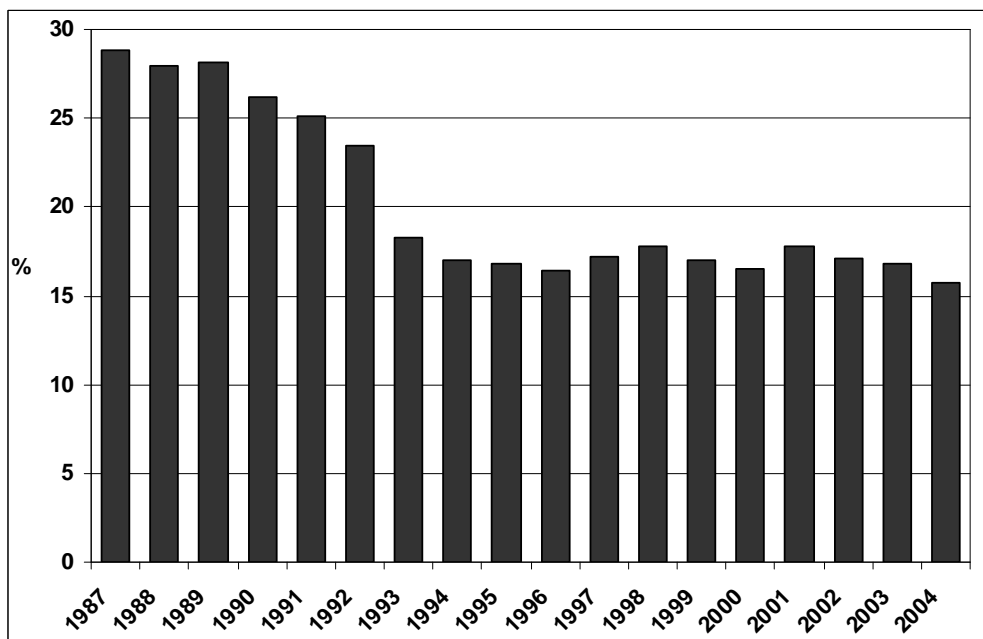


Figure 34 Share of magazine advertising of total advertising (Source: World Advertising Trends based on Nielsen Media Research: European Advertising and Media Forecast 2005, WARC)

There has been a long-term trend towards increasing dependence on advertising rather than sales revenues in Italy since 1995. At the turn of the century this trend reversed. Since 1999 the share of advertising revenues has declined from 55 per cent to 26 per cent.

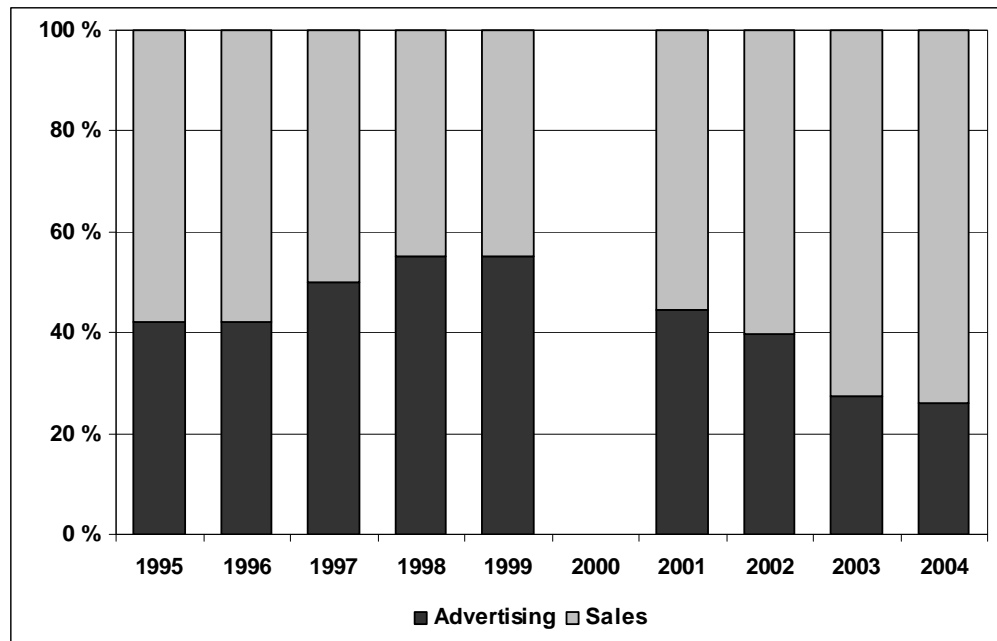


Figure 35 Revenue split between advertising and sales revenues (Source: FIEG)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will create a gradually bigger market. This has been the case in Italy until 2001.

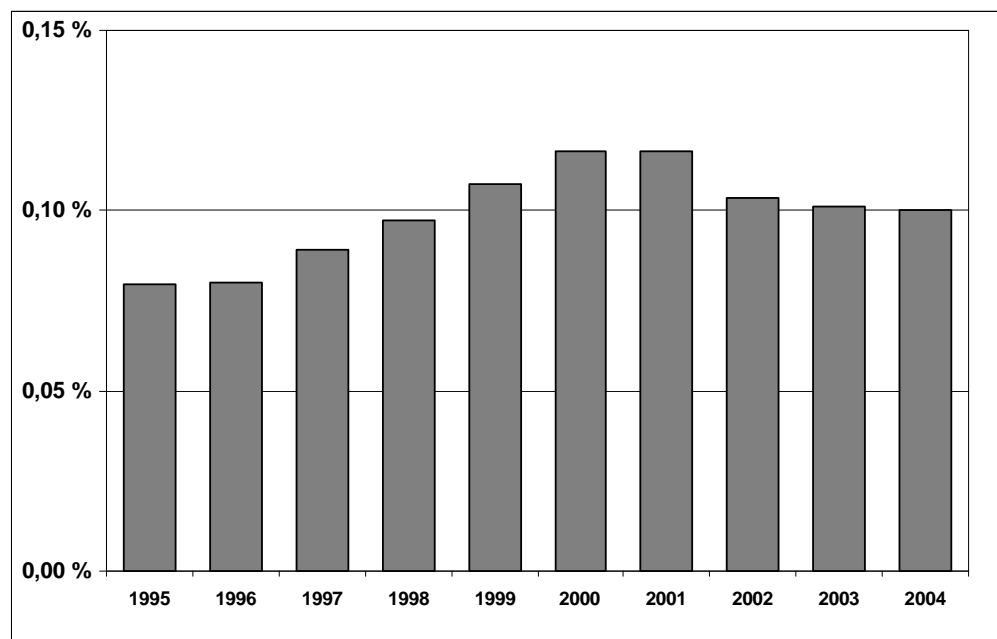


Figure 36 Magazine advertising per GDP (Source: World Advertising Trends)

4.2 Industry structure analysis

4.2.1 Number of companies

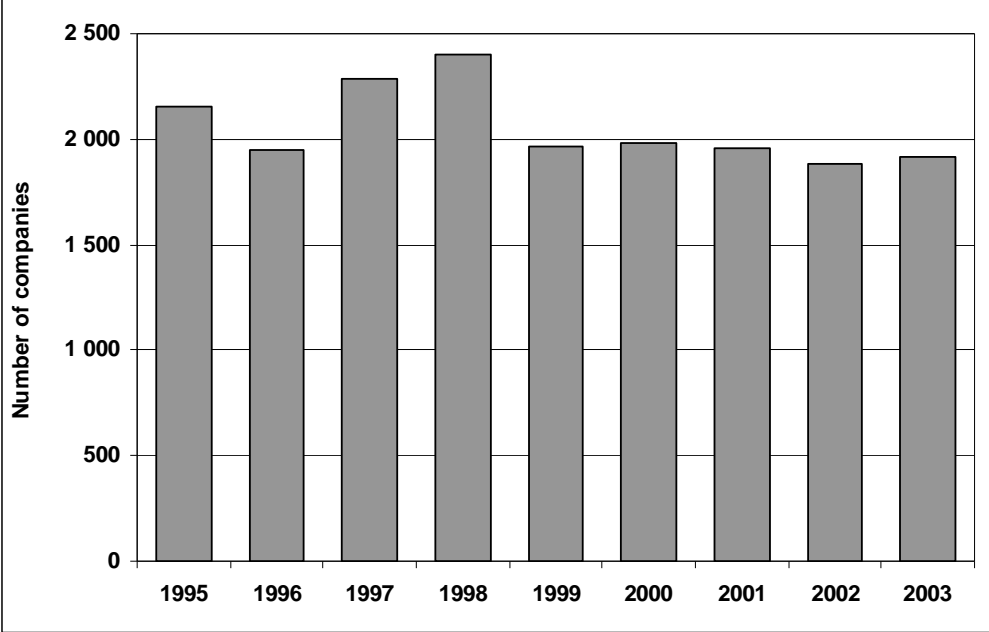


Figure 37 Number of companies (Source: Eurostat NewCronos Database)

4.2.2 Biggest magazine publishers

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
ARNOLDO MONDADORI EDITORE	BERLUSCONI SILVIO	-	57,88	EDUMOND SPA
	SILVIO BERLUSCONI EDITORE	-	n/a	FIED SPA
	AUTOCONTROLLE	-	n/a	MONDADORI ELECTA S.P.A.
	TWEEDY BROWNE COMPANY LLC	-	n/a	MONDADORI INFORMATICA E-BISMEDIA SRL
	CHASE NOMINEES LIMITED	-	n/a	PRISCO SPAIN S.A.
	AFFILIATED MANAGERS GROUP INC via its funds	-	2,72	ARTES GRAFICAS TOLEDO S.A.
	FORMENTON LUCA	-	n/a	AME PUBLISHING LTD.
	FONDI COMUNI FONDIGEST	-	n/a	ARNOLDO MONDADORI DEUTSCHLAND GESELLSCHAFT
	SILCHESTER INTERNATIONAL INVESTORS LIMITED	-	n/a	ARNOWEB SA
	SCHROEDERS PLC via its funds	-	1,38	ATIMOD PUBLISHING INVESTMENTS S.A.
	PIONEER INVESTMENT MANAGEMENT INC via its funds	-	1,09	MARCHGRANGE LIMITED
	GRUPPO UNICREDITO ITALIANO via its funds	-	0,98	MONDADORI INTERNATIONAL SA
	ING GROEP NV via its funds	-	0,86	MONDADORI.COM
	BANCA INTESA SPA via its funds	-	0,64	MONDADORI BELGIUM
	DZ BANK INTERNATIONAL S.A. via its funds	-	0,63	MONDADORI FINANCE S.A.
	ALLIANZ AKTIENGESELLSCHAFT via its funds	-	0,59	ABS FINANCE ADVISORY COMPANY
	BARBARO FRANCESCO	-	n/a	PROMOPI LIBRI S.R.L.
	COSTA MAURIZIO	-	n/a	ELECTA NAPOLI S.P.A.
	ERMOLLI BRUNO	-	n/a	AGENZIA LOMBARDA DISTRIBUZIONE GIO
	PUERARI GIOVANNI	-	n/a	BOL BOOKS ON LINE
	SPOSITO CLAUDIO	-	n/a	EDITORIAL RANDOM HOUSE MONDADORI LTDA
	VITTADINI FRANCESCO	-	n/a	EDITORIAL SUDAMERICANA
				EDIZIONI EL S.R.L. N FORMA
				EDIZIONI ELECTA BRUNO MONDADORI S.
				GRUJALBO EDITOR SA
				HARLEQUIN MONDADORI S.P.A.
				HEARST MONDADORI EDITORIALE SRL
				MONDADORI RODALE SRL
				PRESSTV S.P.A.
				RANDOM HOUSE MANDADORI S.A.
				RANDOM HOUSE MONDADORI S.A.
				EDITORIAL SUDAMERICANA URUGUAYA SA
				VENEZIA ACCADEMIA S.C. A R.L.
				MARKET SELF SA
				VELENO SPA
				ATTICA PUBLISHING INVESTMENTS S.A.
				INTERNATIONAL RADIO NETWORKS HOLDINGS S.A.
				INTERNATIONAL RADIO NETWORKS S.A.
				SELCON SRL
				EDITRICE PORTORIA
				EMIFASIS S.A.
				CASA EDITRICE E DI DISTRIBUZIONE BENCES
				TILETHEATIS S.A.
				IONIKES PUBLISHING S.A.
				NUOVAMUSA VAL DI NOTO SCARL
				NUOVAMUSA VALDEMONE SCARL
				EUROMEDIA LUXEMBOURG TWO SA
				NEWS ALERT INVESTORS ILC
				NUOVAMUSA GELMAR BIBLIOTECA NAZIONALE SCARL
				ATTICA MEDIA BULGARIA LTD
				BALCAN PUBLICATIONS LTD
				CONS SISTEMI INFORMATIVI EDITORIALI DISTRIBUTIVI
				G. DRAGOUNIS S.A.
				MAP MEDIA S.A.
				PBR PUBLICATION S.R.L.
				PROOPTIKI S.A.
				TILERAMA S.A.
				ENALIAKTIKES S.A.
				CONSULEDIT
				EDITRICE STORIA ILLUSTRATA SRL (IN LIQ.)
				IMMOBILIARE EDITORE GIORNALI SRL
				GRUPO EDITORIAL RANDOM HOUSE MONDADORI S.L.
				CITY SERVERS S.A.
				CONSORZIO AEROMOBILI FININVEST IN
				ISTUD - ISTITUTO STUDI DIREZIONALI
				ACI - MONDADORI S.P.A.
				CEMIT INTERACTIVE MEDIA S.P.A.E
				EDIZIONI PIEMME S.P.A. SIGLABILE I
				EDUMOND LE MONNIER S.P.A.
				GIULIO EINAUDI EDITORE S.P.A
				GRUNER + JAHR/ MONDADORI S.P.A.
				MACH 2 LIBRI S.P.A.
				MONDADORI - RODALE S.R.L.
				MONDADORI FRANCHISING S.P.A.
				MONDADORI PRINTING S.P.A.
				MONDADORI PUBBLICITA' S.P.A.
				MONDADORI RETAIL S.P.A.
				MONDOLIBRI S.P.A.
				SOCIETA' EDITRICE IL'MULINO - S.P.
				SOCIETA' EUROPEA DI EDIZIONI- S.P.
				SPERLING E KUPFER EDITORI SPA

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
GRUPPO EDITORIALE L'ESPRESSO - SOC	CIR S.P.A. - COMPAGNIE INDUSTRIALI	50,44	n/a	ROTOSUD S.P.A.
	DE BENEDETTI CARLO	-	50,23	A. MANZONI & C. S.P.A.
	CARACCILO CARLO	8,99	8,99	C.P.S. - S.P.A.
	CRESPI MOZZONI GIULIA MARIA	0,36	2,34	ELEMEDIA SPA
	GENERALI ASSICURAZIONI SPA (IFRS)	0,05	2,06	FINEGIL EDITORIALE S.P.A.
	ALPA SRL	1,97	1,97	KATAWEB - SOCIETA' PER AZIONI
	BANCA INTESA SPA via its funds	-	1,16	RETE A SRL
	CAPITALIA SPA via its funds	-	1,04	ROTCOLOR - SOCIETA' PER AZIONI
	GENERALI VITA SPA	0,97	n/a	SOMEDIA S.P.A.
	BANCA LOMBARDA E PIEMONTESE SPA via its funds	-	0,68	ELETV - SOCIETA' PER AZIONI
	ERSEL FINANZIARIA SPA via its funds	-	0,60	EDITORIALE FVG SOCIETA' PER AZIONI
	INA VITA SPA	0,42	n/a	S.E.T.A. SOCIETA' EDITRICE
	VENEZIA ASSICURAZIONI SPA (LA)	0,29	n/a	SELPI - SOCIETA' PER AZIONI
	ALLEANZA ASSICURAZIONI SPA	0,23	n/a	LE SCIENZE
	AUTOCONTROLLE	0,12	0,12	SAIRE SRL
	INTESA VITA SPA	0,10	n/a	AGF - S.R.L.
	DE BENEDETTI CARLO	-	n/a	CONSULEDIT SRL
	KSOLUTIONS S.P.A.	-	n/a	AGENZIA ANSA - AGENZIA NAZIONALE S
	LOESCHER EDITORE - S.R.L.	-	n/a	ANSA S.R.L. - IN LIQUIDAZIONE
				E-INK CORPORATION
				AIR LIQUIDE ITALIA S.P.A.
				S.E.T.A. SOCIETA' EDITRICE TIPOGRA

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
HACHETTE RUSCONI S.P.A.	HACHETTE FILIPACCHI MEDIAS EDIF EDIZIONI ITALO FRANCESI S.R.L. LAGARDERE SCA	100 - -	100 n/a n/a	ALTA TECNOLOGIA EDITORIALE SRL ATE ALTA TECNOLOGIA EDITORIALE SRL HACHETTE RUSCONI INTERACTIF S.R.L. HACHETTE RUSCONI NET SERVICE S.P.A NOU.MAG. S.R.L.UZIONE M. MULTIMEDIA ADV S.R.L. HACHETTE RUSCONI PUBBLICITA' S.P.A EDIF EDIZIONI ITALO FRANCESI S.R.L. H.M.C. ITALIA S.R.L. TELEPHONE PUBLISHING S.R.L. TELEPHONE PUBLISHING SRL INFORMACION Y PUBLICACIONES S.A. CSIED CONSORZIO SISTEMI INFORMATIVI EDITORIALI M DIS DISTRIBUZIONE MEDIA SPA CONSULEDIT S.R.L. M-DIS DISTRIBUZIONE MEDIA S.P.A.

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
CAIRO COMMUNICATION S.P.A.	CAIRO URBANO ROBERTO U.T. COMMUNICATIONS SPA UT BELGIUM HOLDING HENDERSON INVESTORS LIMITED NEXTRA INVESTMENT MANAGEMENT SGR CAPITALIA SPA via its funds FINECO ASSET MANAGEMENT BANCA INTESA SPA via its funds AZIMUT SGR SPA CAAM SOCIETA DI GESTIONE DEL RISPARMIO SPA CREDIT AGRICOLE ASSET MANAGEMENT SELLA HOLDING BANCA SPA via its funds CAPITALIA ASSET MANAGEMENT SGR	- 45,16 15,88 3,87 2,12 - 2,04 - - < 2,00 < 2,00 < 2,00 - 0,04	72,88 n/a 15,88 n/a n/a 2,04 n/a 1,09 n/a n/a n/a 0,56 n/a	CAIRO TV S.P.A.

Source: Bureau van Dijk Amadeus-database

4.2.3 Employment related measures

The number of employees measures the number of people involved in the operations of an industry. When this number is compared to total employment it indicates the relative importance of that industry in employment terms. Employment in the magazine publishing industry was declining until 2001. After that it has been increasing. In 2003 the total number of employees in the magazine publishing industry was approximately 9 500.

