

BOARD APPROVAL OF 2004 FULL YEAR RESULTS

Main highlights:

Net profit: increased by 17.8% to € 30,6 m

Ebitda: increased by 16.2% to € 64 m

Revenues: increased by 8.2% to € 269,1 m

Ebit: increased by 19.2% to € 34,2 m

Advertising revenues: increased by 6.9%

Proposed dividend per share: € 0.20

Rome, March 14th 2005

Today the board of directors approved Caltagirone Editore Group financial statements as of December 31th 2004 .

Group Ebitda increased by 16.2% to € 64 m (€ 55 m in 2003).

In 2004 Group Ebit increased by 19.2% to € 34,2 m (€ 28,7 m in 2003).

Group revenues reached € 269,1 m, up by 8.2% from € 248,7 m in the comparable period of last year.

Net profit increased by 17.8% to € 30,6 m (€25,9 m in 2003).

Ebitda margin increased to 23.7% (22.1% in 2003).

Advertising revenues increased by 6.9% to € 174,9 m from € 163,5 m in 2003. In the same period, circulation revenues reached €83,3 m up by 6.6% from €78,1 m in 2003.

"Il Messaggero" and "Il Mattino" maintained their market leadership by increasing circulation and advertising revenues.

"Leggo", the number one Italian free newspaper, kept its market share unchanged and increased its advertising revenues by 20.5% to €20,7 m from over €17 m as of December 2003.

2004 full year report includes the first time consolidation of "Il Corriere Adriatico" acquired in June, whereas "Il Nuovo Quotidiano di Puglia" is not consolidated being acquired at the end of 2004.

Net financial position decreased to € 280,2 m from € 441,9 in 2003.

The board of directors proposed a dividend of € 0.20 per share to the shareholders meeting arranged for April 19th 2005. Dividend payment is expected for May 5th 2005.

IAS-IFRS analysis

Group assessment of IAS-IFRS impact is underway and is likely to be completed by June 2005 in order to comply with the new regulation.

For further details on Group economic and financial results please find Balance Sheet and Profit and Loss account attached herewith. All Balance Sheets and Profit and Loss accounts are being examined by the Board of Auditors and the Audit Firm.

For any information please contact:

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CALTAGIRONE EDITORE GROUP S.p.A.

DECEMBER 31st 2004 CONSOLIDATED BALANCE SHEETS

(in thousands of euros)

ASSETS	<u>2004</u>	<u>2003</u>
(A) CREDITS TO SHAREHOLDERS	-	-
(B) FIXED ASSETS		
I. INTANGIBLE FIXED ASSETS		
1.Start-up and expansion costs	3.170	9.584
2.Research, development and advertising costs	181	622
3.Industrial patent rights and rights for the utilisation of intellectual knowledge	10	1
4.Concessions, licences and trademarks	69	53
5.Goodwill	87.958	90.808
6.Assets under construction and advances	-	4
7.Others	141.623	1.086
8.Consolidation differences	40.428	35.753
	273.439	137.911
II. TANGIBLE FIXED ASSETS		
1.Land and buildings	31.935	33.638
2.Plant and machinery	56.132	62.522
3.Industrial and commercial equipment	108	184
4.Other assets	3.394	4.149
5.Assets under construction and advances	-	1.403
	91.569	101.896
III. FINANCIAL FIXED ASSETS		
1. Investments in:		
a) subsidiaries	12	12
d) other companies	128.841	74.255
	128.853	74.267
2. Credits		
a) to subsidiaries		
.due within the subsequent financial year	13	12
d) to others		
.due after the subsequent financial year	25	39
	25	39
	38	51
3. Other shares	-	7
4. Treasury shares	164	164
	129.055	74.489
TOTAL (B) FIXED ASSETS	494.063	314.296
(C) WORKING CAPITAL		
I. INVENTORIES		
1. Raw materials, supplies and consumables	2.672	2.127
	2.672	2.127

CALTAGIRONE EDITORE GROUP S.p.A.

