



CALTAGIRONE EDITORE SPA
HALF-YEAR REPORT
June 30, 2008

Corporate Boards

The Board of Directors

Chairman Francesco Gaetano Caltagirone

Vice Chairmen Gaetano Caltagirone
Azzurra Caltagirone

Directors Francesco Caltagirone
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Mario Delfini *
Massimo Garzilli *
Albino Majore *
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Board of Statutory Auditors

Chairman Giampiero Tasco

Standing Auditors Carlo Schiavone
Maria Assunta Coluccia

Executive Responsible Roberto Di Muzio

Independent Auditors KPMG SpA

* *Members of the Internal Control Committee*

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INTRODUCTION

The present Consolidated Half-Year Report as of June 30th 2008 was prepared in accordance with IAS/IFRS. The report is in compliance with article 154, paragraph 3 of Legislative Decree 58/1998, as supplemented.

INTERIM DIRECTORS' REPORT ON OPERATIONS

Caltagirone Editore Group reported sales of Euro 155.4 million in the first half of 2008, a decrease on Euro 168.4 million in the same period of the previous year. The fall in turnover was due to a decrease in advertising, circulation and promotional product revenues. In addition, the corresponding period of the previous years sales included those from the company B2Win SpA, sold in July 2007, and which contributed revenues of Euro 4.01 million in the first half of 2007. Therefore, on like-for-like consolidation scope, the fall in operating revenues was 5.4%.

Ebitda was Euro 22.8 million, a decrease of 23.4% on the first half of 2007. On like-for-like consolidation scope, this decrease would have been 21.6% excluding the Ebitda of Euro 699 thousand of B2Win SpA in the first half of 2007.

The Ebitda margin on revenues was 14.6% (17.6% in the first half of 2007).

The Ebit, after amortisation/depreciation and write-downs of Euro 6.9 million, fell from Euro 23.85 million in the first half of 2007 to Euro 15.8 million in the first half of 2008.

The key financial results compared to the first half of 2007 are shown below:

In thousands of Euro

INCOME STATEMENT	30/06/08	30/06/07	Changes%
VALUE OF PRODUCTION	155,386	168,386	-7.7%
CIRCULATION REVENUES	43,173	45,202	-4.5%
PROMOTIONAL PRODUCT REVENUES	4,399	7,578	-42.0%
ADVERTISING REVENUES	104,096	108,103	-3.7%
REVENUES FROM SERVICES	-	4,042	NA
OTHER INCOME AND REVENUES	3,718	3,461	7.4%
RAW MATERIALS, SUPPLIES & CONSUMABLE STORES	(18,720)	(19,152)	-2.3%
PERSONNEL COSTS	(56,630)	(58,146)	-2.6%
SERVICES	(49,547)	(53,481)	-7.4%
RENT, LEASES & SIMILAR COSTS	(4,987)	(4,954)	0.7%

OTHER CHARGES	(1,864)	(1,868)	-0.2%
OTHER OPERATING CHARGES	(876)	(1,055)	-17.0%
EBITDA	22,762	29,730	-23.4%
AMORTISATION, DEPREC. & WRITE-DOWNS	(6,960)	(5,880)	-18.4%
EBIT	15,802	23,850	-33.7%
SHARE OF COMPANIES VALUED AT EQUITY	992	-	NA
FINANCIAL INCOME	9,771	10,237	-4.6%
FINANCIAL CHARGES	(6,286)	(3,539)	77.6%
FINANCIAL RESULT	3,485	6,698	-48.0%
PROFIT BEFORE TAX	20,279	30,548	-33.6%
INCOME TAXES	(8,744)	(13,022)	-32.9%
PROFIT BEFORE MINORITY SHARE	11,535	17,526	-34.2%
MINORITY INTEREST PROFIT	(41)	(402)	-89.8%
GROUP NET PROFIT	11,494	17,124	-32.9%

The reduction in Operating Revenues is due to the contraction in all of the principal revenue lines. Revenues from promotional products sold with the group's newspapers recorded a significant decrease due to the reduced demand for these products. The reduction of advertising revenues is significantly impacted by the current difficult economic environment both nationally and internationally and the consequent fall in consumption. The fall in circulation revenues, in addition to the difficult market conditions, is due to the increased market share of the free newspapers and of the online versions of the daily newspapers. It should also be noted, as already reported, that revenues in the first half of 2007 included those of the company B2Win SpA (Euro 4.01 million) which was sold in July 2007.