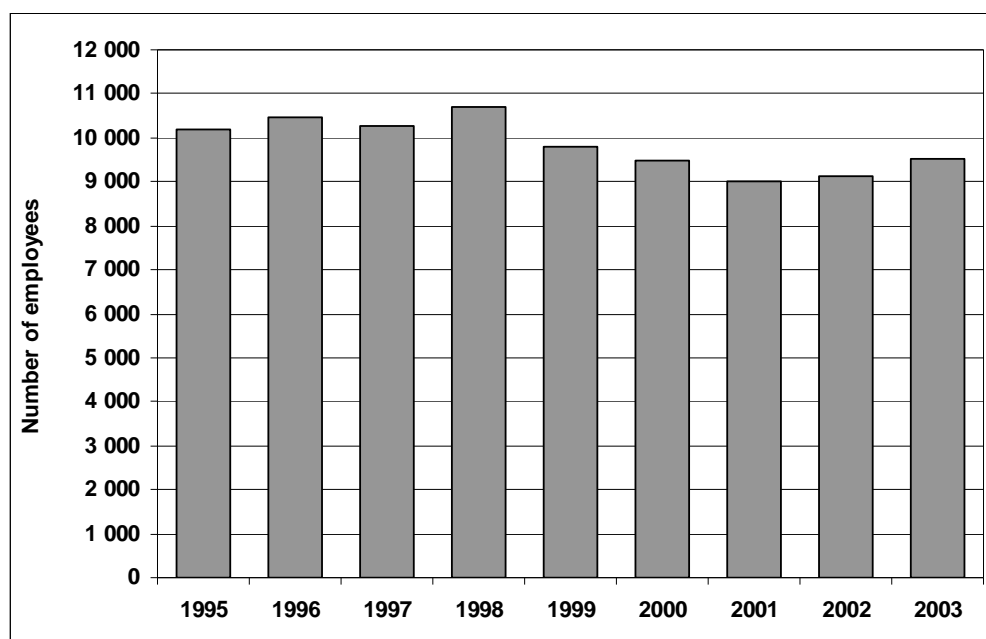


Figure 38 Employment in the magazine industry (Source: Eurostat NewCronos Database)

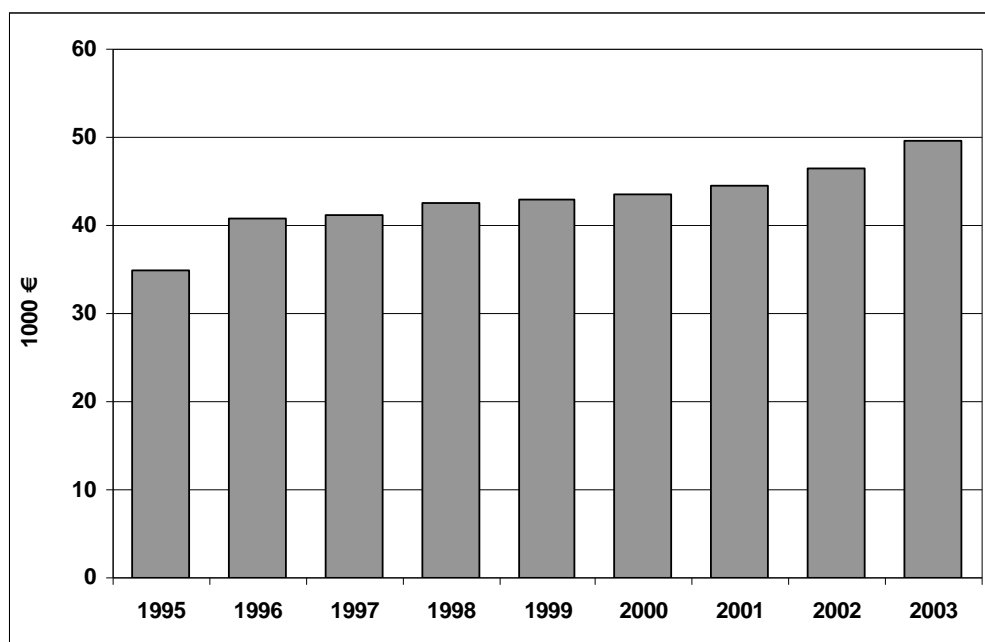


Figure 39 Personnel costs per person employed in the magazine industry (Source: Eurostat NewCronos Database)

4.2.4 Financial measures

Turnover

The total turnover of the magazine publishing industry declined steadily during 1995-1998, starting at 2 265 million euros in 1995 and ending in 3 242 million euros in 1998. In 1999 the turnover started to decline. Between 2000 and 2002 the total turnover of the industry returned to the 1998 level. In 2003 the total turnover of the magazine publishing industry was declined 1 913 million euros.

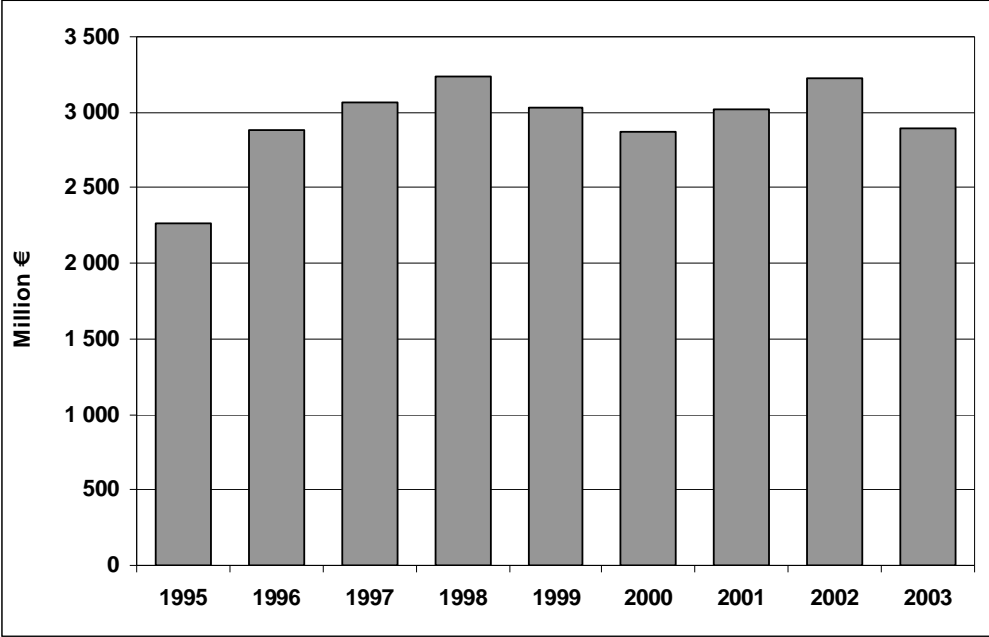


Figure 40 Total turnover of the magazine industry (Source: Eurostat NewCronos Database)

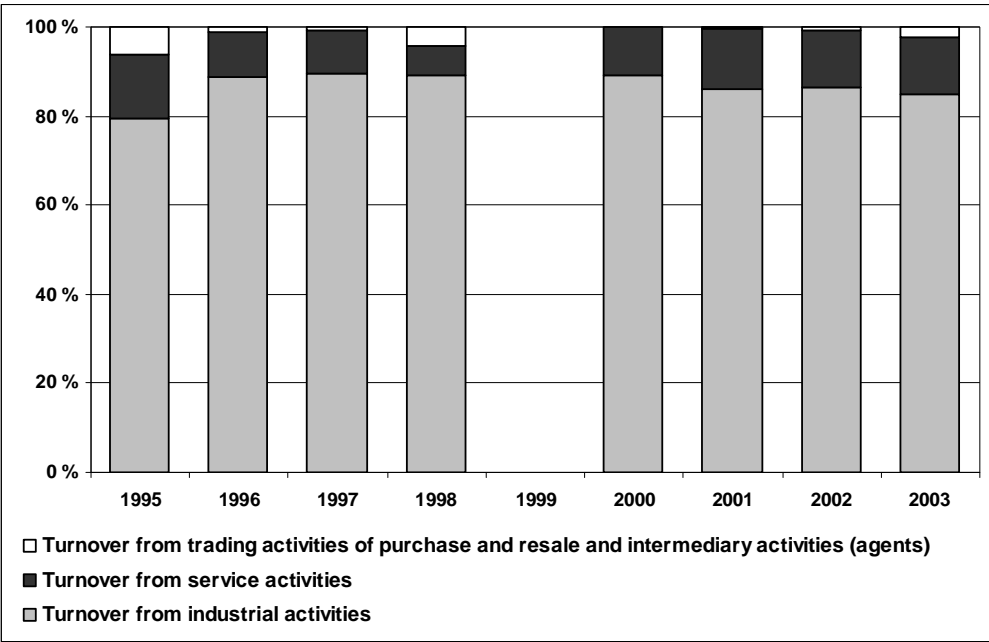


Figure 41 Distribution of turnover of the magazine publishing industry by business activities (Source: Eurostat NewCronos Database)

Change in turnover

The change in turnover in the magazine publishing industry varied a great deal during 1996-2003. In 1996 the magazine publishing industry saw the most rapid growth during the years under scrutiny, growing over 25 per cent. In the following year the growth varied between -7 and 7 per

cent. In 2003 the total turnover on of the magazine publishing industry declined 10 per cent.

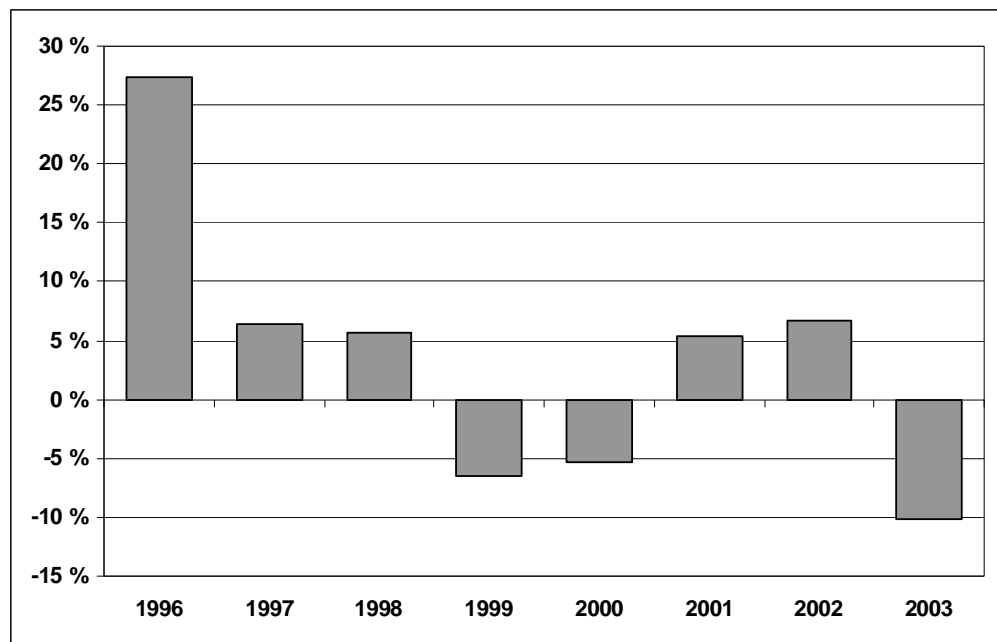


Figure 42 Change in turnover (Source: Eurostat NewCronos Database)

Value added is the measure of the total annual output of goods and services produced by the residents of a particular country. This is the value of turnover less the value of inputs from other industries. On a single firm level it means the value that is created by the factors of production of that firm.

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The magazine publishing industry's has contribution to the GDP: 0.06%.

Value added is an important measure as it has a considerable impact on the ability of an enterprise to pay a workforce and generate a profit. These are hard to do with low value-added. In 2003 the total value added of the magazine publishing industry was 749 million euros.

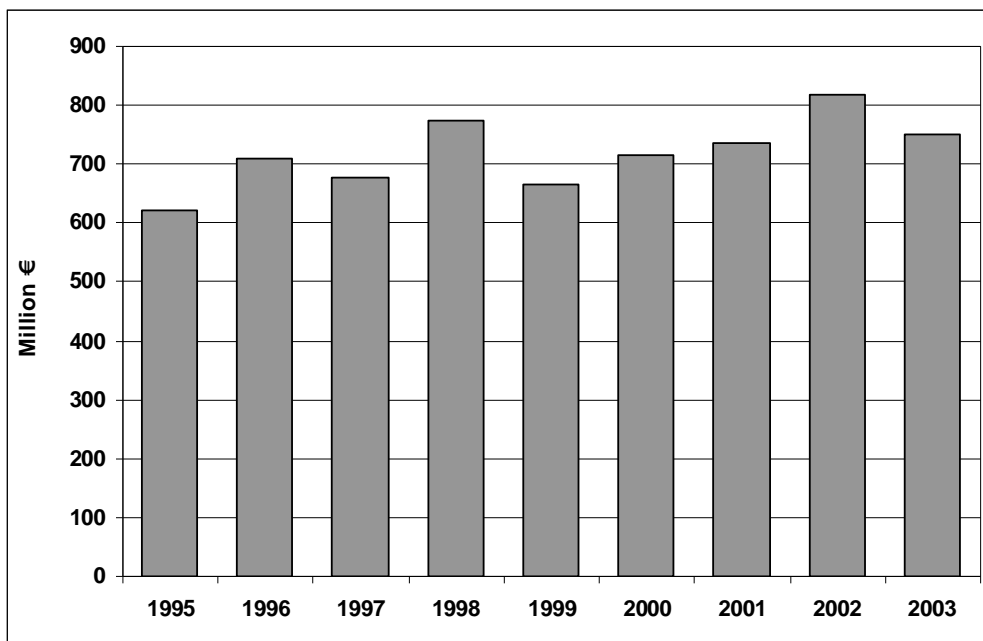


Figure 43 Value added of the magazine industry at factor costs (Source: Eurostat NewCronos Database)

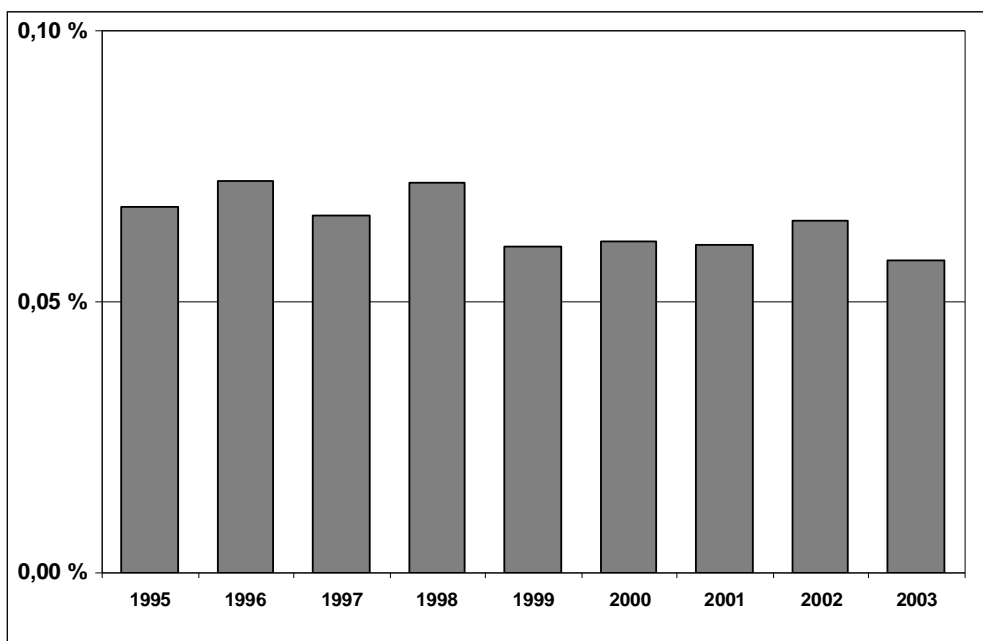


Figure 44 Value added to GDP (Source: Eurostat NewCronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1995-2002 except years 1997 and 1999. At its highest it was 89 400 euros in 2002. In 2003 value added per employee was 78 700 euros.

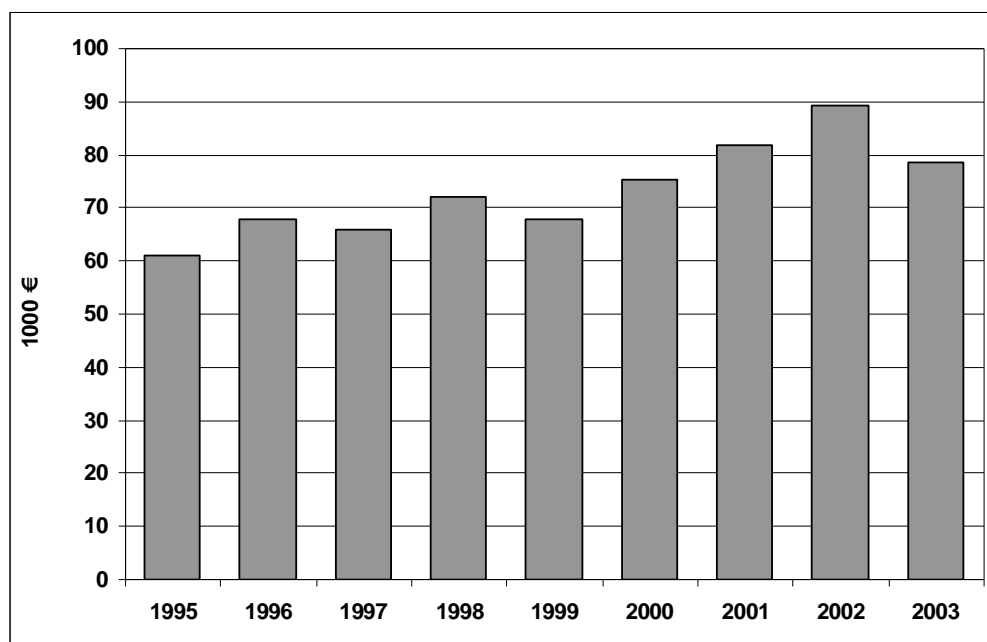


Figure 45 Value added per employee, 1000 €(Source: Eurostat NewCronos Database)

Value added per personnel costs

The ratio value added to personnel costs is an alternative way of looking at the relationship between costs of people employed in the industry and the value generated. It's a relative measure, and so not subject to distortions such as variation in exchange rates or inflation. Rather than being a direct measure of productivity, it is a measure of the effectiveness of the industry in the money it spend on employment, regardless of the number employed.

The critical vale for this is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2003 value added per personnel costs was 1,6.

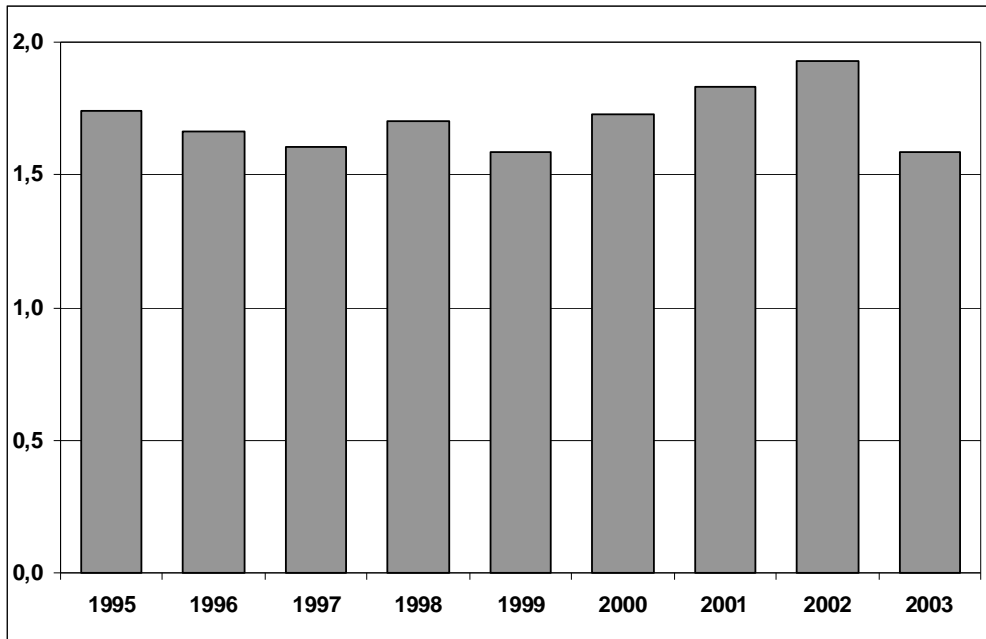


Figure 46 Value added per employee costs (Source: Eurostat NewCronos Database)

Turnover per employee

Turnover per employee in the magazine publishing industry was showed a clear positive trend between 1995 and 2002. Turnover per employee declined to 249 000 euros in 2003.