DECEMBER 31st 2004 CONSOLIDATED BALANCE SHEETS

(in thousands of euros)

	<u>2004</u>	<u>2003</u>
II. CREDITS		
1. To customers		
.due within the subsequent financial year	82.762	76.710
2. To subsidiaries		
.due within the subsequent financial year	14	9
4-bis. Tax credits:		
.due within the subsequent financial year	4.710	7.996
.due after the subsequent financial year	1.193	1.304
	5.903	9.300
4-ter. Tax advances:	28.113	27.700
5. To others:		
.due within the subsequent financial year	3.526	2.978
.due after the subsequent financial year	35	51
	3.561	3.029
7. Advances to suppliers for services		
.due within the subsequent financial year	28	60
	120.381	116.808
III. ATTIVITA' FINAN. NON IMMOBILIZZATE		
6. Other shares	2	-
7. Third parties financial credits	90.255	-
	90.257	-
IV. CASH AND CASH EQUIVALENTS		
1. Bank and postal deposits	282.037	545.384
3. Cash and cash equivalents	259	125
	282.296	545.509
TOTAL (C) WORKING CAPITAL	495.606	664.444
(D) ACCRUALS AND DEFERRALS	1.967	1.260
TOTAL ASSETS	991.636	980.000

CALTAGIRONE EDITORE GROUP S.p.A.
DECEMBER 31st 2004 CONSOLIDATED BALANCE SHEETS
(in thousands of euros)

LIABILITIES	<u>2004</u>	<u>2003</u>
(A) NET EQUITY		
I. CAPITAL	125.000	125.000
II. SHARE PREMIUM RESERVE	501.169	527.812
III. REVALUATION RESERVES	-	-
IV. LEGAL RESERVE	25.000	25.000
V. STATUTORY RESERVES	-	-
VI. RESERVE FOR TREASURY SHARES HELD	164	164
VII. OTHER RESERVES		
Extraordinary reserve	-	5.549
Reserve for Acquisition of treasury shares	29.836	29.836
Other reserves	49.585	16.396
VIII. PROFIT (LOSS) CARRIED FORWARD	-	-
IX. PROFIT (LOSS) FOR THE YEAR/PERIOD	30.628	25.992
TOTAL GROUP SHARE OF NET EQUITY	761.382	755.749
X. CAPITAL AND RESERVES OF MINORITY SHAREHOLDERS	546	8.722
TOTAL (A) CONSOLIDATED NET EQUITY	761.928	764.471
(B) PROVISIONS FOR RISKS AND CHARGES		
1.Retirement payments and similar obligations	120	120
2.Taxes	24.878	13.296
3.Others	7.393	7.127
TOTAL (B) PROVISIONS FOR RISKS AND CHARGES	32.391	20.543
(C) ACCRUED EMPLOYEES SEVERANCE INDEMNITY PROVISIONS	38.190	33.616
(D) PAYABLES		
4. Due to Banks		
.due within the subsequent financial year	16.079	18.778
.due after the subsequent financial year	58.401	64.515
	74.480	83.293
5. Payables to other financial institutions:		
.due within the subsequent financial year	2.509	2.408
.due after the subsequent financial year	15.334	17.843
	17.843	20.251
7. Due to suppliers		
.due within the subsequent financial year	31.200	25.485
	31.200	25.485

CALTAGIRONE EDITORE GROUP S.p.A.
DECEMBER 31st 2004 CONSOLIDATED BALANCE SHEETS
(in thousands of euros)

	<u>2004</u>	<u>2003</u>
12. Tax payables:		
.due within the subsequent financial year	6.470	4.351
	6.470	4.351
13. Payables to pension and social security institutions:		
.due within the subsequent financial year	5.660	5.108
14. Other payables:		
.due within the subsequent financial year	15.303	15.556
.due after the subsequent financial year	7	7
	15.310	15.563
TOTAL (D) PAYABLES	150.963	154.051
(E) ACCRUALS AND DEFERRALS	8.164	7.319
TOTAL LIABILITIES	991.636	980.000
MEMORANDUM ACCOUNTS		
SURETIES, LIABILITIES SIDE		
In favour of third parties	2.104	2.102
	2.104	2.102
OTHER MEMORANDUM ACCOUNTS, LIABILITIES SIDE		
Other memorandum accounts	662	1.232
On behalf of subsidiaries	6.010	5.516
	6.672	6.748
TOTAL MEMORANDUM ACCOUNTS	8.776	8.850

CALTAGIRONE EDITORE GROUP S.p.A.

