



**2007 THIRD QUARTER RESULTS
AS OF SEPTEMBER THE 30TH 2007**

Board of Directors Review on Third Quarter 2007

The consolidated quarterly report of the Caltagirone Editore Group as of 30th September 2007 was prepared in accordance with IAS/IFRS. The report is in compliance with article 82 of CONSOB Regulation No. 11971/1999 as modified by Resolution No14990/2005 and appendix 3D of the Regulation.

Third quarter 2007 results highlights

Caltagirone Editore Group sales reached Euro 239 million in the first nine months of 2007, up by 10% compared to Euro 217.4 million in the same period of the previous year.

Ebitda, net of Euro 1.6 million hit from the application of the pension reform, reached Euro 39 million, up by 12.2% from September the 30th 2006, thanks also to the Euro 4.4 million contribution of Il Gazzettino Group. Ebitda margin increased to 16.3% (16% in the first nine months of 2006).

Ebit grew by 9.4% from Euro 25.2 million the first nine months of 2006 to Euro 27.6 million in the first nine months of 2007.

<i>In Euro thousands</i>	Jan - Sept 2007	Jan - Sept 2006	Chg%
Net Sales	239,017	217,371	10.0%
of which:			
• Circulation revenues	69,384	57,678	20.3%
• Editorial promotions	9,262	15,141	-38.8%
• Advertising	150,342	134,368	11.9%
• Other revenues	10,029	10,184	-1.5%
Ebitda	39.011	34,757	12.2%
Ebit	27.594	25,221	9.4%

Main consolidated results at constant perimeter, excluding Il Gazzettino Group for the first half year 2007 and B2Win Spa for the third quarter 2006, are shown below.

<i>In Euro thousands</i>	Jan - Sept 2007	Il Gazzettino Group 1st Half 2007	Jan-Sept 2007*	Jan - Sept 2006 **	Chg %
Net Sales	239,017	30,457	208,560	215,707	-3.3%
of which:					
• Circulation revenues	69,384	11,885	57,499	57,678	-0.3%
• Editorial promotions	9,262	2,372	6,890	15,141	-54.5%
• Advertising	150,342	15,403	134,939	134,368	0.4%
• Other revenues	10,029	797	9,232	8,520	8.4%
Ebitda	39,011	3,161	35,850	34,574	3.7%
Ebit	27,594	1,497	26,097	25,113	3.9%

* At constant perimeter (including only the third quarter 2007 of Il Gazzettino Group)

** At constant perimeter (not including the third quarter 2006 of B2Win SpA)

The reduction in net sales at constant perimeter is due to the decrease in revenues from the joint promotions with the newspapers, following a change in readers demand for these products and a simultaneous capacity to absorb these products.

Advertising revenues which, excluding the contribution of Il Gazzettino, registered a slight increase compared to the previous year, in the first nine months of 2007 were affected by the Group's decision to discontinue radio advertising on behalf of third parties in order to concentrate on sectors with greater growth and margin prospects. This sector had reached Euro 1.7 million revenues in the first 9 months of 2006.

As reported, the income statement in the first nine months of 2007 was impacted by the change in the accounting treatment of the employee leaving indemnity in the IFRS financial statements following the complementary pension reform in Italy. This legislative change had a negative impact on the income statement in the period of approximately Euro 1.6 million, recorded in the account Labour Costs, not relating to the normal activities of the company. For a better understanding of the Group operating performance, EBITDA in the table above excludes this negative effect.

It should also be noted that with effect from Q1 2007 the Board of Directors decided to change the accounting criteria of the effects deriving from the application of IAS 19 in relation to the Employee Leaving Indemnity Provision. Such decision involved the application of IAS 8 principle. The financial statements to September the 30th 2006 have been adjusted accordingly in order to make them comparable with those to September the 30th 2007.

The Net Cash Position to September the 30th 2007 declined to Euro 254.9 million from Euro 288.7 million on December the 31st 2006, also due to the acquisition of shares of public companies for approximately Euro 37 million, net of the operating cash flow for the period.