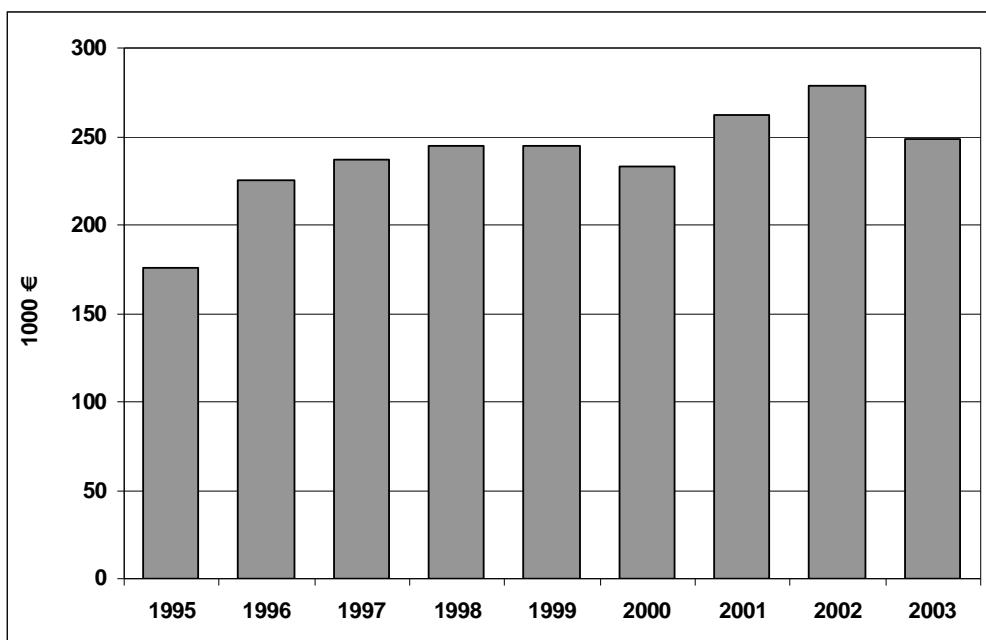


Figure 47 Turnover per employee (Source: Eurostat NewCronos Database)

Operating margin

This indicator measures the profit after operational costs (goods and services and personnel costs) as a percentage of the turnover. The need for operating profit depends largely on the investment intensity of the national industry. In countries where the printing facilities are largely integrated in the publishing firm, the need for operating profit in order to cover the depreciations and capital costs is higher than in countries where printing is largely outsourced.

The result of turnover, less value added and personnel costs are the operating profit. The operating margin of the magazine industry varied around 10 per cent. In 2003 operating margin of the magazine industry was 9,6 per cent.

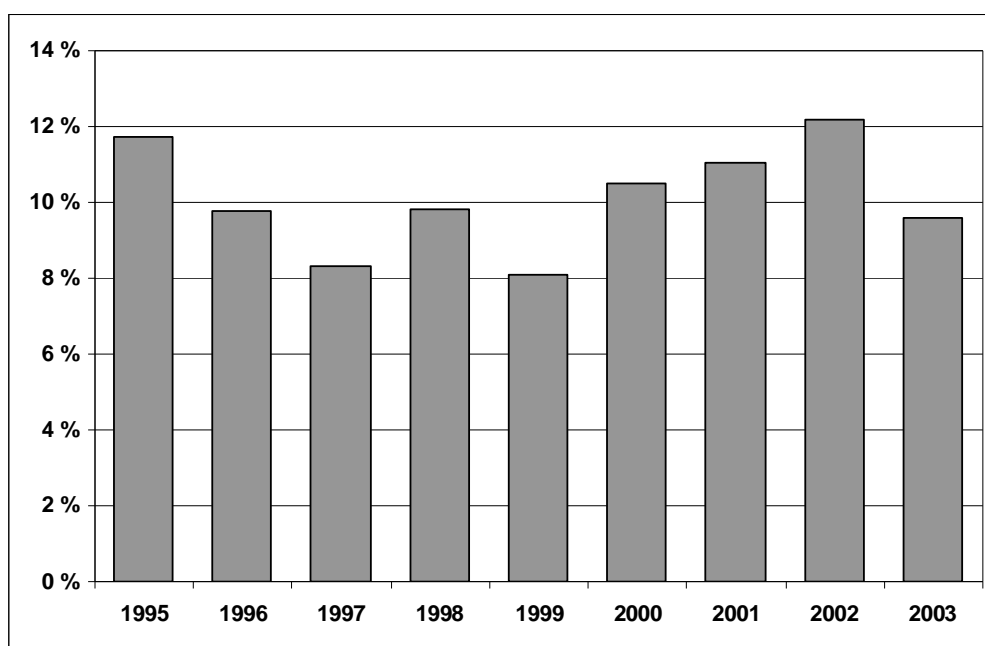


Figure 48 Operating margin of the magazine industry (Source: Eurostat NewCronos Database)

5 BOOK PUBLISHING

5.1 Market analysis

5.1.1 Definition of the sector

The book industry in different European countries does not conform to a standard classification. However, the industry in all countries falls broadly in to four groups:

- Consumer publishing (sometimes known as “trade publishing”)
- Educational or schools publishing
- Academic publishing
- Business or professional publishing

Consumer publishing covers both fiction and non-fiction books written for a general audience and usually sold through retail outlets.

Educational publishing consist mainly of school textbooks and related materials, covering all levels from nursery to college (post-school) education.

Academic publishing includes both monographs and textbooks for university-level and above.

Fields such as legal publishing and more practical technical works are included in business and professional publishing, as well as “general management” books.

Educational, academic and business books are often sold through non-retail channels, including direct supply, specialist school suppliers, online and mail-order.

In some countries, two other categories are sometimes also considered as significant enough to separate out in statistical analyses:

- Children’s books

- Religious books

Where these are not separated out, children's books are usually considered part of consumer publishing as they are sold through the same channels on the same basis, and religious books as educational (although they are often retailed as consumer rather than educational books).

Each sector of the book publishing industry has its own characteristics and its individual strengths and weaknesses. Each sector has a unique combination of competing firms. The business drivers can be very different: consumer publishing is heavily driven by the demands of retailers for discounts and for rapid service; educational and academic publishing are heavily influenced by government policies on education, which can make a major difference to publishing strategies and operations in different countries.

Margin structures and distribution channels also vary considerably, with both the education and academic sectors being influenced by the adoption of textbooks by institutions and sometimes purchased in bulk at one extreme and sales of consumer books from very small outlets (including door-to-door in some countries) at the other.

There are many publishing firms (including medium-sized firms) with business activity in two or more, or even all four these sub-sectors. Such companies are often structured as a number of divisions, each focused on one or two markets. These may share a brand, but not always do so. Even where they do share a common "imprint" brand, publishing divisions often act independently of one another and can be managed quite separately, reporting as a combined entity only at the highest level. This further complicates the ability to assess performance at the enterprise level: groups are reported as one entity.

5.1.2 Book sales

There is a clear upward trend in the total sales of books. The total sales value of books totalled 3,8 billion euros in 2004. That is 9,2 per cent more than in 1999.

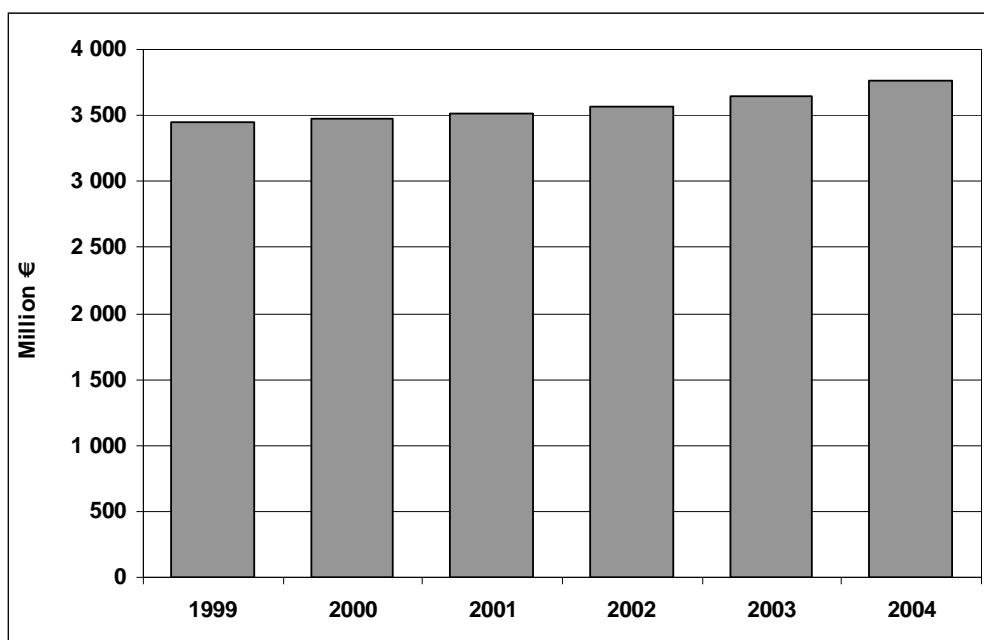


Figure 49 Value of book sales (Source: AIE Research Department)

Table 3 Sales of books, CD-ROMs and services at cover price (Source: AIE Research department from various sources)

	2001		2002		2003	
	Million €	%	Million €	%	Million €	%
Bookshops, stationery bookshop:	1 702,2	48,5	1 720,6	48,4	1 759,0	48,3
- School textbooks for adaption	640,7	18,2	642,0	18,0	652,0	17,9
- Miscellaneous, STM, University	885,4	25,2	901,3	25,4	925,0	25,4
- Half price	68,8	2,0	70,2	2,0	73,0	2,0
- CD-rom	28,3	0,8	30,0	0,8	31,0	0,9
- Non-book	19,0	0,5	19,8	0,6	23,0	0,6
- Sales to institutions, libraries	60,0	1,7	57,3	1,6	55,0	1,5
Large scale retail	202,5	5,6	201,4	5,7	205,0	5,6
- Miscellaneous, adult/children	185,5	5,1	186,3	5,2	195	5,4
- CD-rom	17,0	0,5	15,1	0,4	10,0	0,3
Newsstand	420,5	12,0	422,1	11,9	432,7	11,9
- Miscellaneous, adult/children*	39,0	1,1	36,7	1,0	34,7	1,0
- Instalment + digital support	342	9,7	347,1	9,8	363	10,0
- CD-rom	39,5	1,1	38,3	1,1	35	1,0
Sales at book fairs	16,0	0,5	15,9	0,4	18,0	0,5
Sales in museums, exhibitions	14,0	0,4	14,5	0,4	17,0	0,5
Internet sales from Italian sites	29,0	0,8	36,5	1,0	46,5	1,3
- Books	7,0	0,2	12,3	0,3	20,5	0,6
- CD-rom	22,0	0,6	24,2	0,7	26,0	0,7
CD-roms in electronic stores	140,0	4,0	148,5	4,2	152,0	4,2
CD-roms in toyshops, others	4,0	0,1	0,5	0,0	0,5	0,0
By instalment:	409,9	11,7	408,3	11,5	417,0	11,4
- Encyclopedias, STM	310,0	8,8	312,5	8,8	315,5	8,7
- CD-rom consumer	22,5	0,6	22,3	0,6	22,0	0,6
- CD-rom and DVD for professionals	77,4	2,2	73,5	2,1	80,0	2,2
Direct sales to public	222,0	6,3	224,5	6,3	227,0	6,2
- Mail order sales	143,0	4,1	144,0	4,1	145,0	4,0
- Book club	79,0	2,3	80,5	2,3	82,0	2,2
Direct sales to libraries etc.	65,0	1,9	67,5	1,9	70,0	1,9
Sales through special initiatives	115,4	3,3	120,8	3,4	115,0	3,2
Exports	176,5	5,0	180	5,1	185	5,1
Total	3517,5	100,0	3555,1	100,0	3644,7	100,0

* Excluding books sold as newspaper attachments

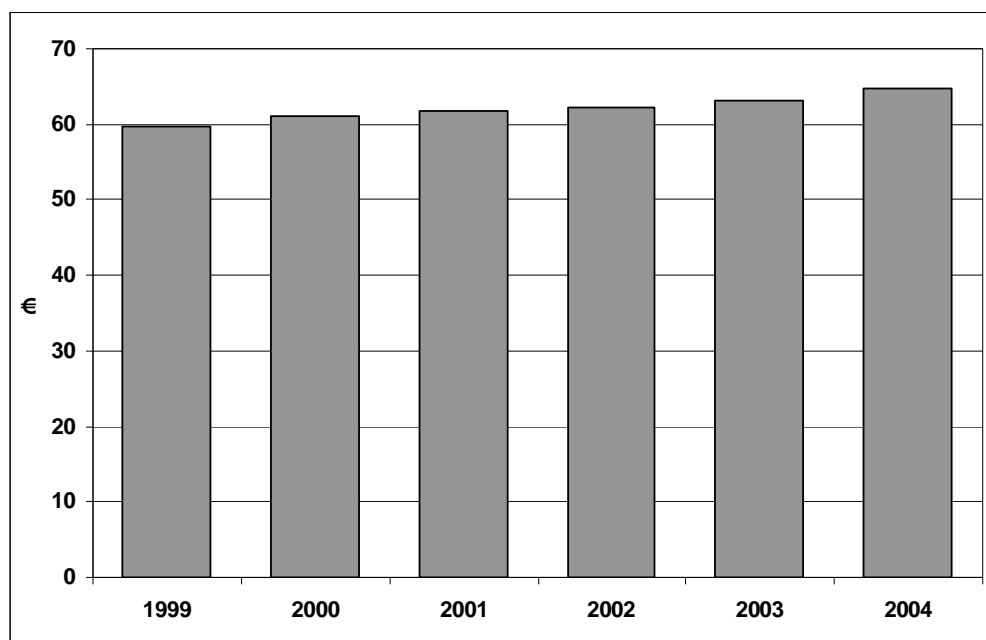


Figure 50 Value of book sales per capita (Source: AIE Research Department and Statistics Finland, World in Figures)

Table 4 Structure of distribution channels for books (Source: AIE The Italian Book Market Report 2005)

	2002		2003		2004	
	Value in Euros	%	Value in Euros	%	Value in Euros	%
Bookshops*	958 600 000	79,2	980 000 000	78,6	1 026 000 000	78,8
Large-scale retail chains**	186 300 000	15,3	195 000 000	15,6	202 500 000	15,5
Newstands***	36 700 000	3,0	34 700 000	2,8	25 300 000	1,9
Other forms of retail sales ****	15 900 000	1,3	16 000 000	1,3	17 500 000	1,3
Internet*****	12 300 000	1,0	20 500 000	1,6	31 400 000	2,4
A Total	1 209 800 000	100,0	1 246 200 000	100,0	1 302 700 000	100,0
	+1,4%		+2,9%		+4,5%	
B Set textbooks	642 000 000		652 000 000		659 000 000	
	+0,2%		+1,6%		+1,1%	
C Books at museum bookshops	14 500 000		17 000 000		19 000 000	
	+3,6%		+17,2%		+11,8%	
A+B+C Total	1 866 300 000		1 915 200 000		1 980 700 000	
	+1,0%		+2,5%		+3,3%	
In instalments	312 500 000		315 500 000		321 000 000	
Mail-order sales	144 000 000		145 000 000		143 000 000	
Book clubs	80 500 000		82 000 000		82 700 000	
Direct library sales	67 500 000		70 000 000		72 200 000	
Exports	180 000 000		185 000 000		191 000 000	
D Total	784 500 000		797 500 000		809 900 000	
	+1,4%		+1,7%		+1,5%	
Collectable books	347 100 000		363 000 000		381 000 000	
E-publishing (CD-ROM,DVD)	317 400 000		317 500 000		321 700 000	
Online e-publishing (Databanks)	35 000 000		39 000 000		41 000 000	
Used books at half price	70 200 000		73 000 000		75 000 000	
Non-books	19 800 000		23 000 000		27 000 000	
Income and sales for special initiatives	120 800 000		115 000 000		123 700 000	
E Total	910 300 000		930 500 000		969 400 000	
	+1,6%		+2,2%		+4,1%	
A+B+C+D+E Total	3 561 100 000		3 643 200 000		3 760 000 000	
	+1,2 %		+2,3%		+3,2%	
Books attached to dailies	220 000 000		328 000 000		480 000 000	
			+49,1%		+43,2%	

* The figure refers to sales of various new adult books (fiction, non-fiction, manuals, science-technical-medical journals, university books, guidebooks, art and illustrated books) and children's books (Euro 117 400 000)

** Year-round book counters at supermarkets, department stores and motorway services.

Excluding bookshops at shopping centres)

*** Excluding books sold with dailies and periodicals, collectable books and books in instalments

**** During trade fairs, sales at temporary spaces, stalls, shops, etc.

***** Sales at Italian websites

5.1.3 Book production

The number of published titles was 54 650 in 2003. That is still a little less than in 2000 but considerably more than in the beginning of the 1990's.

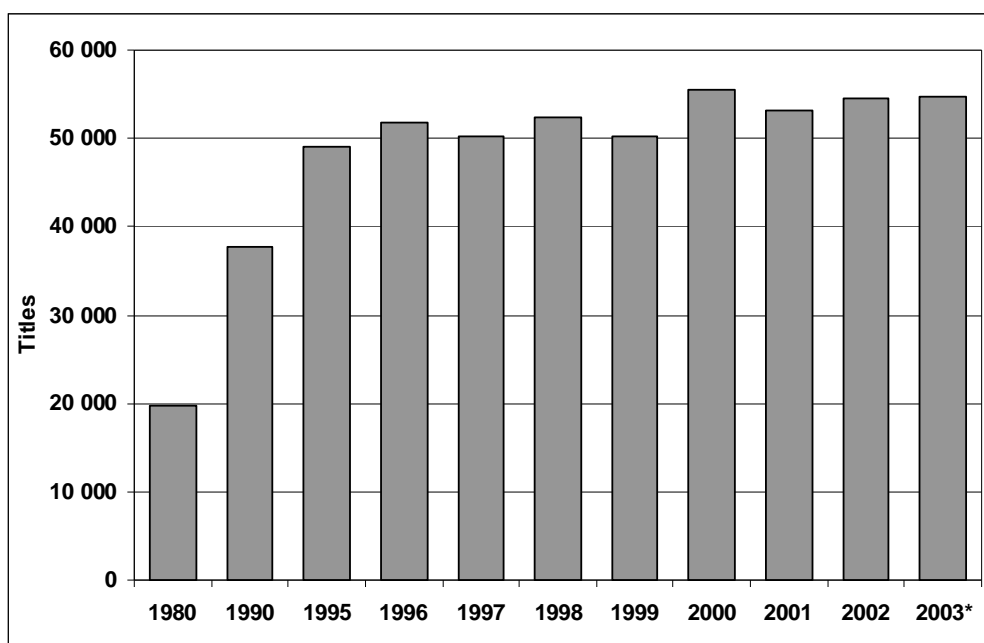


Figure 51 Number of published titles (Source: AIE Research Department on Istat data)

In 2004 books published as first editions constituted 63,7 per cent of the total, reprinting accounted for 31,2 per cent, and subsequent editions totalled 5,1 per cent. The average printing run per book was 4 637 copies.