Raw material costs decreased by 2.3% - principally due to the fall in the international price of paper in the first half of 2008.

Labour costs decreased by approximately 2.6% on the first half of 2007. In relation to this, the figure for 2007 included the charges deriving from the effect of the employee leaving indemnity reform on the actuarial valuation required by IAS 19, amounting to approx. Euro 1.6 million and the figure for 2008 includes higher non-recurring costs of approx. Euro 500 thousand. However, on a like-for-like basis, labour costs in the first half of 2008 decreased by 0.8% on the first half of 2007, benefiting from the restructuring undertaken in the previous year although in the presence of salary increases related to the national industry labour agreement.

Service costs decreased principally due to the lower volumes of promotional products offered with the newspapers. The decrease in costs relating to these products was Euro 2.5 million on lower revenues of Euro 3.2 million.

Amortisation, depreciation, write-downs and provisions include higher depreciation on investments made by some Group companies and higher doubtful debt provisions which, compared to the corresponding period of 2007, are affected by the merger of Area Nord into Piemme.

Net financial income of Euro 3.5 million includes bank deposit interest of Euro 9.8 million and the equity share of the associated company ROFIN 2008 Srl of approx. Euro 1 million, less borrowing costs of Euro 4.4 million and losses of approx. Euro 1.8 million realised on the sale of shares in listed companies under common control.

The Group Net Financial Position at June 30th 2008 is as follows:

In thousands of Euro

NET FINANCIAL POSITION	30/06/08	31/12/07
CURRENT FINANCIAL ASSETS	37,400	2,461
CASH AND CASH EQUIVALENTS	386,421	444,146
NON-CURRENT FINANCIAL LIABILITIES	(93,502)	(104,410)
CURRENT FINANCIAL LIABILITIES	(24,347)	(31,140)
TOTAL	305,972	311,057

The change in the Cash Position at June 30th 2008 results on the one hand from cash flow generated from operating activities and approx. Euro 34.2 million from the sale of shares in listed companies and, on the other hand from the distribution of dividends of Euro 25 million and the purchase of shares in Banca Monte dei Paschi SpA for Euro 32.3 million.

Current financial assets are principally comprised of loans to the associated company ROFIN 2008 Srl of Euro 35.1 million. ROFIN 2008 Srl, which holds 4,500,000 shares in Assicurazioni Generali SpA, is a newly incorporated company in which the parent company holds 30%.

THE ACTIVITIES OF THE GROUP AS AT JUNE 30th 2008

1. PUBLISHING ACTIVITIES

In thousands of Euro

CIRCULATION REVENUES	30/06/08	30/06/07	Change %
SALES OF NEWSPAPERS	43,173	45,202	-4.5%
PROMOTIONAL PRODUCTS	4,399	7,578	-42.0%
TOTAL	47,572	52,780	-9.9%

Revenues from sales, for the reasons outlined above, recorded a total decrease of 9.9% on the first half of 2007. In particular, circulation revenues of Euro 43.2 million decreased by 4.5%. This negative performance is due to a contraction in the newspaper market both in Italy and in the principal western economies.

Within this current environment and the increasing online publication of newspapers, the Group has continued its development and promotion of the Internet sites of its newspaper titles, viewing the Internet as a potential area of strong growth.

The Group newspapers, although within a difficult market environment, maintain their leadership position in their respective markets and their long-standing market share.

Revenues from promotional products sold together with the group's newspapers recorded a decrease, as previously described, due to the lower demand for these products and the general economic environment. In spite of the difficult market, the Group has adopted a highly selective strategy, focused on the quality of the publications, where the promotional products contributed an Ebitda of Euro 712 thousand (Euro 1.3 million in the first half of 2007).

