

Caltagirone Editore: Board of Directors approves half-year results in June 30th 2006

- Revenues: Euro 147.2 million
- Ebitda: Euro 29.1 million
- Group net profit: Euro 17.3 million

Rome, September 12, 2006 - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, today approved the results of the first half of 2006.

Caltagirone Editore Group ended the first six months of 2006 with growth in **Revenues** of 2.3% at Euro 147.2 million, compared to Euro 143.9 million in the first half of 2005. **Circulation revenues** increased by 6.4% (Euro 46.2 million compared to Euro 43.5 millions in the previous year) thanks to promotional initiatives. **Advertising revenues** were stable at Euro 94.1 million compared to Euro 93.9 millions in the same period of the previous year. Advertising however recorded a recovery in the second quarter: a decrease of 1.8% in the first quarter was followed by growth of 2% in the second quarter.

Ebitda for the first half of 2006 amounted to Euro 29.1 million (Euro 34.7 million in the first half of 2005). **Ebit** was Euro 23.3 million (Euro 27.9 million in the first six months of the previous year). **Group net profit** amounted to Euro 17.3 million compared to Euro 52.1 million in 2005. The group net profit in the first half of 2005 includes financial income from the disposal of financial investments.

Net Financial Position as of June 30th 2006 was Euro 462 million, compared to Euro 481.7 million at December 31, 2005 after the distribution of dividends of Euro 37.5 million and positive cash flow from ordinary operations.

Subsequent events after the end of the half-year

In July, Caltagirone Editore acquired 52% of the share capital of Editrice Padana (S.E.P.), owner of the newspaper "Il Gazzettino di Venezia". The payment for the acquisition, approximately Euro 120 million, was fully paid from available liquidity. Subsequently, also in July, the Group together with Edizione Holding signed a Put/Call Option of 25.76% of SEP share capital with the exercise period between December 1st and 31st 2008.

With the acquisition of the majority share of **Il Gazzettino**, the Group portfolio adds an important newspaper title with a circulation of over 100,000 daily copies.

Il Gazzettino brings to the consolidated leadership of **Il Messaggero** in Rome and **il Mattino** in Naples, a strong competitive position in the Adriatic regions, where the Group is already present with **il Corriere Adriatico**, leader in the Marche region, and **il Quotidiano in Puglia**.

Attached is the balance sheet and income statement, currently being examined by the independent audit firm and by the Board of Statutory Auditors.

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CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

ASSETS	Note	30/06/2006	31/12/2005
<i>Non-current assets</i>			
Intangible assets with finite life	1	660	693
Goodwill and other indefinite intangible assets	2	274.954	274.954
Property, plant and equipment	3	82.592	82.467
Equity investments valued at cost	4	4.319	4.319
Equity investments and non-current securities	5	51.699	43.394
Non-current financial assets	6	48	25
Other non-current assets	7	900	977
Deferred tax asset	8	13.222	16.605
<i>TOTAL NON-CURRENT ASSETS</i>		428.394	423.434
<i>Current assets</i>			
Inventories	9	2.411	2.588
Trade receivables	10	84.380	77.655
Current financial assets	11	124	1.416
Receivables for current taxes	8	3.175	4.578
Other current assets	12	2.301	3.819
Cash and cash equivalents	13	547.884	567.617
<i>TOTAL CURRENT ASSETS</i>		640.275	657.673
<i>TOTAL ASSETS</i>		1.068.669	1.081.107

CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES

	Note	30/06/2006	31/12/2005
<i>Shareholders' Equity</i>			
Share capital		125.000	125.000
Share capital issue costs		(18.865)	(18.865)
Treasury shares		(164)	(164)
Other reserves		711.531	647.420
Profit/(loss) for the period		17.304	94.307
Group Shareholders' Equity		834.806	847.698
Minority interest shareholders' equity		1.141	896
TOTAL SHAREHOLDERS' EQUITY	14	835.947	848.594
<i>Non-current liabilities</i>			
Employee provisions	16	39.423	39.071
Other non-current provisions	17	7.276	9.028
Non-current financial liabilities	15	64.010	67.278
Other non-current liabilities	20	3.578	3.235
Deferred tax liabilities	8	33.688	31.087
NON-CURRENT LIABILITIES		147.975	149.699
<i>Current liabilities</i>			
Current provisions	17	70	661
Trade payables	18	33.939	32.257
Current financial liabilities	15	22.021	20.025
Payables for current taxes	19	37	1.500
Other current liabilities	20	28.680	28.371
CURRENT LIABILITIES		84.747	82.814
TOTAL LIABILITIES		1.068.669	1.081.107

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

INCOME STATEMENT

	Note	30/06/2006	30/06/2005
Revenues			
Revenues from sales and supply of services	21	144.626	140.216
Other operating revenues	22	2.633	3.727
TOTAL REVENUES		147.259	143.943
Costs			
Raw material costs	23	15.461	13.930
Personnel costs	16	44.129	45.240
Other operating costs	24	58.474	50.024
TOTAL COSTS		118.064	109.194
EBITDA		29.195	34.749
Depreciation, amortisation, provisions & write-downs	25	5.836	6.789
EBIT		23.359	27.960
Financial income		9.063	47.553
Financial charges		3.317	1.494
Net financial result	26	5.746	46.059
PROFIT BEFORE TAXES		29.105	74.019
Current income tax	8	11.479	21.747
NET PROFIT FROM NORMAL OPERATIONS		17.626	52.272
NET PROFIT/(LOSS) FOR THE PERIOD		17.626	52.272
Group net profit/(loss)		17.304	52.139
Net profit/(loss) of minority interests		322	133
Basic earnings per share (Euro per 1,000 shares)	27	138	417
Diluted earnings per share (Euro per 1,000 shares)	27	138	417