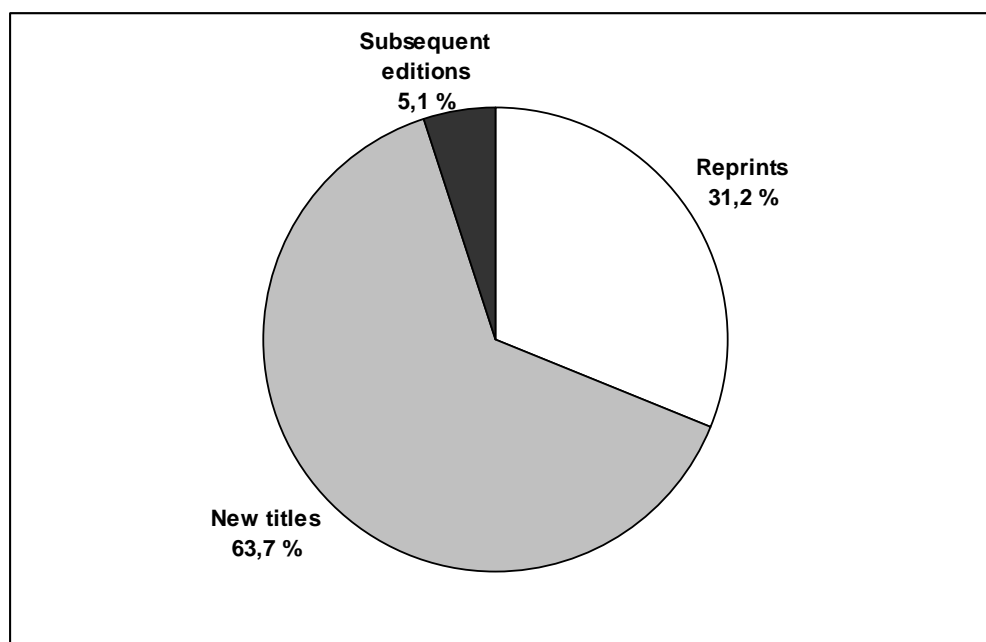


Figure 52 Share of production per type of edition in 2004 (Source: Istat, Book production in 2004)

Children's and young people's books represent 11,4 per cent (7 686 titles) of production. A little over half of them (54,3 %) are new books. School books represent one fifth (18,8 %) of production (10 390 titles). According to Istat data 37,2 percent of school books were new books. Miscellaneous books represent almost 70 per cent of the production (49 680 titles). This category includes Italian and foreign fiction, essays, non-fiction manuals, trade books, travel guides, illustrated art books, dictionaries, atlases, religious publications and supplementary educational books. Two thirds (68,2 %) of these books were new titles.

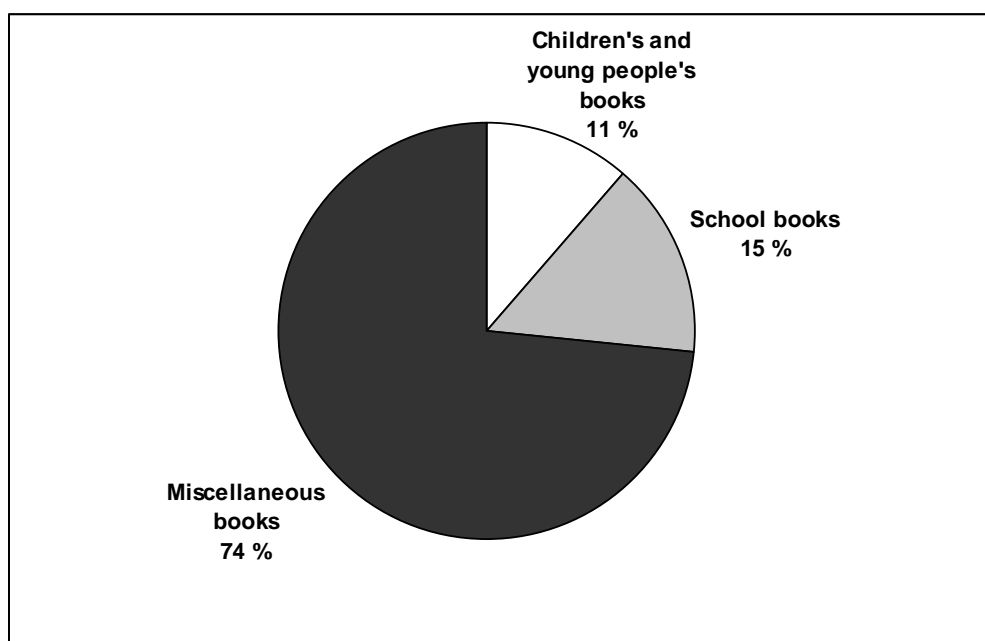


Figure 53 Share of book titles per genre in 2003 (Source: AIE Research Department, on Istat data)

Table 5 Book production by genre 2004 (Source: Istat, Book production in 2004)

	Books		Printing		
	Number of titles	Share %	Total number of books	Share %	Average print run
General (**)	505	1,0	2 538 000	1,1	5 026
Dictionaries	483	1,0	2 719 000	1,2	5 629
Philosophy, metaphysics, metapsychics, astrology	1 493	3,0	3 270 000	1,4	2 191
Psychology	1 621	3,3	3 517 000	1,5	2 169
Religion, theology	3 185	6,5	16 396 000	7,2	5 148
Sociology	1 019	2,1	1 322 000	0,6	1 298
Statistics	452	0,9	342 000	0,1	756
Political sciences, political economy, finance	1 352	2,7	1 866 000	0,8	1 380
Law, public administration, social assistance, insurance	3 561	7,2	5 815 000	2,5	1 633
Military crafts and sciences	157	0,3	421 000	0,2	2 684
Pedagogy and didactics (***)	1 386	2,8	6 571 000	2,9	4 741
Primary school textbooks	379	0,8	10 838 000	4,7	28 597
Trade, communications and transport (****)	138	0,3	4 771 000	2,1	34 571
Ethnography, usage and customs, folklore	606	1,2	1 716 000	0,8	2 832
Philology and linguistics	1 163	2,4	6 078 000	2,7	5 226
Mathematics	550	1,1	2 660 000	1,2	4 837
Physics and natural sciences	1 052	2,1	4 931 000	2,2	4 687
Ecology	142	0,3	402 000	0,2	2 831
Medicine, pharmacy, veterinary sciences, hygiene, dietology	1 428	2,9	4 905 000	2,1	3 435
Technology, engineering, industry, arts & crafts	1 419	2,9	3 090 000	1,4	2 178
Information technologies	619	1,3	1 778 000	0,8	2 872
Agriculture, forestry, stock-raising, hunting and fishing	208	0,4	442 000	0,2	2 123
Household economy, furnishing, fashion	46	0,1	297 000	0,1	6 459
Cookery and cook books	467	0,9	3 730 000	1,6	7 987
Trade (*****), communications and transport (*****)	126	0,3	328 000	0,1	2 604
Architecture and town planning	878	1,8	1 166 000	0,5	1 328
Figurative arts and photography	2 022	4,1	5 285 000	2,3	2 614
Music and entertainment (*****)	846	1,7	2 738 000	1,2	3 236
Recreation, games, sport	837	1,7	4 004 000	1,8	4 784
History of literature and literary critic	820	1,7	1 598 000	0,7	1 948
Geography, travel, atlases	418	0,8	2 756 000	1,2	6 592
Touristic guides	1 738	3,5	8 566 000	3,7	4 929
History (*****)	3 529	7,2	10 341 000	4,5	2 930
Political, social and economic essays (*****)	1 173	2,4	6 342 000	2,8	5 407
Classic literature	1 480	3,0	5 635 000	2,5	3 807
Modern literature					
- poetry and drama	1 607	3,3	1 767 000	0,8	1 100
- action and crime novels	2 247	4,6	19 907 000	8,7	8 860
- other novels and tales	7 876	16,0	66 060 000	28,9	8 388
Comics	305	0,6	1 835 000	0,8	6 016
Total	49 333	100	228 743 000	100	4 637

* 2004 data are provisional and refer to 72,1 % of publishers and to 90,9 % of book production 2003, equal to 54 266 works in 2003 final data.

** Includes bibliographies, encyclopaedias, etc. excluding dictionaries

*** Does not include primary and secondary school, non-school and university textbooks

**** Only dealing with economic aspects

***** Includes typing and shorthand manuals

***** Dealing with organization, administration and practices

***** Includes drama, motion pictures, radio, TV, various performances

***** Includes archaeology and prehistory

***** Does not include biographies

The number of titles published per million populations is an indication of the activity publishers undertake to provide a market with range they believe it will support. A lower number indicates that consumers have limited choice; conversely, a higher number may indicate that publishers are being unselective in what they choose to publish, which suggest inefficiencies. In 2003 the number of published titles per million populations was 949 titles. At the same time the number of published books per 1000 populations was 0,95 titles.

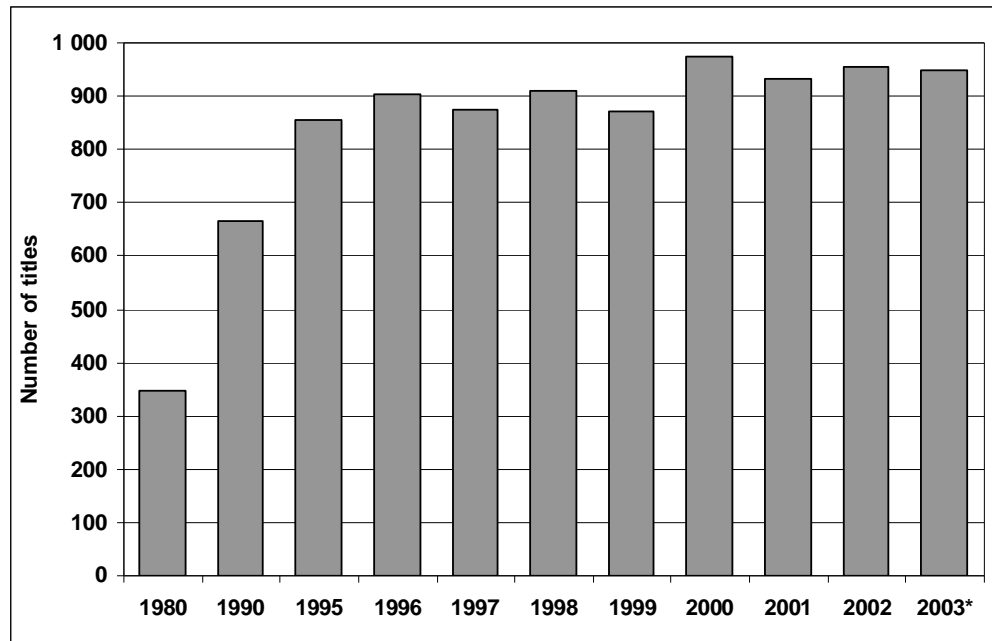


Figure 54 Number of titles published per million populations (Source: AIE Research Department and Statistics Finland, World in Figures)

The number of book publishing companies can be related to the total size of the market. The number of titles published per company gives an idea of the scale of the companies and activities that they must sustain. In 2003 the average number of titles published per company was 16,3 titles.

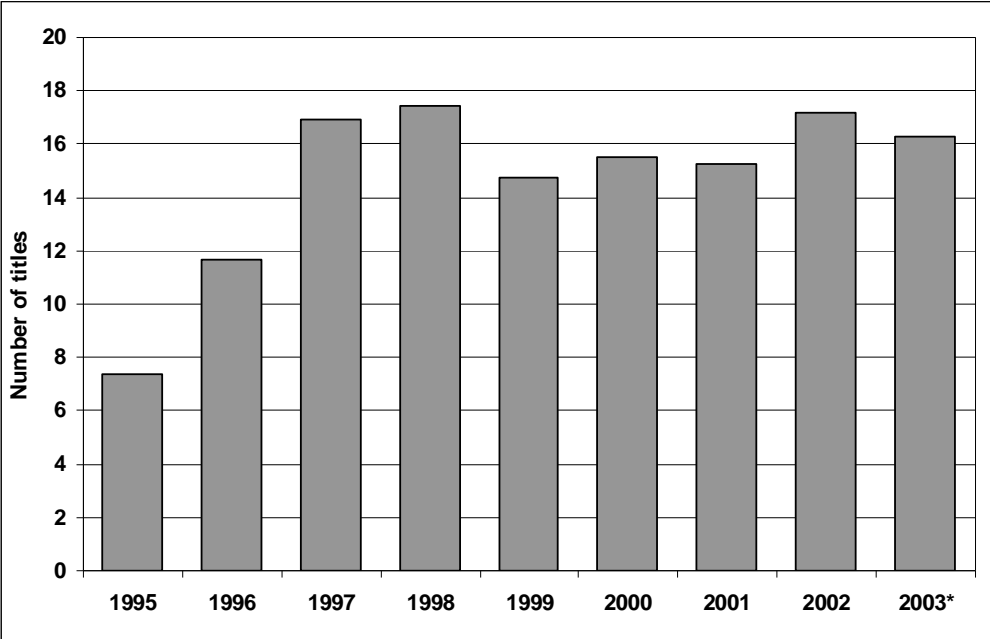


Figure 55 Number of published titles per book publishing company (Source: AIE Research Department and Eurostat NewCronos Database)

5.1.4 Public libraries

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2001 the number of books in public libraries per capita is 0,7.

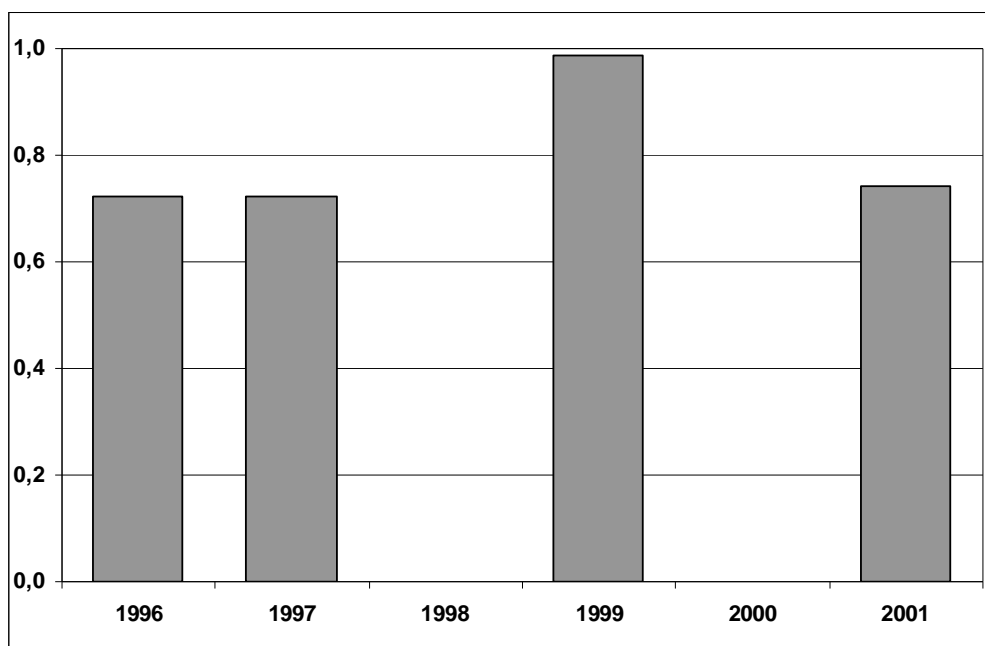


Figure 56 Number of books in public libraries per capita (Source: UNESCO and LIBECON International Library Statistics)

The intensity of the public use is measured by loans per capita. Number of loans per capita has been declining since 1997. In 2001 number of loans per in public libraries was 4,1.

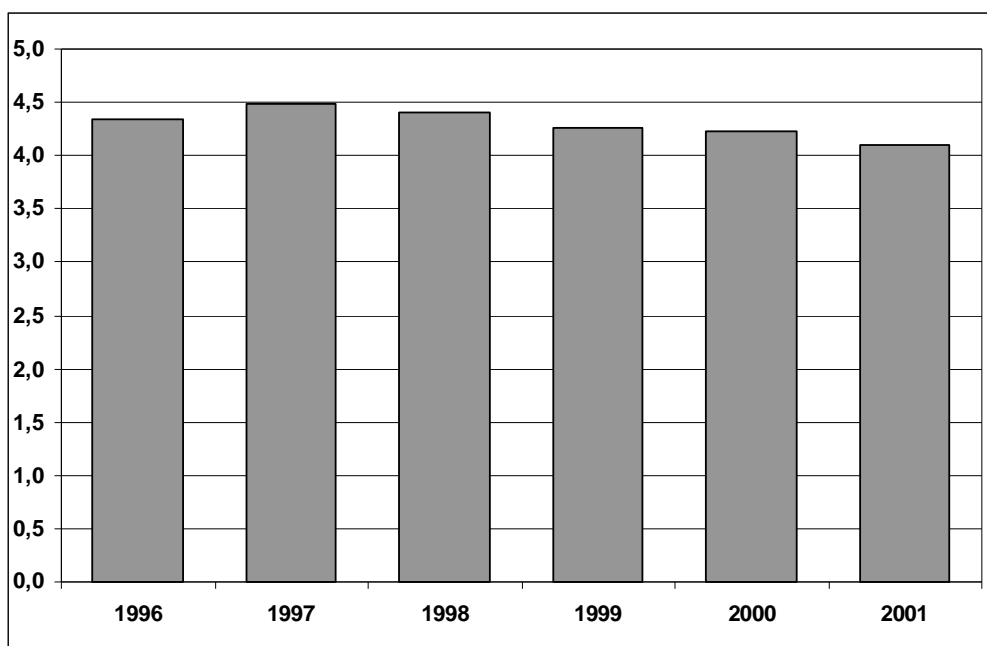


Figure 57 Number of loans per capita in public libraries per capita (Source: UNESCO and LIBECON International Library Statistics)

5.2 Industry structure analysis

5.2.1 Number of companies

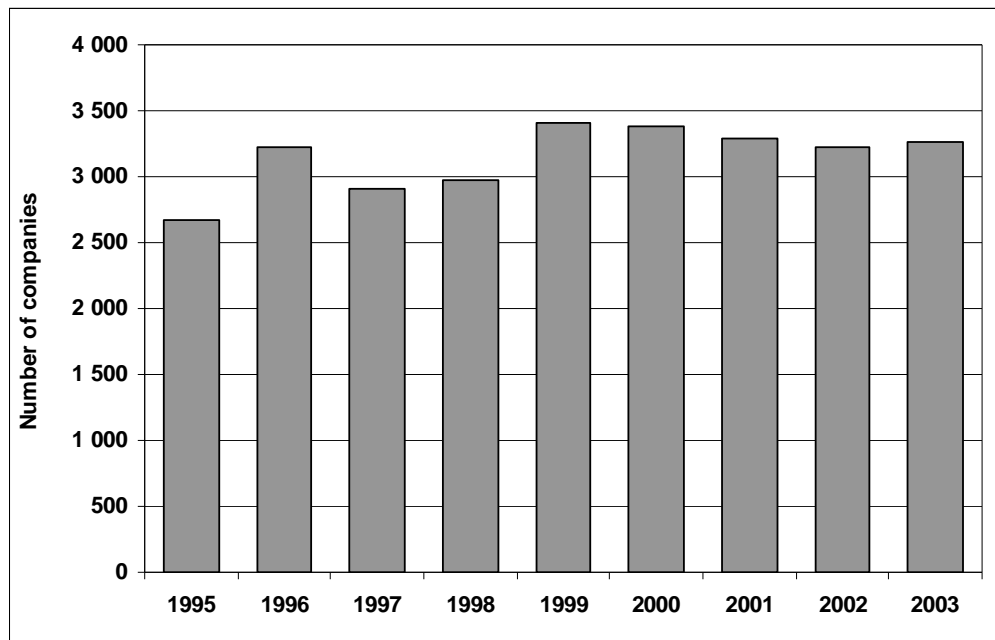


Figure 58 Number of companies (Source: Eurostat NewCronos database)