2. ADVERTISING REVENUES

In thousands of Euro

ADVERTISING	30/06/08	30/06/07	Change %
<i>Il Messaggero</i>	48,573	52,771	-8.0%
<i>Il Mattino</i>	17,885	18,953	-5.6%
<i>Il Gazzettino</i>	15,083	14,795	1.9%
<i>Leggo</i>	14,783	14,355	3.0%
<i>Quotidiano di Puglia</i>	3,732	3,433	8.7%
<i>Corriere Adriatico</i>	3,112	3,021	3.0%
Total newspapers	103,168	107,328	-3.9%
<i>Other advertising revenues</i>	928	775	0.2%
TOTAL	104,096	108,103	-3.7%

In the first half of 2008 advertising revenues from the newspapers decreased by 3.9% on the same period in the previous year, while recovering in the first two months of 2008 (+4.3%) and decreasing in the subsequent months. As already illustrated, the decrease of advertising revenues relates to the difficult advertising market owing to the general economic climate leading to a strong reduction in consumption. In particular, there was a strong decline in advertising in the automobile sector and the financial and insurance sectors.

Within this difficult environment, the results of Leggo were noteworthy, which reported an increase of 3% in advertising revenues, and of *Corriere Adriatico* and *Quotidiano di Puglia*, with growth in advertising revenues of 3% and 8.7% respectively thanks to the composition of the advertising revenues more concentrated on local advertising which has experienced a smaller decline than at national level and also thanks to the greater use of colour advertising space offered.

Il Gazzettino recorded growth in advertising revenues of 1.9%, against the trend of the other regional newspapers, thanks to the commercial actions undertaken by the advertising agency Piemme SpA, which has been responsible for the advertising of the Venice newspaper since May 1, 2007.

The "Other advertising revenues" relate to advertising revenues from the TV broadcaster *Telefriuli* and the specialised internet sites, excluding those relating to Group newspapers.

3. OTHER ACTIVITIES

In thousands of Euro

OTHER REVENUES	30/06/08	30/06/07	Change %
REVENUES FROM SERVICES	-	4,042	-100.0%
OTHERS	3,718	3,461	7.4%
TOTAL	3,718	7,503	-50.4%

The decrease of service revenues, as already shown, is due to the sale of the company B2Win SpA in July 2007, which contributed revenues of Euro 4.01 million in the first half of 2007.

Other revenues derive from the recharging of costs, prior year income and other minor income.

TRANSACTIONS WITH RELATED PARTIES

The transactions with “related parties” in accordance with IAS No. 24 are disclosed in the notes to the financial statements at paragraph 30.

OUTLOOK FOR FULL YEAR 2008

The current data available, also with reference to the general economic outlook and consumer spending, indicates that the trend for the full year will be in line with the first half of 2008.

SUBSEQUENT EVENTS TO June 30th 2008

No significant events occurred after June 30th 2008.

RISKS AND UNCERTAINTIES

In accordance with article 154 of Legislative Decree No. 58/98 introduced by Legislative Decree 195/2007 (so-called “Transparency decree”), in the first half year of 2008, no market risks or uncertainties arose differing from those reported in the annual accounts for the year ended December 31st 2007. It is reported that the Group is always particularly attentive to the prevention of risks of any nature which could compromise or damage the results of the company.

Reconciliation between net profit for the period and shareholders' equity of the parent company and the consolidated data

	30.06.2008	
	Net profit	Shareholders' Equity
Net profit and net equity for the period as per financial statements of the parent company	3,920	730,811
Contribution of subsidiary companies	7,460	159,208
Elimination of inter-company dividends	(642)	-
Elimination of inter-company (gains) losses, net of tax effect	797	(45,682)
Minority interest share	(41)	(2,766)
Net profit and net equity as per the consolidated financial statements	11,494	841,571