DECEMBER 31st 2004 CONSOLIDATED PROFIT AND LOSS ACCOUNTS

(in thousands of euros)

	<u>2004</u>	<u>2003</u>	Var.%
(A) REVENUES			
1. Revenues from sales and services	261.937	244.306	7,2%
5. Other revenues and income	7.129	4.395	62,2%
TOTAL (A) REVENUES	269.066	248.701	8,2%
(B) PRODUCTION COSTS			
6. Raw materials, consumables and supplies	(25.902)	(26.311)	-1,6%
7. Services	(91.072)	(80.877)	12,6%
8. Revenue from leases and rents	(7.050)	(5.083)	38,7%
9. Personnel costs:			
a) salaries and wages	(55.040)	(53.202)	3,5%
b) social security charges	(17.650)	(16.949)	4,1%
c) staff severance indemnities	(4.541)	(4.417)	2,8%
e) other costs	(2.314)	(3.259)	-29,0%
	(79.545)	(77.827)	2,2%
10. Amortisation, depreciation and writedowns:			
a) amortisation of intangible fixed assets	(12.819)	(12.971)	-1,2%
b) amortisation of tangible fixed assets	(10.665)	(7.396)	44,2%
c) other fixed assets writedowns	(1.681)	(1.875)	-10,3%
d) writedown of credits, including working capital and cash and cash equivalents	(2.484)	(2.079)	19,5%
e) amortisation of the consolidation difference	(687)	(1.375)	-50,0%
	(28.336)	(25.696)	10,3%
11. Changes in inventories of raw, ancillary, consumables and goods	418	(1.726)	-124,2%
12. Provisions for risks and charges	(1.294)	(546)	137,0%
14. Other sundry operating costs	(2.012)	(1.886)	6,7%
TOTAL (B) PRODUCTION COSTS	(234.793)	(219.952)	6,7%
TOT. (A - B) DIFFERENCE BETWEEN TOTAL REVENUES AND PRODUCTION COSTS	34.273	28.749	19,2%
(C) FINANCIAL INCOME AND CHARGES			
15. Income from shareholdings:			
in other companies	1.808	1.680	
	1.808	1.680	
16. Other financial income			
d) income other than the above:			
from others	10.411	13.250	
	10.411	13.250	

CALTAGIRONE EDITORE GROUP S.p.A.

DECEMBER 31st 2004 CONSOLIDATED PROFIT AND LOSS ACCOUNTS

(in thousands of euros)

	<u>2004</u>	<u>2003</u>	Var. %
17. Interests and other financial charges: from others	(3.676) (3.676)	(3.381) (3.381)	
17-bis.Foreign exchange gains and losses	(2.942)	(2.276)	
TOTAL (C) FINANCIAL INCOME AND CHARGES	5.601	9.273	-39,6%
(D) ADJUSTMENTS TO FINANCIAL ASSET VALUES			
18. Revaluations: a) of investments	- -	84 84	
19. Writedowns: a) of investments	(2.797) (2.797)	(6.091) (6.091)	
TOTAL (D) ADJUSTMENTS TO FINANCIAL ASSET VALUES	(2.797)	(6.007)	-53,4%
(E) EXTRAORDINARY INCOME AND CHARGES			
20. Income: Capital gain on disposals Other income	7.852 1.196 9.048	35 376 411	
21. Charges: a. Capital loss on disposals b. Taxes related to previous periods c. Other charges	(19) (790) (8.052) (8.861)	(28) (4.373) (4.510) (8.911)	
TOTAL (E) EXTRAORDINARY INCOME AND CHARGES	187	(8.500)	-102,2%
RESULT BEFORE TAXES	37.264	23.515	58,5%
22. Income tax: a) Current taxes b) Deferred taxes c) Tax advances	(11.220) (21.428) 29.969 (2.679)	(12.269) (3.482) 20.289 4.538	
ATTRIBUTABLE PROFIT	34.585	28.053	23,3%
MINORITIES SHARE OF LOSS (PROFIT)	(3.957)	(2.061)	92,0%
GROUP NET INCOME	30.628	25.992	17,8%

<i>CALTAGIRONE EDITORE GROUP</i>		
	000/EURO	
NET FINANCIAL POSITION	31/12/2004	31/12/2003
MARKETABLE SECURITIES	90.269	9
CASH/DEPOSITS	282.296	545.509
LONG TERM BORROWINGS	(73.735)	(82.358)
SHORT TERM BORROWINGS	(18.588)	(21.187)
NET FINANCIAL POSITION	280.242	441.973

CALTAGIRONE EDITORE S.p.A.