5.2.2 Biggest book publishing companies

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
ARNOLDO MONDADORI EDITORE	BERLUSCONI SILVIO	-	67,88	EDUMOND SPA
	SILVIO BERLUSCONI EDITORE	-	n/a	FIED SPA
	AUTOCONTROLE	-	n/a	MONDADORI ELECTA S.P.A.
	TWEEDEY BROWNE COMPANY LLC	-	n/a	MONDADORI INFORMATICA E-BISMEDIA SRL
	CHASE NOMINEES LIMITED	-	n/a	PRISCO SPAIN S.A.
	AFFILIATED MANAGERS GROUP INC via its funds	-	2,72	ARTES GRAFICAS TOLEDO S.A.
	FORMENTON LUCA	-	n/a	AME PUBLISHING LTD.
	FONDI COMUNI FONDIGEST	-	n/a	ARNOLDO MONDADORI DEUTSCHLAND GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
	SILCHESTER INTERNATIONAL INVESTORS LIMITED	-	n/a	ARNOWEES SA
	SCHRÖDERS PLC via its funds	-	1,38	ATIMOD PUBLISHING INVESTMENTS S.A.
	PIONEER INVESTMENT MANAGEMENT INC via its funds	-	1,09	MARCHGRANGE LIMITED
	GRUPPO UNICREDITO ITALIANO via its funds	-	0,98	MONDADORI INTERNATIONAL SA
	ING GROEP NV via its funds	-	0,86	MONDADORI.COM
	BANCA INTESA SPA via its funds	-	0,64	MONDADORI BELGIUM
	DZ BANK INTERNATIONAL S.A. via its funds	-	0,63	MONDADORI FINANCE S.A.
	ALLIANZ AKTIENGESELLSCHAFT via its funds	-	0,59	ABS FINANCE ADVISORY COMPANY
	BARBARO FRANCESCO	-	n/a	PROMOP LIBRI S.R.L.
	COSTA MAURIZIO	-	n/a	ELECTA NAPOLI S.P.A.
	ERMOLLI BRUNO	-	n/a	AGENZIA LOMBARDA DISTRIBUZIONE GIO
	PUERARI GIOVANNI	-	n/a	BOL BOOKS ON LINE
	SPOSITO CLAUDIO	-	n/a	EDITORIAL RANDOM HOUSE MONDADORI LTDA
	VITTADINI FRANCESCO	-	n/a	EDITORIAL SUDAMERICANA
				EDIZIONI EL S.R.L.N FORMA
				EDIZIONI ELECTA BRUNO MONDADORI S.
				GRUJALBO EDITOR SA
				HARLEQUIN MONDADORI S.P.A.
				HEARST MONDADORI EDITORIALE SRL
				MONDADORI RODALE SRL
				PRESSTV S.P.A.
				RANDOM HOUSE MANDADORI S.A.
				RANDOM HOUSE MONDADORI S.A.
				EDITORIAL SUDAMERICANA URUGUAYA SA
				VENEZIA ACCADEMIA S.C. A.R.L.
				MARKET SELF SA
				VELEND SPA
				ATTICA PUBLISHING INVESTMENTS S.A.
				INTERNATIONAL RADIO NETWORKS HOLDINGS S.A.
				INTERNATIONAL RADIO NETWORKS S.A.
				SELCON SRL
				EDITRICE PORTORIA
				EMFASIS S.A.
				CASA EDITRICE E DI DISTRIBUZIONE BENCES
				TILETHEATIS S.A.
				IONIKES PUBLISHING S.A.
				NUOVAMUSA VAL DI NOTO SCARL
				NUOVAMUSA VALDEMONTE SCARL
				EUROMEDIA LUXEMBOURG TWO SA
				NEWS ALERT INVESTORS ILC
				NUOVAMUSA GELMAR BIBLIOTECA NAZIONALE SCARL
				ATTICA MEDIA BULGARIA LTD
				BALCAN PUBLICATIONS LTD
				CONS SISTEMI INFORMATIVI EDITORIALI DISTRIBUTIVI
				G. DRAGOUNIS S.A.
				MAP MEDIA S.A.
				PBR PUBLICATION S.R.L.
				PROOPTIKI S.A.
				TILERAMA S.A.
				ENALLAKIKES S.A.
				CONSULEDIT
				EDITRICE STORIA ILLUSTRATA SRL (IN LIQ.)
				IMMOBILIARE EDITORE GIORNALI SRL
				GRUPO EDITORIAL RANDOM HOUSE MONDADORI S.L.
				CITY SERVERS S.A.
				CONSORZIO AEROMOBILI FININVEST IN
				ISTUD - ISTITUTO STUDI DIREZIONALI
				AGI - MONDADORI S.P.A.
				CEMIT INTERACTIVE MEDIA S.P.A.E
				EDIZIONI PIEMME S.P.A. SIGLABILE I
				EDUMOND LE MONNIER S.P.A.
				GIULIO EINAUDI EDITORE S.P.A.
				GRUNER + JAHN/ MONDADORI S.P.A.
				MACH 2 LIBRI S.P.A.
				MONDADORI - RODALE S.R.L.
				MONDADORI FRANCHISING S.P.A.
				MONDADORI PRINTING S.P.A.
				MONDADORI PUBBLICITA' S.P.A.
				MONDADORI RETAIL S.P.A.
				MONDOLIBRI S.P.A.
				SOCIETA' EDITRICE IL MULINO - S.P.
				SOCIETA' EUROPEA DI EDIZIONI - S.P.
				SPEHLING E KUPFER EDITORI SPA

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
RCS LIBRI S.P.A.P.A.	BONAVITA PIERLUIGI	100	100	CASA EDITRICE LA TRIBUNA OPPURE CELT
	BURBELLO MARIA ASSUNTA	-	n/a	FABBRI PRAHA, S.R.O. V LKVIDICI
	CAVALLI PIERGIORGIO	-	n/a	LIBRERIE RIZZOLI S.R.L.
	CEDES - SOCIETA' SEMPLICE	-	n/a	R.C.S. COLLEZIONABILI
	CORNAGGIA PAOLO MARIA	-	n/a	R.C.S. SCUOLA
	DALLA VALLE GIOVANNI	-	n/a	RCS INTERNATIONAL BOOKS BV
	DEL VICARIO MICHELE	-	n/a	RES LIVRES SAS
	ECONOMIA E FINANZA SRL FORMA ABBE	-	n/a	EDITORIALE FIRENZE S.P.A. O, IN F
	EDIZIONI 2000 S.R.L.	-	n/a	LA COCCINELLA - S.R.L.
	FABRIS CARLO	-	n/a	MARSILIO EDITORI S.P.A.
	FABRIS DANIELA	-	n/a	GARAMOND S.R.L.
	FRANCO MARCELLO	-	n/a	R.L. LIBRI S.R.L.
	FREZZOTTI GIOVANNI	-	n/a	RIZZOLI LAROUSSE S.P.A.
	GAVAZZI ROBERTO	-	n/a	RIZZOLI LAROUSSE SPA
	GILBERTI ENRICO	-	n/a	ADELPHI EDIZIONI S.P.A.
	GUIDA MARIO	-	n/a	RATELFACTOR S.P.A.
	MANGRASSO RITA	-	n/a	EDITION D'ART ALBERT SKIRA S.A.
	PAFINA S.R.L.	-	n/a	MACH 2 LIBRI S.P.A.
	PIATTO VERA	-	n/a	RBA COLEZIONABILES SA
	PICCOLE PARTECIPAZIONI S.P.A.	-	n/a	FABBRI LAPKIADO KFT
	POSCIA LINA	-	n/a	CASA EDITRICE MARIETTI S.P.A.
	PULITANO CRESCENZO	-	n/a	FABBRI LAPKIADO
	RIZZOLI CORRIERE DELLA SERA MEDIAG	-	n/a	ISTUD - ISTITUTO STUDI DIREZIONALI
	RODINO MAURIZIO	-	n/a	RCS MEDIAGROUP SPA
	SARUBBI STEFANO	-	n/a	S.N. L'EUROPEEN S.A.
	SCARSELLI CAMILLO	-	n/a	TELELIBRO
	SCOVAZZI VINCENZO	-	n/a	
	SIMONE GIAN LUIGI	-	n/a	
	SOLLECITO ANTONIETTA	-	n/a	
	VALENTINI CINZIA	-	n/a	
	VALENTINI MARIA CRISTINA	-	n/a	
	ZOLA PIER LUIGI	-	n/a	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
GIANGIACOMO FELTRINELLI EDITORE S	FELTRINELLI CARLO FITZGERALD	-	n/a	EDIZIONI SIEPIEL SRL
	PRO JUVARA SRL	-	n/a	GRAFICA SIEPIEL - S.R.L.
	SCHODENTHAL INGE	-	n/a	ME DI
	SOCIETA' ITALIANA DI REVISIONE E	-	n/a	MEDI MAGAZZINI EDITORIALI S.R.L.
				ESKIMOSA S.R.L.
				KOWALSKI EDITORE S.R.L.
				APOGEO S.R.L.

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
LONGANESI & C. SOCIETA' PER AZIONI	n/a	n/a	n/a	n/a

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
BALDINI CASTOLDI DALAI - EDITORE S	n/a	n/a	n/a	n/a

Source: Bureau van Dijk Amadeus-database

Table 6 Production of book titles and copies in relation to the size of the business (Source: Istat and Media Group based on Istat data)

		1997	2000	2001	2002
Small publishers					
	Titles	5 534	4 924	4 431	4 324
	Share of titles	10,7 %	8,9 %	8,3 %	7,9 %
	Copies	14 803 000	14 618 000	9 595 000	9 244 000
	Share of copies	5,3 %	5,4 %	3,5 %	3,6 %
	Average print run	2 670	2 969	2 166	2 138
Medium publishers					
	Titles	10 801	10 670	9 702	10 224
	Share of titles	20,8 %	19,2 %	18,3 %	18,7 %
	Copies	34 678 000	33 874 000	34 678 000	26 702 000
	Share of copies	12,4 %	12,4 %	12,6 %	10,3 %
	Average print run	3 170	3 175	3 574	2 612
Large publishers					
	Titles	35 523	39 952	38 998	40 076
	Share of titles	68,5 %	71,9 %	73,4 %	73,4 %
	Copies	231 034 000	224 334 000	231 034 000	222 320 000
	Share of copies	82,4 %	82,2 %	83,9 %	86,1 %
	Average print run	7 020	5 615	5 924	5 547

5.2.3 Employment related measures

The number of employees provides a measure of employment in the operations of an industry. When this number compared with total employment in the economy, it provides an indicator of the relative importance of that industry in terms of employment. The total number of employees in the book publishing industry in 2003 was 13 348. After 1999 the total number of employees in the book publishing industry has been quite stable.

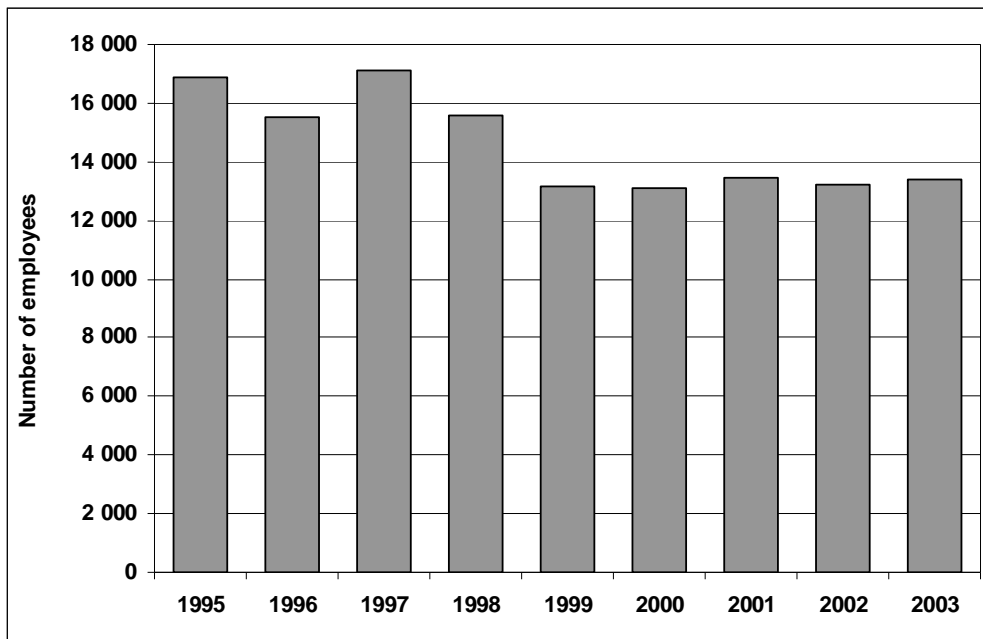


Figure 59 Number of employees (Source: Eurostat NewCronos Database)

The employment costs of a particular industry depend upon the work intensity of value creation, the value created and the bargaining power of the workforce in the labour market. Per-employee costs in book publishing industry show clear upward trend. In 2003 the personnel costs per person employed were 45 600 euros.

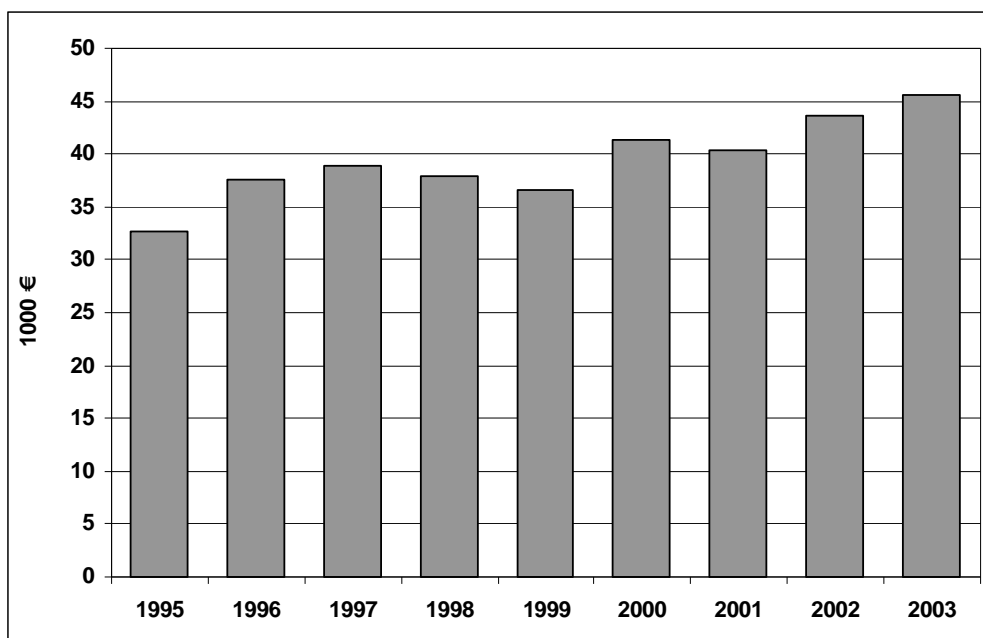


Figure 60 Personnel costs per person employed (Source: Eurostat NewCronos Database)

5.2.4 Financial measures

Turnover

Turn over of the book publishing industry declined steadily during 1997-1999, starting at 4, 6 billion euros in 1997 and ending in 3, 7 billion in 1999. In 2000 the total turn over recovered being 4, 7 billion euros. In 2003 the total turn over of the book publishing industry was 4, 9 billion euros.

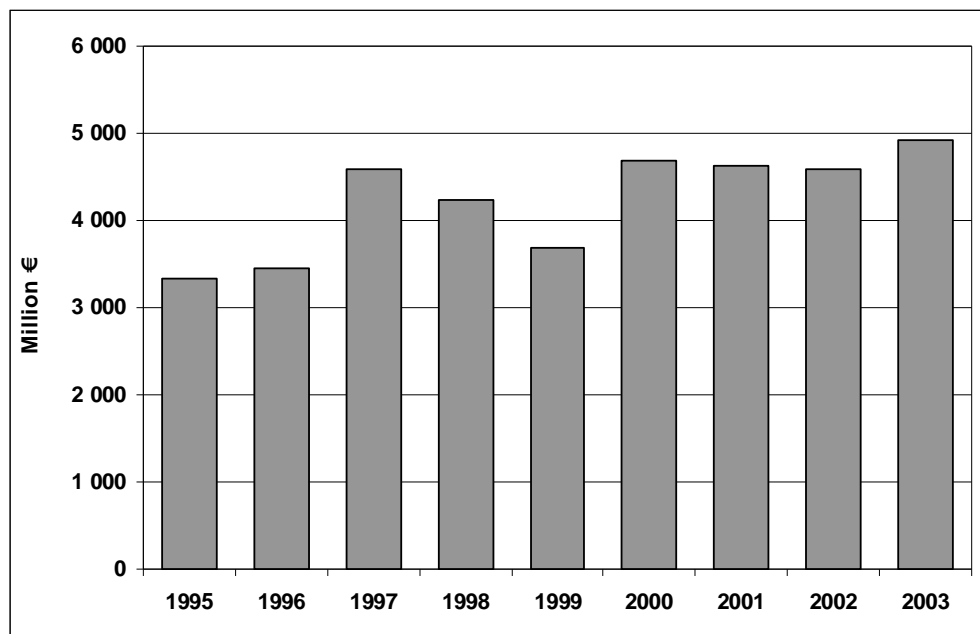


Figure 61 Total turnover of the book publishing industry, Million €(Source: Eurostat NewCronos Database)

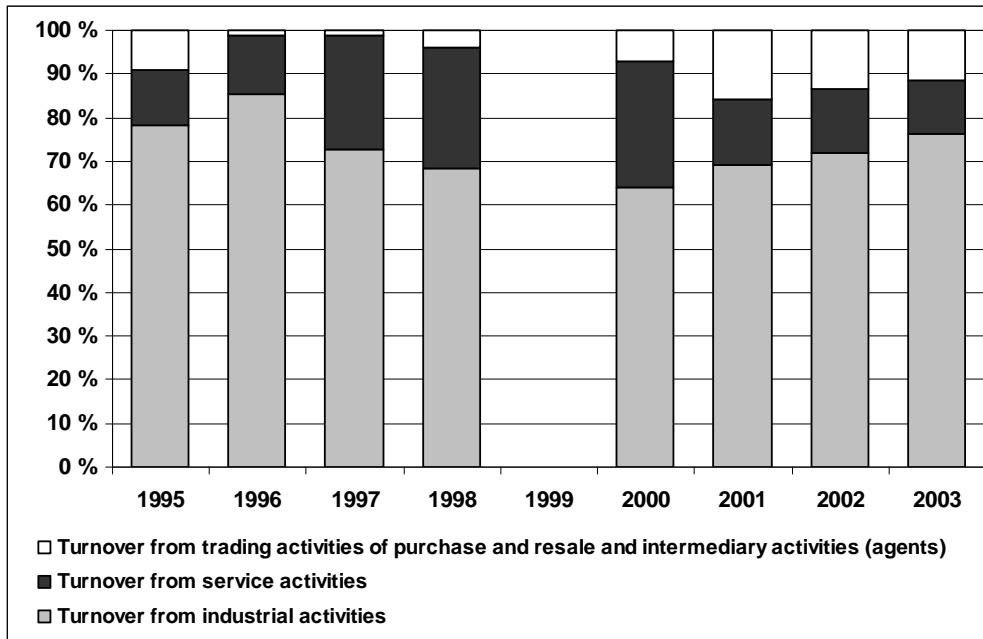


Figure 62 Distribution of turnover of the book publishing industry by business activities (Source: Eurostat NewCronos Database)

Change in turnover

The procentual change in turnover in the book publishing industry varied a great deal during 1996-2003. In 2000 the book publishing industry saw rapid growth during the years under scrutiny, growing approximately 27 per cent. In the following years the growth sunk. In 2003 the business has recovered steadily and even achieved a moderate positive growth (+7,1%).