List of investments at 30.06.2008 as per art. 38 of Legs. Decree no. 127/1991

Company	Registered office	Share Capital	Curr.	Type of possession		
				Direct	Indirectly through	
Companies included in the Consolidation under the line-by-line method						
Il Messaggero Spa	Rome	42,179,500	Eur	94.610%	Piemme Spa	5.390%
Il Mattino Spa	Rome	500,000	Eur	99.999%	Fincel Srl	0.001%
Piemme Spa	Rome	2,646,540	Eur		Il Messaggero Spa	100%
Leggo Spa	Rome	1,000,000	Eur	90.000%		
Fincel Srl	Rome	10,000	Eur	99.990%	Piemme Spa	0.010%
Corriere Adriatico Spa	Ancona	102,000	Eur	99.999%	Fincel Srl	0.001%
Quotidiano Di Puglia Spa	Rome	1,020,000	Eur	85.000%		
Il Gazzettino Spa	Rome	5,100,491,76	Eur	99.912%		
Centro Stampa Veneto Spa	Rome	567,000	Eur		Il Gazzettino Spa	100%
Imprese Tipografiche Venete Spa	Rome	936,000	Eur		Il Gazzettino Spa	100%
P.I.M. Pubblicità Italiana Multimedia Srl	Rome	1,044,000	Eur		Il Gazzettino Spa	100%
Ideco Holding Spa	Lugano (Switz.)	100,000	Chf		Il Gazzettino Spa	100%
Telefriuli Spa	Tavagnacco	1,655,300	Eur		Il Gazzettino Spa	86.020%
Companies included in the consolidation under the Equity Method						
Rofin 2008 Srl	Rome	10,000	Eur	30.000%		
E-Care Spa	Rome	344,505	Eur	24.500%		
B2win Spa	Rome	1,000,000	Eur		E-Care Spa	100%
Other investments in subsidiaries						
E.Di.Me. Sport Srl In Liquidation	Naples	10,200	Eur		Il Mattino Spa	99.500%
Noisette Servicos De Consultoria Lda	Portugal	5,000	Eur		Fincel Srl	98.000%
					Leggo Spa	2.00%
Media S.C.A.R.L.	Padova	50,000	Eur		Imprese Tipografiche Venete Spa	50.000%
Other Investments in associated companies						
Editrice T.N.V. Spa	Verona	546,000	Eur		Il Gazzettino Spa	40.000%
Pubblieditor Srl In Liquidation	Verona	40,800	Eur		Il Gazzettino Spa	40.000%



CALTAGIRONE EDITORE SPA

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2008

CONDENSED BALANCE SHEET

ASSETS

	Note	30/06/2008	31/12/2007	30/06/2007
Non-current assets				
Intangible assets with definite life	1	3,679	3,685	3,758
Goodwill and other indefinite intangible assets	2	477,218	477,219	477,219
Property, plant and equipment	3	99,610	103,142	110,884
Equity investments valued at cost	4	3,124	3,127	4,743
Equity investments valued at net equity	5	4,735	4,941	391
Equity investments and non-current securities	6	28,784	37,510	91,175
Non-current financial assets	7	27	27	28
Other non-current assets	8	1,206	1,209	1,676
Deferred tax asset	9	17,247	21,215	21,578
TOTAL NON-CURRENT ASSETS		635,630	652,075	711,452
Current assets				
Inventories	10	3,619	3,776	3,513
Trade receivables	11	95,666	98,759	104,393
Current financial assets	12	37,400	2,461	173
Tax receivables	9	282	1,107	-
Other current assets	13	3,048	2,176	3,896
Cash and cash equivalents	14	386,421	444,146	378,962
TOTAL CURRENT ASSETS		526,436	552,425	490,937
TOTAL ASSETS		1,162,066	1,204,500	1,202,389