DECEMBER 31st 2004 BALANCE SHEET

(in euros)

ASSETS	<u>2004</u>	<u>2003</u>
(A) CREDITS TO SHAREHOLDERS	-	-
(B) FIXED ASSETS		
I. INTANGIBLE FIXED ASSETS		
1.Start-up and expansion costs	3.169.075	9.507.849
7.Others	232.385	230.107
	3.401.460	9.737.956
II. TANGIBLE FIXED ASSETS		
3. Industrial and commercial equipment	1.180	1.574
4. Other assets	7.264	-
	8.444	1.574
III. FINANCIAL FIXED ASSETS		
1. Investments in:		
a) subsidiaries	231.299.705	47.734.934
d) other companies	52.724.214	39.030.000
	284.023.919	86.764.934
4. Treasury shares	164.169	164.169
	284.188.088	86.929.103
TOTAL (B) FIXED ASSETS	287.597.992	96.668.633
(C) WORKING CAPITAL		
I. INVENTORIES	-	-
II. CREDITS		
1. To customers		
.due within the subsequent financial year	6.000	3.000
	6.000	3.000
2. To subsidiaries		
.due within the subsequent financial year	301.434.680	63.054.843
	301.434.680	63.054.843
4bis. Tax receivables:		
.due within the subsequent financial year	2.478.630	6.314.374
	2.478.630	6.314.374
4ter. Tax advances:		
.due within the subsequent financial year	12.261.582	12.129.973
	12.261.582	12.129.973
5. To others:		
.due within the subsequent financial year	31.332	3.176.555
	31.332	3.176.555
	316.212.224	84.678.745
III. NON-FIXED FINANCIAL ASSETS	-	-
IV. CASH AND CASH EQUIVALENTS		
1. Bank and postal deposits	109.309.853	538.318.890
3. Cash and cash equivalents	97	161
	109.309.950	538.319.051
TOTAL (C) WORKING CAPITAL	425.522.174	622.997.796
(D) ACCRUALS AND DEFERRALS	102.154	267.132
TOTAL ASSETS	713.222.320	719.933.561

CALTAGIRONE EDITORE S.p.A.
DECEMBER 31st 2004 BALANCE SHEET
(in euros)

<i>LIABILITIES</i>	<u>2004</u>	<u>2003</u>
(A) NET EQUITY		
I. CAPITAL	125.000.000	125.000.000
II. SHARE PREMIUM RESERVE	501.169.126	527.811.877
III. REVALUATION RESERVES	-	-
IV. LEGAL RESERVE	25.000.000	25.000.000
V. RESERVE FOR TREASURY SHARES HELD	164.169	164.169
VI. STATUTORY RESERVES	-	-
VII. OTHER RESERVES		
Extraordinary reserve	-	5.549.470
Reserve for Acquisition of treasury shares	29.835.831	29.835.831
VIII. PROFIT (LOSS) CARRIED FORWARD	-	-
IX. PROFIT (LOSS) FOR THE YEAR/PERIOD	19.051.200	(7.198.429)
TOTAL (A) GROUP NET EQUITY	700.220.326	706.162.918
(B) PROVISIONS FOR RISKS AND CHARGES	-	-
(C) ACCRUED EMPLOYEES SEVERANCE INDEMNITY PROVISIONS	70.235	86.915
(D) PAYABLES		
3. Due to Banks		
.due within the subsequent financial year	-	2.543
.due after the subsequent financial year	-	-
	-	2.543
4. Payables to other financial institutions:		
.due within the subsequent financial year	1.079.460	1.033.259
.due after the subsequent financial year	7.571.950	8.651.490
	8.651.410	9.684.749
6. Due to suppliers		
.due within the subsequent financial year	425.403	214.678
.due after the subsequent financial year	-	-
	425.403	214.678
8. Payables to subsidiaries		
.due within the subsequent financial year	1.876.338	1.910.369
.due after the subsequent financial year	-	-
	1.876.338	1.910.369
11. Tax payables:		
.due within the subsequent financial year	34.636	74.089
.due after the subsequent financial year	-	-
	34.636	74.089
12. Payables to pension and social security institutions:		
.due within the subsequent financial year	18.381	40.041
.due after the subsequent financial year	-	-
	18.381	40.041
13. Other payables:		
.due within the subsequent financial year	1.925.591	1.755.592
.due after the subsequent financial year	-	-
	1.925.591	1.755.592
TOTAL (D) PAYABLES	12.931.759	13.682.061
(E) ACCRUALS AND DEFERRALS	-	1.667
TOTAL LIABILITIES	713.222.320	719.933.561
MEMORANDUM ACCOUNTS		
Other guarantees provided on behalf		