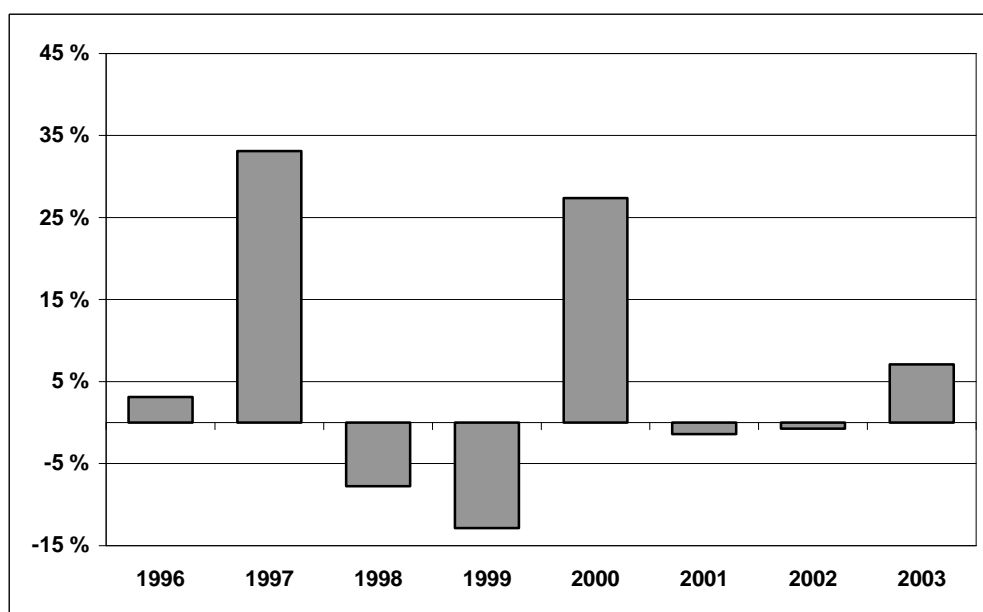


Figure 63 Change in turnover, % (Source: Eurostat NewCronos Database)

Value added

Value added provides a measure of the total annual output of goods and services produced by the companies in a particular industry. This is the value of the turnover of the industry less the value of inputs from other industries. In 2003 the total value added of book publishing industry was 1,5 billion euros.

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The book publishing industry's contribution to the GDP: 0.11%.

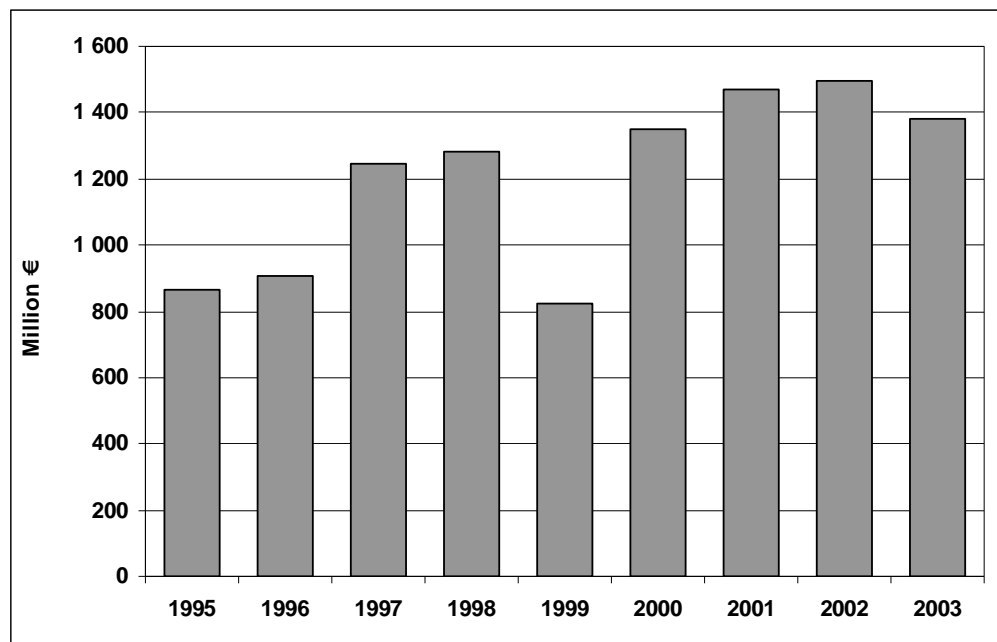


Figure 64 Value added of book publishing industry at constant prices, Million € (Source: Eurostat NewCronos Database)

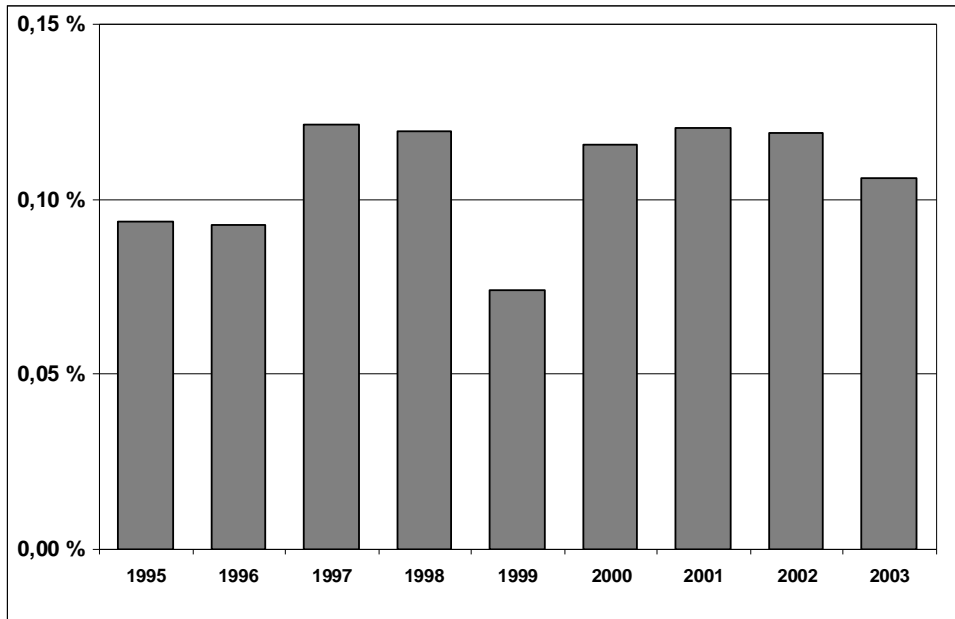


Figure 65 Value added to GDP (Source: Eurostat NewCronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1995-2002 except year 1999. At its highest it was 113 000 euros in 2002 and at its lowest it was 62 500 in 1999. In 2003 value added per employee was 103 200 euros.

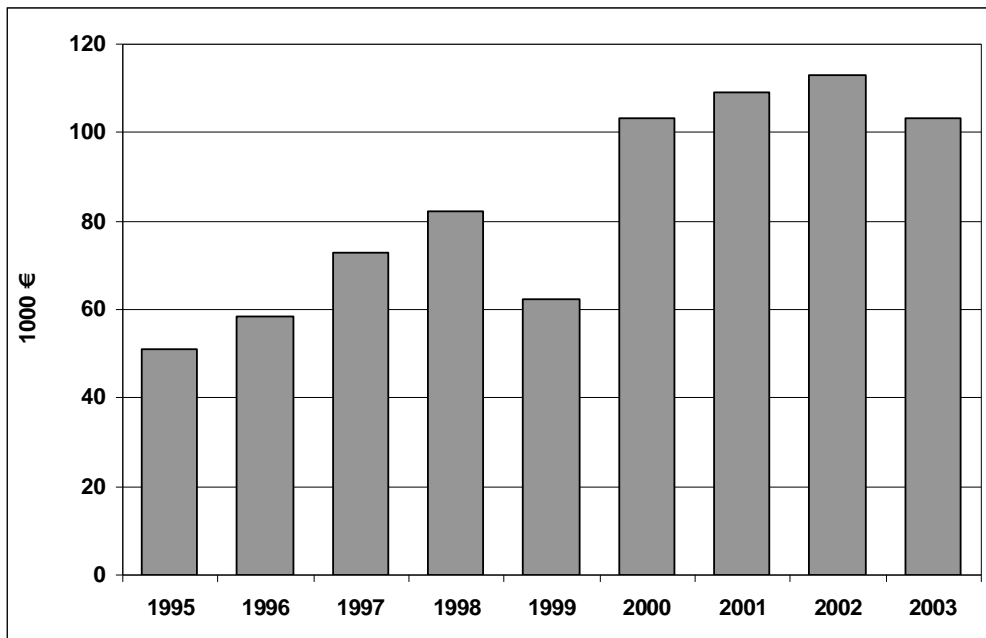


Figure 66 Value added per employee, 1000 €(Source: Eurostat NewCronos Database)

Value added per personnel costs

The ratio value added to personnel costs is an alternative way of looking at the relationship between costs of people employed in the industry and the value generated. It's a relative measure, and so not subject to distortions such as variation in exchange rates or inflation. Rather than being a direct measure of productivity, it is a measure of the effectiveness of the industry in the money it spend on employment, regardless of the number employed.

The critical vale for this is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2003 value added per personnel costs was 2,3.

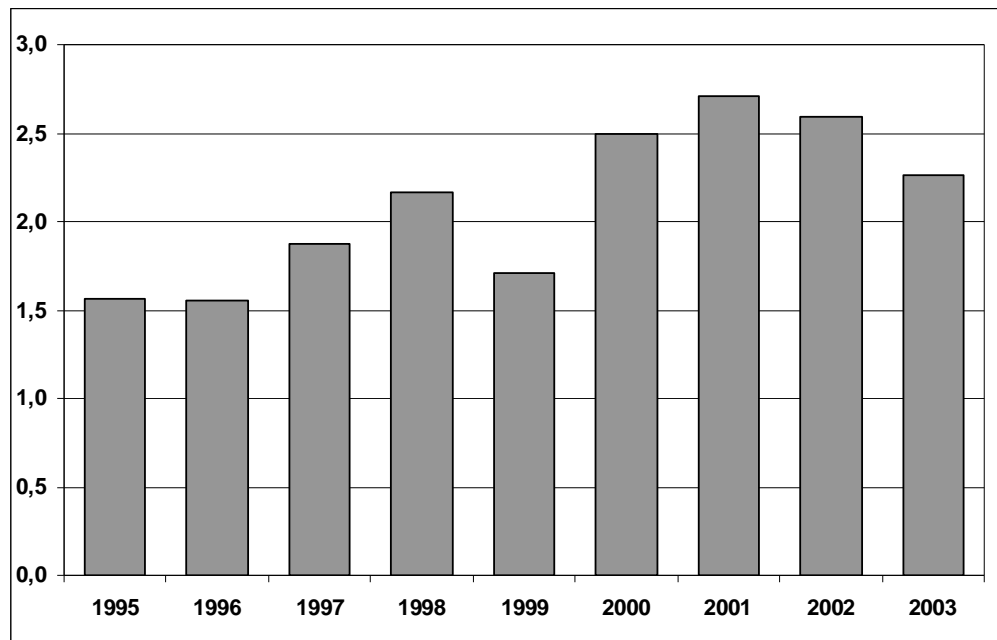


Figure 67 Value added per employee costs (Source: Eurostat NewCronos Database)

Turnover per employee

Turnover per employee in the book publishing industry was around 270 000 euros during 2000-2002. Turnover per employee increased slightly to 286 000 euros in 2003.

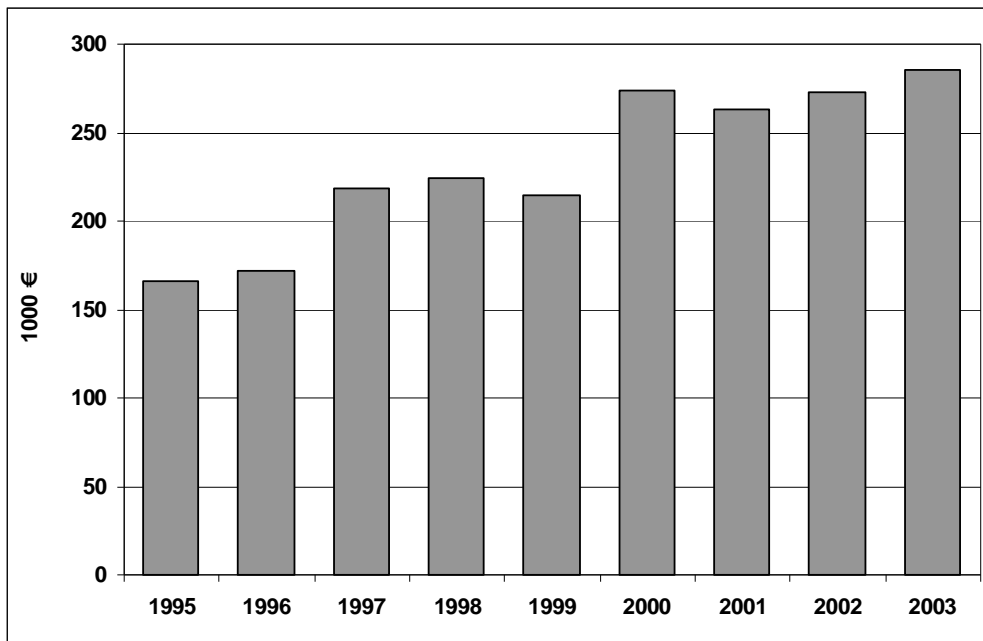


Figure 68 Turnover per employee (Source: Eurostat NewCronos Database)

Operating margin

Operating margin tells how successful the operational activities of a company have been before depreciation and financial items. Using this key figure when comparing different companies in the same industry can be somewhat misleading because companies can either own their production facilities or lease them totally or partially. If the company owns its production facilities, the costs of using those facilities are booked as depreciations after operating margin. If the facilities are leased, leasing costs are included in rents and by that way also in operating margin. The required level of operating margin depends on the relation of current liabilities and turnover and the current level of interest rates.

The operating margin of the book publishing industry showed increasing trend during 1995-2002. In 1999 it weakened considerably and it sunk to 9,3 per cent. In 2000 it recovered remarkably and it was amounted to 17,2 per cent. In 2003 the operating margin was dropped to 15,7 per cent.

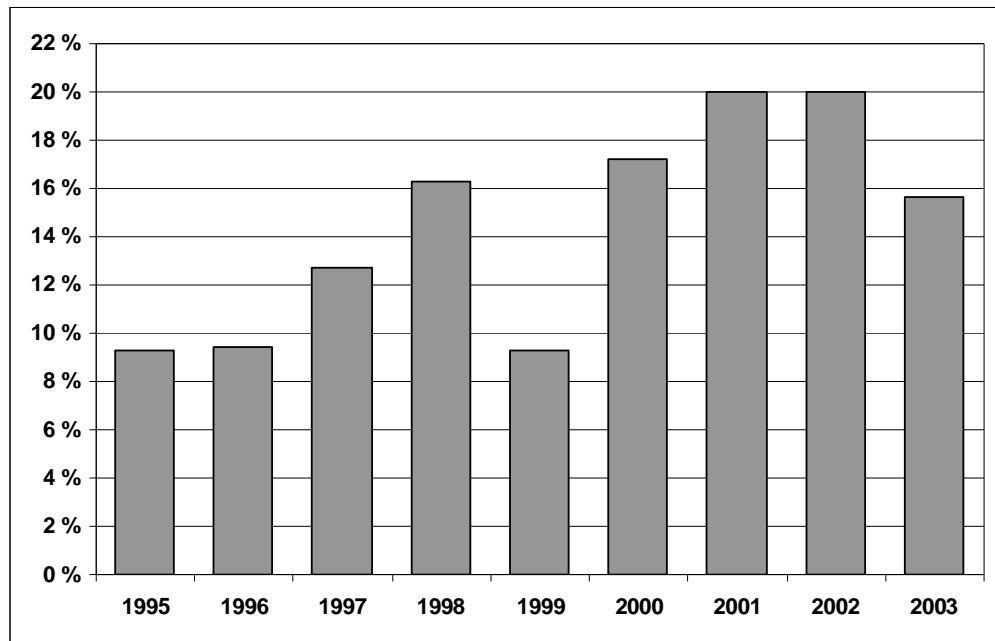


Figure 69 Operating margin, % (Source: Eurostat NewCronos Database)

6 LEGAL ANALYSIS

Analysis of Italian legislation with regard to the press and publishing sector is carried out in this country report by examining legal texts and legal provisions in three broad sectors:

- Fundamental principles
- Horizontal regulation
- Sector specific regulation

Each sector has been divided into sections - each section corresponding to a thematic area covered by different legislative and regulative measures.

6.1 Fundamental principles

6.1.1 Freedom of expression/press freedom. Censorship

This section examines the main provisions on freedom of expression/press freedom and the main provisions on censorship laid down in Italy through:

- Constitution
- Legislative acts
- Criminal code and criminal procedure code
- Case law

Constitution

In Italy, the principle of freedom of expression is laid down in article 21 of the Italian Constitution:

Text of the article:

All have the right to express freely their own thought by word, in writing and by all other means of communication.

The press cannot be subjected to authorization or censorship.

Seizure is permitted only by a detailed warrant from the judicial authority in the case of offences for which the law governing the press

expressly authorizes, or in the case of violation of the provisions prescribed by law for the disclosure of the responsible parties.

In such cases, when there is absolute urgency and when the timely intervention of the judicial authority is not possible, periodical publications may be seized by officers of the criminal police, who must immediately, and never after more than twenty-four hours, report the matter to the judicial authority. If the latter does not ratify the act in the twenty-four hours following, the seizure is understood to be withdrawn and null and void.

The law may establish, by means of general provisions, that the financial sources of the periodical press be disclosed.

Printed publications, shows and other displays contrary to morality are forbidden. The law establishes appropriate means for preventing and suppressing all violations.

Legislative acts

Royal Legislative Decree n. 561 of 31 May 1946 on the seizure of newspapers and other publications

Article 21 of the Constitution is directly inspired by the Royal Legislative Decree n. 561 of 31 May 1946 on the seizure of newspapers and other publications, especially as it guarantees that seizure of newspapers and publications may not take place without an irrevocable judgement issued by the judicial authority. This law was voted two days before the proclamation of the Republic and is still effective today.

Brief description of the law's provisions:

An irrevocable sentence is necessary for the seizure of newspapers or any other publication. It is however possible to the judicial authority to order the seizure of newspapers and publications violating the criminal code. It is possible to seize indecent, offensive publications and publications divulging or illustrating means to provoke abortion¹, when such publications are considered relevant for the subsequent judgment.