SHAREHOLDERS' EQUITY AND LIABILITIES

	Note	30/06/2008	31/12/2007	30/06/2007
Shareholders' Equity				
Share capital		125,000	125,000	125,000
Share capital issue costs		(18,865)	(18,865)	(18,865)
Other reserves		723,942	695,922	721,158
Profit for the period		11,494	61,241	17,124
Group Shareholders' Equity		841,571	863,298	844,417
Minority interest shareholders' equity		2,770	2,842	2,602
TOTAL SHAREHOLDERS' EQUITY	15	844,341	866,140	847,019
Non-current liabilities				
Employee provisions	17	44,577	46,185	47,608
Other non-current provisions	18	8,416	8,871	9,192
Non-current financial liabilities	16	93,502	104,410	106,134
Other non-current liabilities	20	3,598	3,420	3,239
Deferred tax liabilities	9	64,429	63,985	73,294
NON-CURRENT LIABILITIES		214,522	226,871	239,467
Current liabilities				
Current provisions	18	3,545	3,683	3,922
Trade payables	19	39,175	38,709	42,170
Current financial liabilities	16	24,347	31,140	30,613
Current income taxes	9	-	-	1,947
Other current liabilities	20	36,136	37,957	37,251
CURRENT LIABILITIES		103,203	111,489	115,903
TOTAL LIABILITIES		317,725	338,360	355,370
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,162,066	1,204,500	1,202,389

CONDENSED INCOME STATEMENT

	Note	30/06/2008	31/12/2007	30/06/2007
Revenues				
Revenues from sales and services	21	151,668	317,404	164,925
Other operating revenues	22	3,718	9,483	3,461
TOTAL REVENUES		155,386	326,887	168,386
Costs				
Raw material costs	23	18,720	39,133	19,152
Personnel costs	17	56,630	113,021	58,146
Other operating charges	24	57,274	121,067	61,358
TOTAL COSTS		132,624	273,221	138,656
EBITDA		22,762	53,666	29,730
Amortisation, depreciation & provisions	25	6,960	13,988	5,880
EBIT		15,802	39,678	23,850
Share of investments valued under equity method		992	3	-
Financial income		9,771	23,124	10,237
Gain/(Loss) on sale of listed shares		(1,860)	14,622	-
Financial charges		4,426	10,520	3,539
Net financial income	26	3,485	27,226	6,698
PROFIT BEFORE TAX		20,279	66,907	30,548
Income taxes for the period	9	(8,744)	(4,812)	(13,022)
PROFIT FROM CONTINUING OPERATIONS		11,535	62,095	17,526
PROFIT FOR THE PERIOD		11,535	62,095	17,526
Group net profit		11,494	61,241	17,124
Minority interest share of profit		41	854	402
Earnings per share (Euro per share)	27	0.092	0.490	0.137
Diluted earnings per share (Euro per share)	27	0.092	0.490	0.137

Consolidated income and charges recorded in the financial statements

	Not e	30.06.2008	30.06.2007
Change in fair value of equity securities available-for-sale		(2,975)	539
Effect of actuarial gain/loss		-	315
Net profit/(loss) recorded directly to net equity		(2,975)	854
Profit for the period		11,494	17,124
Total Income and Charges recorded in the period	15	8,519	17,978
Attributable to:			
Shareholders of the Parent Company		8,478	17,576
Minority interest		41	402
Total Income and Charges recorded in the period		8,519	17,978

Condensed consolidated cash flow statement

<i>in Euro thousands</i>		30/06/2008	30/06/2007
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		444,146	423,233
Profit for the period		11,535	17,526
Amortisation & depreciation	25	5,226	4,864
(Revaluations) and write-downs	25-26	1,156	279
Share of investments valued under equity method		(992)	-
Net financial income	26	(5,346)	(6,706)
(Gains)/losses on disposals	26	1,856	(36)
Income taxes	9	8,744	13,022
Changes in employee provisions	17	(2,766)	(762)
Changes in current and non-current provisions	18	(593)	(317)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		18,820	27,870
(Increase) Decrease in inventories	10	157	751
(Increase) Decrease in Trade receivables	11	1,954	(9,450)
Increase (Decrease) in Trade payables	19	(1,151)	(8,012)
Change in other current and non-current liabilities		(3,870)	544
Change in deferred and current income taxes		1,086	1,274
OPERATING CASH FLOW		16,996	12,977
Interest received		7,027	8,832
Interest paid		(1,855)	(2,131)
Other income (charges) received/paid		-	(4)
Income tax paid		(2,108)	(1,998)
A) CASH FLOW FROM OPERATING ACTIVITIES		20,060	17,676
Dividends received	26	-	2,695
Investments in intangible fixed assets		(278)	(183)
Investments in tangible fixed assets	1	(392)	(2,849)
Investments in equity holdings and securities	6	(32,280)	(36,900)
Sale of intangible, tangible and financial assets		34,253	14
B) CASH FLOW FROM INVESTING ACTIVITIES		1,303	(37,223)
Change in non-current financial assets and liabilities		(12,432)	(6,777)
Change in current financial assets and liabilities		(41,543)	7,256
Dividends Distributed	15	(25,113)	(25,000)
C) CASH FLOW FROM FINANCING ACTIVITIES		(79,088)	(24,521)
D) Effect exchange differences on cash and cash equivalents		-	(203)
Change in net liquidity		(57,725)	(44,271)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		386,421	378,962