<i>In Euro thousands</i>	30/09/07	31/12/06	30/06/07
Non-current financial assets	28	28	28
Current financial assets	249	423	173
Cash and cash equivalents	391,388	423,233	378,962
Non-current financial liabilities	(106,477)	(112,315)	(106,134)
Current financial liabilities	(30,287)	(22,691)	(30,613)
Net Cash Position	254,901	288,678	242,416

Third quarter 2007

<i>In Euro thousands</i>	Q3 2007	Q3 2006	Chg %
Net Sales	70,631	70,113	0.7%
of which:			
• Circulation revenues	24,182	24,209	-0.1%
• Editorial promotions	1,684	2,362	-28.7%
• Advertising	42,239	40,222	5.0%
• Other revenues	2,526	3,320	-23.9%
Ebitda	7,729	5,595	38.1%
Ebit	3,744	1,895	97.6%

In the third quarter of 2007 Caltagirone Editore Group reached revenues of Euro 70.6 million, substantially in line with the same period of the previous year, although affected by the decrease in revenues from editorial promotions sold together with the newspapers and the sale of the company B2Win S.p.A. at the beginning of July 2007. It is worth noting the 5% increase in advertising revenues compared to the third quarter of 2006.

Ebitda increased by 38.1% from Euro 5.6 million the third quarter 2006 to Euro 7.7 million third quarter 2007.

Ebit, equal to Euro 3.7 million, increased by 97.6% compared to Euro 1.9 million in the same period of the previous year.

Third quarter results at constant perimeter (excluding B2Win contribution) are shown in the following table

<i>In Euro thousands</i>	Q3 2007	Q3 2006 *	Chg %
Net Sales	70,631	68,449	3.2%
of which:			
• Circulation revenues	24,182	24,209	-0.1%
• Editorial promotions	1,684	2,362	-28.7%
• Advertising	42,239	40,222	5.0%
• Other revenues	2,526	1,656	52.5%
Ebitda	7,729	5,412	42.8%
Ebit	3,744	1,787	109.5%

* At constant perimeter (not including the third quarter 2006 of B2Win SpA)

In the third quarter 2007 sales at constant perimeter increased by 3,2%, Ebitda by 42,8% and Ebit by 109,5%.

Operating performance

Publishing

Circulation Revenues

<i>In Euro thousands</i>	Jan - Sept 2007	Jan - Sept 2006	Chg %
Newspaper Sales	69,384	57,678	20.3%
of which Il Gazzettino	17,932	6,317 *	n.a
Promotions	9,262	15,141	-38.8%
of which Il Gazzettino	2,700	696 *	n.a
Total	78,646	72,819	8.0%

* Represent Group revenues of Il Gazzettino in the third quarter of 2006

Circulation revenues increased by 20.3% compared to the first nine months of 2006 mainly due to the consolidation of *Il Gazzettino* revenues for the full nine months of 2007 and to the increase in the price of the newspapers *Il Messaggero* and *Il Mattino*, from Euro 0.90 to Euro 1 since December the 1st 2006.

Promotion revenues of products sold together with the Group newspapers decreased by approximately Euro 5.9 million; the relative Ebitda margin contribution, equal to approximately Euro 1.4 million, is in line with the corresponding period of 2006, thanks to the implementation of a highly selective strategy, focused on maximising profitability.

Advertising Revenues

<i>In Euro thousands</i>	Jan - Sept 2007	Jan - Sept 2006	Chg %	Q3 2007	Q3 2006	Chg %
Advertising						
• Il Messaggero	73,668	73,305	0.5%	20,897	20,412	2.4%
• Il Mattino	26,123	27,157	-3.8%	7,170	7,021	2.1%
• Leggo	18,980	17,497	8.5%	4,625	3,936	17.5%
• Quotidiano di Puglia	5,064	5,075	-0.2%	1,631	1,496	9.0%
• Corriere Adriatico	4,284	3,769	13.7%	1,263	1,096	15.2%
Newspapers at constant perimeter	128,119	126,803	1.0%	35,586	33,961	4.8%
• Il Gazzettino	21,122	5,368 *	n.a	6,327	5,368	17.9%
Total newspapers	149,241	132,171	12.9%	41,913	39,329	6.6%
Other advertising revenues	1,101	2,197	-49.9%	326	893	-63.5%
Total	150,342	134,368	11.9%	42,239	40,222	5.0%

* Represent the revenues of Il Gazzettino in the third quarter of 2006

In the first nine months of 2007 advertising revenues at constant perimeter increased by 1% compared to the same period of the previous year, with different performance in the quarters : growth of 5.1% in the first quarter followed by a 5.4% decline in the second quarter and a 4.8% increase in the third quarter.

Within such a variable advertising market, noteworthy results were achieved by *Leggo*, which recorded an increase of 8.5% in advertising revenues, and by *Il Corriere Adriatico*, which increased advertising revenues by 13.7%. In addition, in the third quarter of 2007, the advertising revenues of *Il Gazzettino* increased by 17.9% thanks to the contribution of Piemme S.p.A., which was appointed sole newspaper advertising agency from May 2007. The decrease in the "Other advertising revenues" is due to the previously reported decision to discontinue radio advertising on behalf of third parties in order to fully concentrate on the advertising for the Internet sites of the Group's newspapers, an area which is considered to have greater growth potential and much higher margins. In the first nine months of 2007, therefore, the "Other advertising revenues" relates to the advertising revenues from the TV broadcaster *Telefriuli* and the internet sites of the Group's newspapers.