¹ The original text of the law included a sentence allowing for seizure of publications divulging "means apt to avoid procreation" - this sentence has been declared unconstitutional by the Constitutional Court with judgement nr 49 of 10-16 March 1971.

Law n. 645 of 1952 (legge Scelba) - Law against the reconstitution of the fascist party

Art 8: Cautionary procedure for publishing. The judicial authority is entitled to seizure newspapers or other publications used as apology to fascism

Criminal code and criminal procedure code

Criminal Code - Royal Decree n. 1398 of 19 October 1930

Provisions concerning press freedom included in the Criminal Code:

- Liability of director/deputy director for publications (art. 57-57bis, modified by the law n.127 of 4 March 1958)
- Clandestine press (art. 58)
- Proceedings concerning crimes committed through press (art. 58bis)
- Crimes against institutions and national symbols (art. 265-267-272-278-290-290bis-291-292-297-299-300-327-342)
- Offence to religion (art. 403, considered partially illegitimate by the Constitutional court's judgement n. 168 of 18-29 April 2005)
- Incitement to crime (art. 414 and art 415, considered illegitimate by the Constitutional court judgement n. 108 of 23 April 1974)
- Obscene publications (art. 528, 725, the Law n. 355 of 17 July 1935 provides that professional salespeople and booksellers are excluded from these obligations)
- Defamation (art. 595)
- Publication of fallacious or misleading news with the aim of disturbing public order (art. 656)
- Abusive distribution of illegal publications (art. 663)

Code of Criminal Procedure - Decree from the President of the Republic n. 447 of 22 September 1988

Articles of the criminal procedure code related to press freedom:

- Prohibition to publish certain acts and data and relevant sanctions (art. 114-115)
- Publicity of judicial hearings (art. 471-473)

Case law

Judges gave a larger sense to the Art. 21 of the Constitution and to the law of 8 February 1948, considering they were protecting all kind of media publications (papers, radio, television and the Internet).

The civil section of Milan's Court's judgement n. 6127 of 10-16 may 2002 confirmed this jurisprudence by saying that publications on the Internet were assimilated to periodical publications.

6.1.2 Privacy and rights of the personality

This section examines the main provisions on privacy and rights of the personality, with regard to the press and publishing sector, laid down in Italy through:

- Constitution
- Legislative acts
- Civil code
- Self-regulatory measures

Constitution

Italian Constitution: Article 2

Text of the article:

The republic recognizes and guarantees the inviolable human rights, be it as an individual or in social groups expressing their personality.

Other articles of the Constitution dealing with the rights of the personality are the following:

Art. 13: Personal freedom is inviolable

Art. 32: The law cannot violate the limits imposed by the respect for the human person.

Legislative acts

Besides article 595 of the Criminal Code, which provides for imprisonment from 6 months to 3 years and a fine not inferior to lire 1 million for defamation committed through press or other publications, the Italian law on press includes the following provisions on **defamation**:

Law n. 47 of 8 February 1948 – Provisions on press

- Art. 8: right of reply
- Art. 11, 12 & 13: defamation
 - Art. 11: civil responsibility. The owner and the publisher of the publication are deemed responsible for crimes committed through the press
 - Art. 12: economic compensation for the crime of defamation. Compensation must be proportionate to the seriousness of the offence and to the diffusion of the publication
 - Art. 13: criminal sanctions. Defamation consisting in the attribution of a determined fact is punishable with imprisonment from 1 to 6 years and a fine not inferior to lire 500,000

It should be noticed that in several cases Italian courts have effectively condemned to prison journalists and publishers for defamation. In February 2004, a journalist of the local weekly *Il Meridiano*, Massimiliano Melilli, was sentenced on appeal to 18 months in prison and ordered to pay a €100,000 fine for defamation by a court in Trieste. Italian courts handed down prison sentences for defamation in 2001 against Stefano Surace, former managing editor of the weekly *Le Ore*, and in 2002 against Raffaele Jannuzzi, former journalist on the daily *Il Giornale di Napoli*.

The case of Mr Jannuzzi, a famous reporter who had published in 1968 an investigation leading to the discovery of plans for a coup d'Etat in Italy, provoked the reaction of several politicians and journalists for a review of the Italian legislation on defamation (see below). Mr Jannuzzi,

condemned to 2 years and 4 months in prison with irrevocable sentence, was finally granted a pardon by the President of the Republic in 2005.

Legislative Developments

On 26 October 2005, Italy's lower house (Camera dei Deputati) approved a legislative proposal (S-3176) aiming at modifying the framework for defamation and libel. The proposal is currently being discussed at the Senate.

The proposal includes modifications to law n. 47 of 8 February 1948 and to the Criminal Code and Criminal Procedure Code. The major modifications proposed are as follows:

- Defamation through press consisting in the attribution of a determined fact shall be punished by a fine from €5,000 to €10,000 with obligation to publish the judgement
- Simple defamation shall be punished with a fine from € 1,500 to € 6,000 with aggravating circumstances for offences to public officials and authorities
- Libel shall be punished with a fine up to €5,000

It should be observed that at present both defamation and libel through press are subject only to economic sanctions and not imprisonment, as they are considered as crimes falling under the responsibility of the "giudice di pace" (justice of the peace) who cannot inflict imprisonment according to art. 4a) and 52 of legislative decree of 28 August 2000, nr 274.

Proposal S-3176 also modifies art. 57 of the criminal code - the director of the newspaper/publication is held responsible of the crime committed by a journalist if the crime is a direct consequence of a violation of the duties of monitoring on the content of the publication. Economic compensation for defamation shall be implemented within one year from the offending publication (now the term is fixed at 5 years)

Legal Decree n. 196 of 30 June 2003, Code on the protection of personal data (and following amendments)

The Code contains new provisions and gives systematic coherence to all previous legislation on the subject. The Code gives special attention to the protection of minors. It includes provisions on electronic communications (Title X).

Title XII -Journalism and literary and artistic expression.

This title contains provisions allowing journalists to use sensitive, personal and judicial data without previous authorization when necessary for the development of their profession. Such provisions are detailed in articles 136 to 138 of the Decree. Art 139 lays down provisions on the Code of self-conduct to be adopted by the National Council of Journalists in collaboration with the Authority for Guarantee in Communications (AGCOM) - according to the Decree the Code has to be published in the Official Journal and its provisions are subject to control from the Authority (see below, Self-regulation).

Civil Code

Civil Code - Royal Decree of 16 March 1942 n. 262

Art. 10 Abuse of someone else's image

The exposure or publication of any image taken to the detriment of a third person's reputation or dignity can be considered as an abuse and is forbidden.

Self-regulatory measures

"Deontological Code on the treatment of personal data while exercising journalism" (art. 139 Law n. 196/2003). This Code seeks to find the balance between the fundamental rights of the personality and the freedom of press

- Art. 2: When a publishing company has private data stored in its database the company should announce it at least twice a year
- Art. 4: Journalists must amend their mistakes
- Art. 5 & 6: Private data can be used when necessary for news reporting
- Art. 7: Minors (see below - section 3)

- Art.8 & 10: Respect of the person's dignity (see below - section 3)
- Art. 9: Principle of no discrimination
- Art. 11: Respect for the private sexual life
- Art. 12: Possibility to report a criminal procedure
- Art. 13: Sanctions applicable to journalists that do not comply with the Code

6.1.3 Protection of minors and human dignity

This section examines the main provisions on protection of minors and human dignity laid down in Italy through:

- Constitution
- Legislative acts
- Self-regulatory measures

Constitution

Protection of minors

The Italian Constitution does not include any specific provision on the issue of protection of minors from harmful media content. The only relevant provisions are those dealing with juvenile labour, laid down in article 37 of the Constitution:

Text of the article:

- (1) Working women are entitled to equal rights and, for comparable jobs, equal pay as men. Working conditions have to be such as to allow women to fulfil their essential family duties and ensure an adequate protection of mothers and children.
- (2) The law defines a minimal age for paid labour.
- (3) The republic establishes special measures protecting juvenile labour and guarantees equal pay for comparable work.

Human dignity

Italian Constitution: article 3

Text:

All citizens have equal social dignity and are equal before the law, without regard to their sex, race, language, religion, political opinions, and personal or social conditions.

Legislative acts

Law n. 47 of 8 February 1948 – Norms on Publishing

- Art. 4: When the owner of a newspaper is a minor, a legal representative must be appointed.
- Art. 8: If a statement damaging somebody's dignity is published, the director of the publication is obliged to publish for free the rectification to such statement.
- Art. 14: Publications that could incite to corruption or violent behaviour destined to minors are forbidden

Law n. 355 of 17 July 1975 excluding professional newspapers' salesmen and booksellers from the responsibility derived from articles 528 (pornographic publications) and 725 (commerce against public decency) of the Criminal Code and of articles 14 and 15 (publications destined to children and publications with impressive or horrifying content) of the Law n. 47 of 8 February 1948

Professional newspapers' salesman and booksellers will not be condemned for selling pornographic publications or any other offensive, impressive or horrifying publication except when they sell them to minors.

Law n. 416 of 5 August 1981, n. 416 on measures for publishing and publishers

Art. 15: Diffusion of newspapers in schools – newspapers should be available in secondary and high schools for the students' use.

Legal Decree n. 74 of 25 January 1992 Implementing the Council Directive 84/450/EEC of 10 September 1984 modified by Directive

84/450/EEC, relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising

Art. 6: Advertising directed to minors cannot be abusive of their innocence or lack of experience and cannot threaten their security.

Law n. 269 of 3 August 1998 - Rule versus exploitation of prostitution pornography, sexual tourism in harm of minors, or any other new forms of slavery.

Art. 3&4: Criminal measures covering the acts involving production, distribution, diffusion, advertising and possession of pornographic material exploiting minors.

Law n. 125 of 30 March 2001 on the Statutory Law on alcohol and collateral alcohol problems

Art. 13: advertising of alcoholic beverages is forbidden in publications directed to minors.

Self-regulatory measures

Deontological Code on the treatment of personal data while exercising journalism (see above - section 2)

- Art. 7 - Protection of minors' personality when reporting news: The protection of the minors' image and identity prevails above the journalist's duty to report news. When the journalist decides to divulgate the image and/or personal data of the minor he/she should prove that it was for the minor's benefit and within the limits of the 'Carta di Treviso' (see below)
- Art. 8: Respect for human dignity when reporting news
- Art. 10: Respect for the persons' dignity, particularly when they suffer from illness

Carta di Treviso, 5 October 1990

This text is a Declaration signed by The National Journalists Council, The National Federation of Italian Publishers and the association Telefono Azzurro (a hot line for children) for the implementation of the UN's 1989 Convention on the Rights of the child. This Declaration provides that journalists should respect children's privacy and anonymity in news reporting. This Declaration contains as well provisions ensuring children's education and protection against any violent treatment.

Code for the Italian Advertising Self Regulation. 40^a Edition in force since 20 April 2006 (see below section 11 for a detailed description of the Code)

- Art 10: Advertising must avoid in every form the exploitation of Moral, Civil, and Religious Beliefs and Human Dignity
- Art 11: Particular precaution must be taken in advertising messages addressed to children and adolescents or which could be received by them
- Art. 28bis : Special rules on Product categories - Games, Toys and Educational Products for Children

Code Internet and Minors of 19 November 2003

The Code seeks to prevent children from getting access to content which may impair their moral and psychic integrity by providing the 'internet and minors' logo to those subjects undertaking entrepreneurial activity on the internet and willing to provide a service suitable for minors.

A non-state Guarantee Committee (Comitato di Garanzia per l'attuazione del Codice di autoregolamentazione Internet e Minori) is responsible for supervising and enforcement of the Code. If any adherent breaches the code's provisions, after a decision by the Committee he/she will be sanctioned and censored if he/she does not respond to the indications contained in the Committee's verdict. The Guarantee Committee can impose sanctions ranging from a negative remark to a suspension of the right to display the "Internet and children" sign.

TV and minors

It should be noted that the self-regulatory framework related to protection of minors against harmful TV content is more stringent than self-regulatory measures addressed to the press sector in general.

The Code for TV and Children (Codice di Autoregolamentazione TV e Minori) has been formally incorporated into state law 112/2004, resulting in its obligations being legally binding even for companies that are not signatories. The Code provides for a comprehensive set of rules concerning the participation of children to TV broadcasts and the contents of TV programmes. Compliance with the Code is ensured by the Surveillance Committee. If the Surveillance Committee decides that a broadcast is inconsistent with the Code, it can decide that this decision has to be published. Additionally, the Committee can request the broadcaster to discontinue such TV programmes and to comply with the rules embodied in the Code.

The EU context

Self-regulatory measures related to protection of minors from harmful media content have to be put in context with EU developments in this area. A Recommendation on the protection of minors and human dignity in audiovisual and information services was adopted by the Council on May 28th, 1998. It aimed at providing guidelines for the development of national self-regulation regarding the protection of minors and human dignity across all electronic media. The focus of the Recommendation was put on the involvement of all the interested parties (government, industry, service and access providers, user associations) in the production, implementation and evaluation of codes of conduct.

Two successive evaluation reports carried out in 2001 and 2003 showed that the Recommendation had been implemented successfully across EU member states. In Italy, a recent initiative in this respect (although not directly linked to the publishing sector) is represented by the Code for the protection of minors in mobile services: on 16 February 2005, Italian main mobile phone operators signed, under the auspices of the Ministry of Communications, the Code of Conduct for the Provision of Premium Services and the Protection of Children (Codice di condotta per l'offerta dei servizi a sovrapprezzo e la tutela dei minori) which aims at protecting children and safeguarding human dignity, as well as ensuring the consumers' information, in the area of mobile communications. The Code mandates the establishment of a non-state Guarantee Committee,

whose task is to coordinate the activities aimed at updating and revising the present provisions of the Code of Conduct.

As to complaint procedures and remedies to the infringement of the Code's rules, the Code of Conduct only provides for self-disciplinary measures: breaches may be reported to the operator concerned.

On 30 April 2004 the Commission proposed an update to the Recommendation in order to be able to keep up with the challenges brought by technological developments to the original 1998 text. The proposal refers to media literacy and media education programmes, the right of reply across all media, cooperation and the sharing of experience and good practices between self-regulatory bodies and action against discrimination in all media.

On 7 September 2005, the European Parliament's report on the Recommendation was adopted by a large majority. This vote closed the 1st reading in the European Parliament. In response to the Parliament's report, the Commission amended its proposal on 20 January 2006.

6.1.4 Racism and xenophobia

This section examines the main provisions on racism and xenophobia laid down in Italy through:

- Constitution
- Legislative acts
- Self-regulatory measures

Constitution

Italian Constitution: Article 3

Text of the article:

(1) All citizens have equal social status and are equal before the law, without regard to their sex, race, language, religion, political opinions, and personal or social conditions.

Legislative acts

Legislative Decree n. 215 of 9 July 2003 on the implementation of the Directive 2000/43/CE establishing the principle of equal treatment between persons irrespective of racial or ethnic origin.

Law n. 40 of 6 March 1998, Immigration discipline and rules on the foreigners' conditions

- Art. 41: Discrimination on the basis of race, colour, religion, ethnic or nationalities is forbidden.
- Art. 42: Civil actions against discriminatory behaviours committed by any EU citizens in Italy.

Self-regulatory measures

"Deontological Code on the treatment of personal data while exercising journalism" (art.25 Law n.675/96 - see above)

- Art. 9: No discrimination when reporting news on the basis of the person's race, ethnic, religion, political ideology, physic or physiological condition, or sex.
- Art. 11: Respect of the private sexual life of a person when reporting news.

6.2 Horizontal regulation

6.2.1 Competition law and media ownership

This sections details specific competition law and media ownership provisions applicable to the publishing, press and media sector

Italian competition law:

Law n. 416 of 5 August 1981, as amended by law n. 67 of 25 February 1987

Art.4 of the law limits daily press concentration to 20% of national circulation or 50% of circulation in one of Italy's four macro-regions (North-West, North-East, Centre and South). Any merger, acquisition or

equivalent act that breaches these limits is liable to be declared void in court.

Law n. 287 of 13 October 1990 for the protection of competition and the market

The first paragraph of art. 20 of the law, providing that anti competition practices on the publishing sector were dealt by the Italian Guarantee Authority for Broadcasting and Publishing (now replaced by the Italian Communications Authority - AGCOM), has been repealed by Law nr 249 of 31 July 1997 establishing AGCOM.

Antitrust investigations in the publishing sector are carried out by the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato).

In the past decade, no significant merger and acquisition operations in the press and book publishing sector have been blocked by the Competition Authority. The scenario concerning media ownership could however change in future after the entry into force of the new Italian law on Communications - see below.

Media ownership

Law n. 112 of 3 May 2004 - Rules establishing basic principles on the structure of the broadcasting system and of RAI - Italian public broadcaster, as amended by Legislative Decree n.177 of 31 July 2005, "Consolidated Act on Radio-Television"

In addition to rules specific to the press sector, antitrust rules are in force for all media, as laid down in Law 112 of 3 May 2004 (so-called "Gasparri Law").

The cornerstone of the law is the definition of the "Integrated System of Communications (ISC)" which is subject to the law's provisions concerning antitrust and concentration limits.

ISC is defined in article 2 of the law: "ISC is the economic sector which includes the following activities: daily and periodical press; annual publishing and electronic publishing including through the Internet; radio

and television; cinema; external advertising; initiatives concerning communication of products and services; sponsoring"

Art. 14 of the law entrusts the Authority for Communications (AGCOM) with the task of monitoring and enforcing antitrust rules in the field of media

Art. 15 of the law sets out the limits to media concentration and ownership:

- 15(2): no single company may own more than 20% of the total turnover of the ISC
- 15(4): companies owning more than 40% of total turnover of the telecommunications market may not own more than 10% of the total turnover of the ISC
- 15(6): companies exercising broadcast through more than one TV channel may not, before 31.12.2010, acquire participation in newspapers' publishers nor establish new newspapers' publishers

6.2.2 Labour law

This section details specific labour law and social law provisions applicable to the publishing, press and media sector

Legislative acts:

Law n. 1564 of 20 December 1951 – Social Security and assistance for journalists

Law n. 1122 of 9 November 1955 – Provisions concerning social security and assistance measures adopted by the National Social Security Institute for journalists "Giovanni Amendola".

Law n. 69 of 3 February 1963 - Dispositions on the journalist profession

Law n. 69 of 3/2/1963 establishes the "Ordine dei Giornalisti", the Italian professional association of journalists.

The law declares that journalists have an unalterable right to freedom of information and expression, insofar as it complies with the laws concerning personality rights and the obligation to report actual facts, always acting loyally and in good faith.

Law n. 300 of 20 May 1970 – Statute of workers

Art 1: Workers, without distinction of political, trade unions and religious opinions, have the right, at work, to freely express their own beliefs, respecting the principles of the Constitution and the rules of this law.

Law n. 62 of 7 March 2001, amending law n. 416 of 5 August 1981 on publishing enterprises

- Art. 12: extraordinary salary integration for people working in the press sector
- Art. 13: indemnities in case of dismissing of employees
- Art. 14: pre-retirement system
- Art. 15: fund for training and re-qualification of journalists

6.2.3 Copyright law

This section is divided into two subsections - the first subsection examines provisions laid down in the copyright law related to the press and publishing sector; the second subsection deals with the protection of databases

Specific copyright law provisions applicable to the publishing, press and media sector

Law for the Protection of Copyright and Neighbouring Rights (Law No. 633 of April 22, 1941, as last amended by Legislative Decree No. 68, of April 9, 2003)

Part I - Provisions on Copyright

Chapter I - Works protected

- Art. 2.1 Protection of literary works
- Art 3 – Collective works

Text:

Collective works formed by the assembling of works, or part of works, and possessing the character of a self-contained creation resulting from selection and co-ordination with a specific literary, scientific, didactic, religious, political or artistic aim, such as encyclopaedias, dictionaries, anthologies, magazines and newspapers, shall be protected as original works, independently of and without prejudice to any copyright subsisting in the constituent works or parts thereof.

