

CALTAGIRONE EDITORE: Board of Directors approves the 2006 results

- Growth in revenues: Euro 304.7 millions (Euro 277.6 millions in 2005)
- Ebitda: Euro 49.8 millions (Euro 62.7 millions in 2005)
- Net profit: Euro 32.1 millions (Euro 94.3 millions in 2005, which included a gain on the sale of shares)
- Advertising revenues: Euro 192.2 millions (Euro 177.7 millions in 2005)
- Dividend: Euro 0.20 per share

Rome, March 21th, 2007 - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, reviewed and approved the draft annual accounts for the year ended December 31st, 2006.

Financial highlights (millions of Euro)

	2006*	2005	Change
Revenues	304.7	277.6	+9.8%
Ebitda	49.8	62.7	-20.7%
Ebit	35	46	-23.9%
Net profit	32.1	94.3	-65.9%

**Il Gazzettino Group consolidated for the last six months*

Caltagirone Editore ended 2006 with growth in **revenues** of around 10%. This result includes the revenues of Il Gazzettino Group, acquired in 2006. Good growth was recorded in circulation revenues (+15.5%) and advertising revenues (+8.2%). At constant perimeter, total revenues were stable compared to 2005 (-0.7%).

The decrease in **Ebitda** at constant perimeter is mainly due to several factors:

- 1) the withdrawal of state aid to newspapers;
- 2) pension costs for print workers recognised in the accounts which may benefit future years;
- 3) decline in advertising due to static market conditions and lower number of copies printed due to strikes (3 days);
- 4) increase in the international price of paper;
- 5) normal inflationary effect without an increase in the price of the newspaper in the first 11 months. Future years will benefit from the basic price increase from Euro 0.90 to Euro 1;
- 6) lower profitability on joint promotion initiatives.

The **net profit** amounted to Euro 32.1 millions, compared to Euro 94.3 millions in 2005, which had benefited from the gains realised on the sale of the shares held in RCS and Banca Nazionale del Lavoro for Euro 59.1 millions.

The **net cash** reached Euro 288.7 millions at December 31st, 2006, decreasing from Euro 481.7 millions in 2005. The reduction in liquidity is due to the acquisition of Il Gazzettino for approximately Euro 194.6 millions and to the distribution of dividends of Euro 37.5 millions.

With the acquisition of Il Gazzettino, Caltagirone Editore is the second newspaper group in Italy with a daily readership of 5.3 millions and a market share of approximately 23.9%, excluding financial newspapers and including the free press. All of the Group newspapers maintained a leadership positions in their respective markets: **Il Messaggero** is leader in Lazio with a readership of 44.6%, **Il Mattino** in Campania with 48%, **Il Corriere Adriatico** in Marche with 44.9%, **Il Nuovo Quotidiano di Puglia** in Salento with 39.7% and **Il Gazzettino** in Veneto with 29.5%, while **Leggo** is the national leader in the free press sector with a daily readership of over 2 millions as certified by Audipress. According to a classification carried out by the World Press Trend, which surveys newspaper readership in each country, Leggo is also the world leader in the daily free press sector.

At December 31st, 2006, the **number of employees amounted to 1,319** (1,009 at December 31st, 2005), in addition to 471 consultants on short-term contracts. The increase is due to the acquisition of Il Gazzettino.

The Board of Directors of Caltagirone Editore resolved to propose to the Annual General Meeting, called for April 23rd, 2007, the distribution of a **dividend** of Euro 0.20 per share. The dividend coupon is proposed for May 21st, 2007 with the payment date of May 24th, 2007.

Subsequent events

An important investment is currently being completed of the printing centre at Rome which will permit, from the end of March, the increase of the number of pages of Il Messaggero up to a maximum of 72 pages, in full colour. A further investment will provide Il Corriere Adriatico with 16 colour pages.

The merger between Area Nord Spa and Piemme Spa has started with the objective of creating a single Group advertising agency. This operation will provide commercial synergies and will permit the recovery of efficiencies and gain market share in the North East region of Italy.

Outlook

The operating results will reflect the restructuring of Il Gazzettino and the benefits from the newspaper price increase.

The consolidated and parent company balance sheets and income statements are attached providing greater information in relation to the financial position and performance of the Company and of the Group. The draft financial statements are currently being examined by the independent audit firm and by the Board of Statutory Auditors.

Media Relations
Chiara Raiola
Tel. +39 06 45412211
Fax +39 06 45412250
c.raiola@caltagironeeditore.com

Investor Relations
Tel. +39 06 45412213
Fax +39 06 45412288
investor.relations@caltagironeeditore.com

CALTAGIRONE EDITORE S.p.A.
BALANCE SHEET AS AT 31.12.2006
(in thousands of Euro)

ASSETS

		<i>31/12/2006</i>	<i>31/12/2005</i>
Non-current assets			
Intangible assets with definite life	1	13.608	16.330
Property, plant and equipment	2	116.795	172.197
Equity investments measured at cost	3	426.957.969	231.405.614
Deferred tax assets	4	2.619.748	6.045.116
TOTAL NON-CURRENT ASSETS		429.708.120	237.639.257
Current assets			
Trade receivables	5	76.031	106.516
Current financial assets	6	365.609.183	474.817.580
Receivables for current taxes	4	1.930.051	791.208
Other current assets	7	3.810.237	4.230.890
Cash and cash equivalents	8	21.684.479	35.190.380
TOTAL CURRENT ASSETS		393.109.981	515.136.574
TOTAL ASSETS		822.818.101	752.775.831

CALTAGIRONE EDITORE S.p.A.