CALTAGIRONE EDITORE SPA

**NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL
STATEMENTS**

June 30, 2008

Introduction

Caltagirone Editore SpA (Parent Company) is a limited liability company with its registered office at Rome (Italy), Via Barberini, No. 28.

The shareholders with holdings above 2% of the share capital, as per the shareholders register, the communications received in accordance with article 120 of Legislative Decree No. 58 of February 24th 1998, and other information available are:

1) Francesco Gaetano Caltagirone: 81,955,300 shares (65.56%).

This investment is held:

- Directly for 22,500,000 shares (18.0%)
- Indirectly through the Companies:
 - Parted 1982 SpA (35.56%)
 - Gamma Srl (12.00%)

2) Gaetano Caltagirone 3,000,000 shares (2.40%)

3) Edizione Holding SpA 2,799,000 shares (2.24%)

Caltagirone Editore SpA is fully consolidated in the consolidated financial statements of the Caltagirone Group.

The present half-year report was authorised for publication by the Board of Directors on August 5th 2008.

Compliance with international accounting standards approved by the European Commission

The present condensed half-year consolidated financial statements as at June 30th 2008 of the Caltagirone Editore Group are in accordance with article 154-ter, paragraph 3, Legislative Decree No. 58/1998 and subsequent modifications and were prepared in accordance with International Accounting Standard IAS 34 applicable for the preparation of interim accounts. These financial statements contain condensed information compared to the applicable accounting standards and must be read together with the consolidated annual accounts of the Group for the year ended December 31st 2007.

With the exception of that described below, the accounting principles adopted in the preparation of the condensed half-year consolidated financial statements are those utilised for the 2007 consolidated financial statements, to which reference should be made.

During the first half year, the Group undertook finance lease contracts.

The fixed assets acquired under finance lease contracts are initially recognised as tangible fixed assets with the recording of the relative payable, at a value equal to the relative fair value or, if lower, to the current value of the minimum payments due contractually. The lease instalment is divided between its component parts of financial charges, recognised in the income statement, and capital repayments, recorded as a reduction of the financial payable.

Use of estimates

The preparation of the half-year financial statements require the Directors to apply accounting principles and methods that, in some circumstances, are based on difficulties and subjective valuations and estimates based on the historical experience and assumptions which are from time to time considered reasonable and realistic based on the relative circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the balance sheet, the income statement and the cash flow statement, and on the disclosures in the notes to the accounts. The final outcome of the accounts in the financial statements, which use the above-mentioned estimates and assumptions, may differ from those reported in the financial statements due to the uncertainty which characterises the assumptions and conditions upon which the estimates are based.

The estimates and assumptions are reviewed periodically and the effects of all variations recorded in the income statement, when they relate only to that year. When the revision relates to both current and future periods (for example the revision of the useful life of fixed assets), the changes are recorded in the period in which the revision is made and in the relative future periods.

Some valuation processes, in particular the determination of any significant reduction in fixed assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

Similarly, the actuarial valuations necessary for the determination of the employee benefit provisions based on IAS 19 are normally calculated in the preparation of the annual accounts.

Income taxes are calculated on the basis of the best estimate of the expected tax rates at consolidated level for the entire year.

Basis of presentation

The half-year report consists of the Balance Sheet, the Income Statement, the Cash Flow Statement, the Statement of changes in Shareholders' Equity, the Statement of income and charges recorded in the period and the notes to the financial statements.