of subsidiaries (o subsidiary companies)

18.726.076

5.516.000

CALTAGIRONE EDITORE S.p.A.
PROFIT AND LOSS ACCOUNTS ON DECEMBER 31st 2004

(in euros)

	<u>2004</u>	<u>2003</u>
(A) REVENUES		
1. Revenues from sales and services	34.036	224.336
5. Other revenues and income	11.211	1.200
TOTAL (A) REVENUES	45.247	225.536
(B) PRODUCTION COSTS		
7. Services	(545.543)	(352.423)
8. Revenue from leases and rents	(326.963)	(360.457)
9. Personnel costs:		
a) salaries and wages	(380.347)	(547.484)
b) social security charges	(95.920)	(119.080)
c) staff severance indemnities	(15.284)	(41.480)
e) other costs	(205.419)	(191.697)
	(696.970)	(899.741)
10. Amortisation, depreciation and write-downs:		
a) amortisation of intangible fixed assets	(6.406.496)	(6.383.163)
b) amortisation of tangible fixed assets	(1.208)	(393)
	(6.407.704)	(6.383.556)
14. Other operating costs	(63.239)	(98.098)
TOTAL (B) PRODUCTION COSTS	(8.040.419)	(8.094.275)
TOT. (A - B) DIFFERENCE BETWEEN VALUE AND PRODUCTION COSTS	(7.995.172)	(7.868.739)
(C) FINANCIAL INCOME AND CHARGES		
15. Income from investments:		
in subsidiary and associated companies	-	22.458.885
in other companies	-	1.050.000
	-	23.508.885
16. Other financial income		
d) income other than the above:		
from subsidiary and associated companies	1.210.814	1.528.036
from others	8.920.437	12.875.683
	10.131.251	14.403.719
17. Interest and other financial charges:		
to subsidiary and associated companies	-	(43.194)
to others	(533.133)	(395.380)
	(533.133)	(438.574)
17bis. Gains and losses on foreign exchange:		
Gains and losses on foreign exchange	(2.941.794)	(2.275.822)
	(2.941.794)	(2.275.822)
TOTAL (C) FINANCIAL INCOME AND CHARGES	6.656.324	35.198.208
(D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS		
19. Writedowns:		
a) of financial investments	(4.032.980)	(40.890.731)
	(4.032.980)	(40.890.731)
TOTAL (D) ADJUSTMENT TO FINANCIAL ASSET VALUE	(4.032.980)	(40.890.731)
(E) EXTRAORDINARY INCOME AND CHARGES		
20. Income:		
Other income	24.015.536	-
	24.015.536	-
21. Charges		
Taxes related to previous periods	(17.066)	(26.533)
	(17.066)	(26.533)

TOTAL (E) EXTRAORDINARY INCOME AND CHARGES	(17.066)	(26.533)
PRE TAX PROFIT (LOSS)	18.626.642	(13.587.795)
22.Income taxes:		
Current taxes	-	(1.142.725)
Deferred taxes	(3.397.229)	7.532.091
Tax advances	3.821.787	-
TOTAL TAXES	424.558	6.389.366
NET INCOME (LOSS)	19.051.200	(7.198.429)

<i>CALTAGIRONE EDITORE S.p.A.</i>		
	000/EURO	
NET FINANCIAL POSITION	31/12/2004	31/12/2003
MARKETABLE SECURITIES	300.169	62.342
CASH/DEPOSITS	109.310	538.319
LONG TERM BORROWINGS	(7.572)	(8.651)
SHORT TERM BORROWINGS	(1.079)	(1.036)
NET FINANCIAL POSITION	400.828	590.974