Other activities

<i>In Euro thousands</i>	Jan - Sept 2007	Jan - Sept 2006	Chg %	Q3 2007	Q3 2006	Chg %
Internet & Services	4,087	5,923	-31.0%	45	1,692	-97.3%
Other revenues	5,942	4,261	39.5%	2,481	1,628	52.4%
of which Il Gazzettino	1,184	308 *	n.a	387	308	25.6%
Total	10,029	10,184	-1.5%	2,526	3,320	-23.9%

* Represent the Group revenues of Il Gazzettino in the third quarter of 2006

Services revenues principally refer to B2Win S.p.A., which operates in the call centres industry and advanced computer services. The figures are consolidated only for the first six months of 2007 because on July the 2nd 2007 B2Win S.p.A was sold to E-Care S.p.A. for Euro 6.7 million, with a capital gain of Euro 4.4 million. Simultaneously, Caltagirone Editore S.p.A. acquired 24.5% of the company E-Care S.p.A., the second largest Italian operator in the management of “call centres”. From the integration of the two companies, annual revenues are forecasted to reach approximately Euro 50 million, with 1,400 employees between the three principal offices of Rome, Milan and Turin. Other revenues derived from the costs reversals, income accruals and other minor items.

Notes to profit and loss accounts highlights

<i>In Euro thousands</i>	Jan - Sept 2007	Gazzettino Group 1st Half 2007	Jan-Sept 2007*	Jan - Sept 2006**	Chg %
Newspaper sales	69,384	11,885	57,499	57,678	-0.3%
Editorial promotions	9,262	2,372	6,890	15,141	-54.5%
Advertising	150,342	15,403	134,939	134,368	0.4%
Other revenues	10,029	797	9,232	8,520	8.4%
Total Revenues	239,017	30,457	208,560	215,707	-3.3%
Raw material costs	(28,985)	(3,815)	(25,170)	(25,113)	0.2%
Labour costs	(82,861)	(12,728)	(70,133)	(70,490)	-0.5%
Other operating costs	(88,160)	(10,753)	(77,407)	(86,530)	-9.5%
Total operating costs	(200,006)	(27,296)	(172,710)	(181,133)	-4.6%
Ebitda	39,011	3,161	35,850	34,574	3.7%
Amortisation, depreciation and provisions	(9,865)	(1,308)	(8,557)	(9,461)	-9.6%
Effect of employee indemnity reform	(1,552)	(356)	(1,196)	-	n.a.
EBIT	27,594	1,497	26,097	25,113	3.9%
Financial result	11,302	(289)	11,591	5,136	125.7%
Profit before taxes	38,896	1,208	37,688	30,249	24.6%
Group Pre- net profit	37,980	1,233	36,747	30,076	22.2%
Minorities share of pre-net profit	916	(25)	941	173	na

* At constant perimeter (including only the third quarter 2007 of Il Gazzettino Group)

** At constant perimeter (not including the third quarter 2006 of B2Win SpA)

Net Sales at constant perimeter, as previously mentioned, decreased following the reduction of the editorial promotions sold together with the newspapers and the decision to discontinue the advertising on radio on behalf of third parties .

The raw material and labour costs, at parity of consolidation area, were in line with the previous year. Labour costs were unchanged as on the one hand they benefited from the restructuring of some Group companies while also being affected by salary increases based on national labour agreements.

Other operating costs decreased principally as a result of the lower number of joint promotional initiatives with the newspapers in the first nine months of 2007.

The net financial result, equal to Euro 11.6 million, benefits from Euro 4.4 million capital gain realised on the sale of the company B2Win S.p.A.

Outlook for fourth quarter of 2007 and other information

With regards to the overall performance of the market, no particular changes are expected. Based on the available indicators, the Group's performance is expected to be in line with the first nine months of 2007.

On 25th July 2007, the respective shareholders' meetings approved the merger by incorporation of Caltanet S.p.A. into Il Messaggero S.p.A.; the merger, which will take place in the current month, satisfies a series of economic/industrial needs emerging from the growing necessity to develop the utilisation of the internet in the publishing world. In this context, already in the first half of 2007, *Il Messaggero* started the development of its online newspaper (www.ilmessaggero.it), benefiting from the synergies deriving from the integration of the activities of the above-mentioned companies.