BALANCE SHEET AS AT 31.12.2006

(in thousands of Euro)

LIABILITIES AND SHAREHOLDERS EQUITY

	Notes	31/12/2006	31/12/2005
Shareholders' Equity			
Share capital		125.000.000	125.000.000
Share capital issue costs		(18.864.965)	(18.864.965)
Treasury shares		0	(164.169)
Other reserves		568.694.255	566.725.378
Profit/(loss) for the year		29.528.184	40.189.888
SHAREHOLDERS' EQUITY	9	704.357.474	712.886.132
Non-current liabilities			
Employee provisions	11	25.937	51.129
Non-current financial liabilities	10	56.932.051	6.444.057
Deferred tax liabilities	4	85.293	1.245.957
NON-CURRENT LIABILITIES		57.043.281	7.741.143
Current liabilities			
Trade payables	12	590.026	576.346
Current financial liabilities	10	54.178.413	25.056.622
Payables for current taxes		2.131	133.371
Other current liabilities	13	6.646.776	6.382.217
CURRENT LIABILITIES		61.417.346	32.148.556
TOTAL LIABILITIES		822.818.101	752.775.831

CALTAGIRONE EDITORE S.p.A.

INCOME STATEMENT FOR THE YEAR ENDED 31.12.2006
(in thousands of Euro)

INCOME STATEMENT

	Notes	31/12/2006	31/12/2005
Revenues			
Revenues from sales and supply of services		-	75.189
Other operating revenues	14	85.460	10.127
TOTAL REVENUES		85.460	85.316
Costs			
Personnel costs	11	430.437	470.418
Other operating charges	15	1.598.675	1.097.524
TOTAL COSTS		2.029.112	1.567.942
EBITDA		(1.943.652)	(1.482.626)
Depreciation, amortisation, provisions & write-downs	16	58.122	57.894
EBIT		(2.001.774)	(1.540.520)
Financial income	17	36.023.932	50.218.609
Financial charges	17	6.630.404	778.644
Net financial result		29.393.528	49.439.965
PROFIT BEFORE TAXES		27.391.754	47.899.445
Income taxes	4	(2.136.430)	7.709.557
PROFIT FROM NORMAL OPERATIONS		29.528.184	40.189.888
NET PROFIT FOR THE YEAR		29.528.184	40.189.888

CALTAGIRONE EDITORE S.p.A. GROUP

CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

ASSETS

	Notes	31/12/2006	31/12/2005
Non-current assets			
Intangible assets with definite life	1	3.972	693
Goodwill and other indefinite intangible assets	2	477.220	274.954
Property, plant and equipment	3	110.409	82.467
Equity investments measured at cost	4	4.750	4.319
Equity investments measured at equity method	5	391	-
Equity investments and non-current securities	6	53.966	43.394
Non-current financial assets	7	28	25
Other non-current assets	8	1.789	977
Deferred tax assets	9	26.674	16.605
TOTAL NON-CURRENT ASSETS		679.199	423.434
Current assets			
Inventories	10	4.264	2.588
Trade receivables	11	95.186	77.655
Current financial assets	12	423	1.416
Receivables for current taxes	9	3.150	4.578
Other current assets	13	5.639	3.819
Cash and cash equivalents	14	423.233	567.617
TOTAL CURRENT ASSETS		531.895	657.673
TOTAL ASSETS		1.211.094	1.081.107

CALTAGIRONE EDITORE S.p.A. GROUP

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

LIABILITIES AND SHAREHOLDERS EQUITY

	Notes	31/12/2006	31/12/2005
Shareholders' Equity			
Share capital		125.000	125.000
Share capital issue costs		(18.865)	(18.865)
Treasury shares		-	(164)
Other reserves		713.765	647.420
Profit/(loss) for the year		32.130	94.307
Group shareholders' equity		852.030	847.698
Minority interest shareholders' equity		2.475	896
SHAREHOLDERS' EQUITY	15	854.505	848.594
Liabilities			
Non-current liabilities			
Employee provisions	17	48.369	39.071
Other non-current provisions	18	10.963	9.028
Non-current financial liabilities	16	112.315	67.278
Other non-current liabilities	20	3.011	3.235
Deferred tax liabilities	9	71.419	31.087
NON-CURRENT LIABILITIES		246.077	149.699
Current liabilities			
Current provisions	18	2.468	661
Trade payables	19	48.084	32.257
Current financial liabilities	16	22.691	20.025
Payables for current taxes		-	1.500
Other current liabilities	20	37.269	28.371
CURRENT LIABILITIES		110.512	82.814
TOTAL LIABILITIES		1.211.094	1.081.107

CALTAGIRONE EDITORE S.p.A. GROUP
CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

INCOME STATEMENT

	Notes	31/12/2006	31/12/2005
Revenues			
Revenues from sales and supply of services	21	298.785	269.192
Other operating revenues	22	5.951	8.437
TOTAL REVENUES		304.736	277.629
Costs			
Raw material costs	23	34.458	28.148
Personnel costs	17	99.065	85.611
Other operating charges	24	121.488	101.194
TOTAL COSTS		255.011	214.953
EBITDA		49.725	62.676
Depreciation, amortisation, provisions & write-downs	25	14.696	16.643
EBIT		35.029	46.033
Net financial result	26	7.419	75.029
PROFIT BEFORE TAXES		42.448	121.062
Income taxes	9	(9.204)	(26.495)
PROFIT FROM NORMAL OPERATIONS		33.244	94.567
NET PROFIT FOR THE YEAR		33.244	94.567
Group net profit		32.130	94.307
Minority interest share of profit		1.114	260
Earnings per share (Euro per 1,000 shares)	27	257	755
Diluted earnings per share (Euro per 1,000 shares)	27	257	755