Chapter II - Holders of the right

- Art. 7: In the case of a collective work, the person who organizes and directs its creation shall be the author.

Chapter IV, section II – Collective works, magazines and newspapers:

- Art 38: In the case of a collective work, the exploitation rights shall belong, in the absence of agreement to the contrary, to the publisher of the work. The individual contributors to collective works shall have the right to utilize their own contributions separately, provided they observe existing agreements.
- Art. 39: Provisions on reproduction of articles written by members and non-members of editorial staff for a magazine and/or newspaper.
- Art. 40: Definition of the right to be named as contributor of a collective work.
- Art. 41: Right of the newspaper's or magazine's director to cut the article, or to even exclude the name of the contributor, when required by the nature and aims of the newspaper/magazine.
- Art. 42: Right of the author of an article included in a collective work to reproduce it as an offprint, or to include it in a volume, provided he/she mentions the collective work from which it has been taken and the date of

publication. This article also provides for conditions covering the right to publish the article in a different newspaper or magazine in the absence of agreement to the contrary.

- Art. 43: Provisions on unsolicited articles.

Chapter V - Section I: Reprography Exceptions and Limitations

- Art. 65: Possibility to reproduce and communicate to the public articles or works of public interest published in newspapers and magazines without the need to ask for the permission of the copyright owner, provided the author is mentioned, if quoted.

Part II - Provisions on Neighbouring Rights

Chapter III ter - Rights in Critical and Scientific Editions of Works in the Public Domain

- Art. 85 quarter: While respecting the integrity of the work and mentioning the name of the author, any person publishing critical and scientific editions of works in the public domain shall enjoy exclusive exploitation rights in the work resulting from the critical and analytical assessment. The author of the analysis will enjoy the right to commercially exploit the analysis for 20 years from the first lawful publication.

Specific measures in place for the protection of databases (if different from the provisions laid down in Directive 96/9/EC on the legal protection of databases)

Law for the Protection of Copyright and Neighboring Rights (Law No. 633 of April 22, 1941, as last amended by Legislative Decree No. 68, of April 9, 2003)

- Articles 102 bis and 102 ter

Part II bis - Provisions on the Maker of Databases – Rights and obligations of the users

Articles 102 bis and 102 ter implement the articles of Directive 96/9/EC dealing with the sui generis right for databases.

6.2.4 Electronic commerce

This section examines legislative provisions covering electronic commerce

Legislative Decree n. 70 of 9 April 2003 implementing the Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce')

Italy has fully implemented the provisions of the "E-commerce" directive. No discrepancies have been detected between the Italian law and the text of the directive, as underlined by the Commission in its 2003 report on the application of the E-commerce directive:

http://eur-lex.europa.eu/LexUriServ/site/en/com/2003/com2003_0702en01.pdf

6.2.5 VAT

This section presents VAT rates applicable to the publishing/press/media sector in Italy

Decree from the President of the Republic n. 633 of 26 October 1972 on the institution of VAT (and following amendments)

Art. 74: published works (books and periodical publishing) are subject to a reduced VAT rate of 4%. The reduced rate applies to published works and their additional integrations such as catalogues, cassettes, VHS, CD, DVD as long as such integrations are priced together with the publication they accompany and as long as their cost does not exceed 50% of the total price - in case these conditions are not met, the VAT rate applicable is the normal rate for the additional integrations (unless these

integrations are functionally linked to the book's or periodical's content, e.g. a musical CD attached to a book on a related musical subject).

Detailed definitions of goods benefiting from a reduced 4% rate are given in table A annexed to the law:

18) newspapers and daily publications, communications from press agencies, books, periodical publications including in Braille writing and on audio-support for blind people, with the exclusion of pornographic magazines and journals and of catalogues different from book information, music publishing and geographic maps; paper needed for the printing of the above mentioned items and of acts and publications of the Chamber of Deputies and the Senate; typographic material relating to electoral campaigns when commissioned by single candidates, lists, parties or political groups.

35) services related to the composition, editing, duplication, bookbinding and printing, including in Braille writing and on audio-support for blind people, of newspapers, daily publications, books, magazines with the exclusion of pornographic magazines and journals and of catalogues different from book information, music publishing, geographic maps and acts and publications of the Chamber of Deputies and the Senate.

Legal Decree n. 273 of 1 August 2003 implementing the Council Directive 2002/38/EC of 7 May 2002 amending temporarily Directive 77/388/EEC as regards the value added tax arrangements applicable to radio and television broadcasting services and certain electronically supplied services

The VAT rate applicable as a result of the implementation of the Directive to electronically supplied services is 20% in Italy (normal Vat rate)

6.3 Sector specific regulation

6.3.1 Laws on press and publishing. Support measures

This section is divided into two subsections - the first subsection examines relevant pieces of legislation and regulatory measures covering the press and publishing sectors; the second subsection presents specific

legislative measures aimed at supporting the publishing/press sector, financial support schemes and other support measures.

Relevant pieces of legislation and regulatory measures covering the press and publishing sectors

Law n. 47 of 8 February 1948 – Provisions on press

This Law contains the following provisions:

- Art. 1: definition of publishing
- Art. 2: obligations that a publisher must fulfil before distributing any publication (declaration of the year & place of the publication, name and address of the publisher)
- Art. 3 & 4: provision on citizenship. The director and/or the owner of an Italian newspaper must be an Italian or EU citizen fulfilling the necessary requirements to register in the political elections' list
- Art. 5, 6, & 7: obligations concerning the registration of the publication
- Art. 8: right of reply
- Art 9: obligation to publish judicial sentences
- Art 10: provision on mural newspapers
- Art. 11, 12 &13: defamation - civil responsibility, economic compensation, criminal measures (see above, section 2)
- Art. 14 & 15: inappropriate publications because of their violent or immoral content
- Art. 16: clandestine publications
- Art. 17-22: breach of formalities laid down in previous articles and correlative fines/punishments

Law n. 416 of 5 August 1981, n. 416 on measures for publishing and publishers, as amended by law n.62 of 7 March 2001

The main provisions laid down by the law are as follows:

- Art. 1: Provisions concerning the legal status of the publishing company and the conditions that the company must fulfil depending on the status adopted.

- Art. 2 & 3: Shares in a publishing company
- Art. 5: Obligations to fulfil when ending or suspending a publication
- Art. 6: Journalists' cooperatives
- Art. 8 & 9: Provision on the supervisory Authority (this duty is now exercised by the Italian Communication Authority AGCOM regulated by Law n° 249 of 31 July 1997 - see below)
- Art. 10: Institution of a Department for Information and Publishing as part of the Presidency of the Council of Ministries
- Arts. 12 & 13: Advertising (see below - section 11)
- Art. 15: Diffusion of newspapers in schools (see above - section 3)
- Art. 16: Distribution
- Art. 17-19: Price of newspapers and periodical publications
- Art. 20: Newspapers and magazines published by political parties, trade unions and religious organizations
- Art. 21: Sanctions applied in case of non-observance of the obligation to register a publication
- Arts. 22-34, 39-41, 44-46, 51: Contributions for publishing companies (see below)
- Arts. 35-38: Provisions covering social and working conditions for workers of the press sector (art. 38: INPGI: National Social Security Institute for Journalists)
- Art. 48: Provisions on regularization of newspaper publishers
- Art. 50: Delivery of authorizations for the daily press and periodical publications
- Art. 53: Sanctions
- Art 54: Enacting provisions

Law n. 106 of 15 April 2004, Rules related to the legal deposit of cultural interest documents for the public use.

To preserve Italy's cultural history a copy of every book, newspaper or other publication destined to the public is subject to mandatory legal deposit. The law defines the details and conditions of the legal deposit and provides for administrative fines for those not complying with the obligation to deposit.

Law n° 249 of 31 July 1997 establishing the Communications Regulatory Authority (AGCOM)

The Communications Regulatory Authority (AGCOM) is Italy's independent authority responsible for supervision in the sector of communications, including press and publishing. AGCOM is accountable to the Parliament, which establishes its powers, defines its statutes and elects its members.

AGCOM is responsible, amongst others, for the following issues:

- Organisation of the Registry of Communication Operators
- Control of quality and distribution of services and products, including advertising
- Solving disputes between operators and consumers

With a deliberation on 2 March 2006, implementing Law n. 266 of 23 December 2005, AGCOM imposes on publishers of daily and periodical publications (also in electronic form) the obligation to contribute to the funding of AGCOM - the contribution equals 0.15% of the revenues of daily and periodical press.

D.P.C.M 27 of November 2002 Institution of the Inter ministerial Committee of the book

This law provides for the creation of a Committee entrusted with the supervision of the principal problems that could emerge in the book publishing sector. For this purpose the Committee should acquire, through specialized audits, information from qualified experts, social parties and organizations.

The Committee has not been established yet.

Specific legislative measures aimed at supporting the publishing/press sector, financial support schemes and other support measures

Law n. 1010 of 22 December 1969 for the diffusion of Italian culture abroad and D.P.R. n. 215 of 22 February 1971 containing rules for the application of the Law n. 1010 of 22 December 1969

- Art. 1: Every book and graphic publisher exporting books, including discs attached, music and any other graphic or publishing product, contributing to the diffusion of Italian culture abroad may benefit from funding measures provided by Law 1010/1969
- Art. 2: Publications in a language other than Italian and whose author is not Italian cannot benefit from the funding.

Ministerial Decree of 4 February 1988

National awards for translation. Awards are given to:

- Italian translators of foreign works
- Foreign translators of Italian works
- Italian publishers for works translated from foreign languages
- Foreign publishers for works translated from Italian

Law n. 250 of 7 August 1990, Provisions on publishing

This law contains provisions for the attribution of contributions to newspapers' and magazines' publishers attached to parliamentary parties or published by cooperatives - these contributions are inversely proportional to the income earned by publishers through advertising.

Law n.62 of 7 March 2001, amending law n. 416 of 5 August 1981 on measures for publishing and publishers, as amended by law n. 112 of 3 May 2004

- Art. 1: definition of publishing products. Publishing products are considered newspapers and periodicals both in printed and electronic version.
- Art. 3 to 8 support measures for the publishing sector. The major innovation introduced by the law on previous support measures consists in the methods for granting loans. The first method works automatically for loans not exceeding € 516,000.00 concerning investments to be carried out over two years. A government committee grants the loan after merely establishing that the application is made correctly. The second one is a valuation system for

loans up to € 15.5 million. In this case, the committee not only makes a formal check, but also assesses the financial, technical and economic soundness of the investment plan. The law also introduces a credit tax of 3% to help publishing companies with new investments. This benefit, operating over a period of five years beginning from 2001, is no more in force.

- Art. 9: fund for the promotion of books and publishing products of high cultural value. This fund also benefits publishers active in the export of Italian publishing products abroad (this article is still awaiting implementation through an ad hoc decree)
- Art. 10: advertising campaigns initiated by trade associations, publishers or booksellers with a view to promoting books and reading on TV, are exempted from advertising limitations set out by the regulatory framework for TV
- Art. 11: book price. The price of books is freely established by publishers and importers of books - this price may not be diminished by a discount higher than 10% to the final consumer. Higher discounts (up to 20% of the final price) are admitted on special occasions (book fairs, sale to libraries and public or charitable institutions). No limits to discount are provided for sale through electronic commerce. Sanctions are provided for those contravening the law - municipal authorities are in charge of enforcing these provisions.

D.P.R. n. 142 of 30 May 2002 Regulation concerning credit facilities for enterprises operating in the publishing sector, provided in articles 4, 5, 6 and 7 of the Law n. 62 of 7 March 2001 (law integrated in the Law n. 416 of 5 August 1981, n. 416 on measures for publishing and publishers)

- Art. 1: Presentation of the request
- Art. 3: Committee examining the requests
- Art. 7: Beneficiaries: enterprises operating in the publishing sector in particular: printing agencies, publishing enterprises printing and distributing daily publications, newspapers and books published in paper or

digital form. Those enterprises providing exclusively or mainly commercialisation of publishing products and enterprises publishing newspapers abroad must present a request to obtain credit facilities.

- Art. 8: These credit facilities cannot be cumulated with other state, regional, EC contributions or any other contribution provided by any public entity.

Law n. 291 of 16 October 2003 Dispositions concerning intervention for cultural goods and cultural activities, sport, university and research

Public support to publishers for the update of their technology and the development of techniques for facilitating publishing of books for blind people.

6.3.2 Advertising

The current EU regulatory framework on advertising is made up by several Directives, which have been complemented by co- and self-regulation measures at both national and European level. These Directives cover misleading and comparative advertising practices²; the advertisement of tobacco³ products, medicinal⁴ products for human use, foodstuff⁵ and alcohol⁶.

In July 2006 the European Commission (DG SANCO) published a report⁷ on the Self-regulation in the EU Advertising Sector, which

² DIRECTIVE 2005/29/EC of the European Parliament and the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council

³ DIRECTIVE 2003/33/EC of the European Parliament and of the Council of 26 May 2003 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the advertising and sponsorship of tobacco products

⁴ Council Directive 92/28/EEC of 31 March 1992 on the advertising of medicinal products for human use

⁵ Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs

⁶ Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by Law, Regulation or Administrative Action in Member States concerning the pursuit of television broadcasting activities, as amended by Directive 97/36/EC

⁷ http://ec.europa.eu/consumers/overview/report_advertising_en.htm

reflects the exchange of views between practitioners and stakeholders on the desired components of best practices concerning self-regulation in the advertising sector.

This section examines specific provisions on advertising in the publishing and press sectors - the first subsections deals with legislative measures and the second subsection with self-regulatory schemes.

In general, legislative measures cover advertising of specific products and services (tobacco, alcohol, medicinal products etc); they also address the issue of misleading advertising. Italian legislation reflects the EU regulatory framework described above.

Self-regulation is wider in its scope, encompassing different types of advertising. Self-regulation in the advertising sector has a long tradition, with the first version of the Advertising Code dating back to 1966. The Code is updated annually and includes measures relative to the enforcement of rules through an independent Jury.

Specific provisions on advertising in the publishing and press sectors.

Law n.165 of 10 March 1962 prohibition of advertising tobacco products

This Law prohibits the advertisement of any tobacco product on TV, press, on the occasion of sport events and on any other promotional material. The law also provides for administrative sanctions in case of breach of this prohibition - money collected through fines are devolved to a special fund managed by the Ministry of Public Health with the objective of financing awareness raising campaigns on the dangers of smoking and research activities aimed at preventing smoke-related pathologies.

Law n. 416 of 5 August 1981, n. 416 on measures for publishing and publishers

- Art. 12: Provisions on press advertising agencies - transparency of their annual accounts, transparency on

ownership, limits to market concentration and obligation to register

- Art. 13: Public administrations must allocate at least 70% of the expenses included in their annual advertising budget to daily and periodical publications.

Legislative Decree n. 74 of 25 January 1992 implementing Council Directive 84/450/EEC of 10 September 1984 relating to the approximation of laws, regulations and administrative provisions of Member States concerning misleading advertising

- Art. 2: Definitions
- Art. 3: Evaluation methods
- Art. 3bis: Conditions for a legitimate comparative advertising
- Art. 4: Advertising transparency - separation between advertising and editorial content
- Art. 5: Advertising of dangerous products
- Art. 6: Advertising for children (see above - section 3)
- Art. 7: Supervision, enforcement and sanctions
- Art. 8: Provisions on self-regulation

Law n. 175 of 5 February 1992 on provisions for advertising of healthcare professionals

This Law contains provisions on how healthcare professionals should advertise themselves in professional magazines, daily publications and newspapers.

Legal Decree n. 541 of 30 December 1992 implementing Directive 92/28/EEC on the advertising of medicinal products for human use

- Art.1: The Law covers the advertising of medicinal products to the general public and advertising of medicinal products to persons qualified to prescribe or supply them. Advertising of medicinal products shall encourage the rational use of the medicinal product, by presenting it objectively and without exaggerating its properties.
- Art. 4: List of the characteristics that the advertising of a medicinal product should contain.

- Art. 5: List of the elements that the advertising of a medicinal product cannot include.
- Art. 6: Before advertising any medicinal product it is necessary to obtain an authorisation from the Ministry of Health, where an experts committee will decide on the authorisation or not of the advertising.

Presidential Decree n. 627 of 10 October 1996, Provisions for the Competition's authority concerning misleading advertising

This Decree defines the competences of the national Competition Authority for ensuring legitimate advertising

Law n. 125 of 30 March 2001 on alcohol and collateral alcohol problems

Art. 13: Provisions for the creation of a self regulation code for the advertising of alcoholic beverages (see below). This same article provides that advertising of alcoholic beverages is forbidden in publications directed to minors - infringements are punishable with an administrative fine.

Self-regulation

Code for the Italian Advertising Self Regulation. 40^a Edition in force since 20 April 2006 (First edition dates back to May 1966)

The Code of Advertising Self-Regulation has the objective of ensuring that advertising is carried out as a service to the public with special consideration given to its influence on the consumer. The Code of Advertising Self-Regulation is binding for advertisers, agencies, consultants, all advertising media, and for anyone who has accepted the Code directly or through membership in an association, or by underwriting an advertising contract.

A Jury is appointed by the Italian Institute for Advertising Self-Regulation (Istituto dell'Autodisciplina Pubblicitaria) - it has the powers

to enforce the Code's provisions. The Jury is composed of eminent lawyers, academics and experts in consumer affairs and advertising.

Signatory associations commit themselves to observe the rules of the Code and to have them accepted by their members, to make the decision of the Jury adequately known and to adopt appropriate measures regarding those members who do not comply with the decisions of the Jury. In order to better ensure full compliance with the decisions of the Jury, the signatory organizations undertake that their members insert in their contracts a special clause of acceptance of the Code and of the decisions of the Jury, including orders to publish such decisions.

- Art. 1 & 2: Advertising must be honest, truthful and correct and it must avoid any statement or representation likely to mislead consumers
- Art. 7: Advertising must always be recognizable as such (this provision mirrors the dispositions laid down in art. 4 of the Legislative Decree 74 of 25 January 1992 - the law however is more detailed and also provide for an explicit ban on subliminal advertising as well as for an obligation to make reference to detailed sale conditions when the advertising message briefly mention those conditions but does not list them in full text)
- Art. 16 (Variability): A message which is acceptable for a certain medium or a certain product is not necessarily acceptable for others, in consideration of the different characteristics of the various advertising media and the various products. Compliance of advertising with the rules of the Code does not exclude the possibility of individual media to reject, on the basis of their own contractual autonomy, any advertising which may not comply with their own more stringent criteria for the acceptance of advertising.
- Arts. 17-21: Special rules on sales
- Arts. 23-28bis: Special rules on product categories
- Arts. 29-35: Governing bodies and areas of responsibility
- Arts. 36-42: Procedural rules and sanctions (Art. 41 - binding effect of the decision of the Jury)
- Arts. 43-45: Protection of advertising ideas

Self-regulation code for the advertising of alcoholic beverages

This code contains provisions regulating the advertising of alcoholic beverages - in particular it is forbidden to directly address minors or to depict minors making use of alcoholic drinks.