The Balance Sheet is presented in a format which separates the current and non-current assets and liabilities, while the Income Statement is classified on the basis of the nature of the costs, and the Cash Flow statement is presented utilising the indirect method.

The comparative balance sheet shown in the notes to the financial statements relates to December 31st 2007 in order for a better comparison of the financial position, while the economic data, net equity and cash flow statement are compared with the relative data of the corresponding period of the previous year. The classification, order and nature of the accounts in the financial statements have not changed compared to those adopted for the annual accounts.

The Consolidated Financial Statements are presented in Euro and the amounts are shown in thousands, except where indicated otherwise.

Consolidation scope

The consolidation scope includes the parent company and all of its subsidiaries, directly or indirectly held (hereinafter the "Group").

All the companies in which the Group has the power to determine, directly or indirectly, the financial and operating policies of an entity, so as to obtain benefits from its activities are considered as subsidiary companies. In the evaluation of control, consideration is also taken of the potential voting rights that are effectively exercisable or convertible.

The list of subsidiaries included in the consolidation scope is as follows:

	<i>Reg. off.</i>	30.06.2008	31.12.2007	30.06.2007
Caltagirone Editore SpA	Rome	Parent Com.	Parent Com.	Parent Com.
Il Messaggero SpA (1)	Rome	100%	100%	100%
Il Mattino SpA	Rome	100%	100%	100%
Piemme SpA (2)	Rome	100%	100%	100%
Leggo SpA	Rome	90%	90%	90%
Finced Srl	Rome	100%	100%	100%

Corriere Adriatico SpA.	Ancona	100%	100%	100%
Quotidiano di Puglia SpA	Rome	85%	85%	85%
Il Gazzettino SpA (3)	Venice	99.91%	99.91%	99.91%
Centro Stampa Veneto SpA (4)	Venice	99.91%	99.91%	99.91%
Imprese Tipografiche Venete SpA (4)	Venice	99.91%	99.91%	99.91%
P.I.M. Srl (4)	Milan	99.91%	99.91%	99.91%
Ideco Holding S.A. (4)	Lugano	99.91%	99.91%	99.91%
Telefriuli SpA (5)	Udine	85.94%	85.94%	85.94%

(1) 94.6% directly held and 5.4% through Piemme SpA.; (2) Held through Messaggero SpA.; (3) The holding includes 27.04% relating to the put options existing at June 30, 2008; (4) Held through Gazzettino SpA.; (5) 86.02% held through Gazzettino SpA.

There were no changes in the consolidation scope.

Associated companies

The consolidation scope includes the following associated companies:

	<i>Reg. off.</i>	30/06/2008	31/12/2007	30/06/2007
Rofin 2008 Srl	Rome	30.00%	--	--
E-care SpA	Rome	24.50%	24.50%	--
Editrice Telenuovo SpA	Verona	39.96%	39.96%	39.96%

Associated companies (companies in which the Group exercises a significant influence but does not control - or jointly controlled entities - the financial and operating policies) are measured under the equity method. The profits and losses pertaining to the Group are recognised in the consolidated income statement at the date when the significant influence begins and until the date of termination.

ASSETS

1. Intangible assets with definite life

<i>Historical cost</i>		Research and development	Patents	Trademarks	Others	Total
	01/01/2007	751	1,030	6,123	3,447	11,351
Increases			78	77	547	702
Decreases						-
Change in consolidation scope			(138)	(56)	15	(179)
Write-downs						-
Reclassifications			(14)	(1,828)	1,659	(183)
	31/12/2007	751	956	4,316	5,668	11,691
	01/01/2008	751	956	4,316	5,668	11,691
Increases			131	40	326	497
Decreases						-
Change in consolidation scope						-
Write-downs						-
Reclassifications			228		(228)	-
	30/06/2008	751	1,315	4,356	5,766	12,188
<i>Amortisation and loss in value</i>		Research and development	Patents	Brands	Others	Total
	01/01/2007	744	952	2,909	2,774	7,379
Increases			50	494	472	1,016
Decreases						-
Change in consolidation scope			(84)	(44)	(78)	(206)
Reclassifications			(14)	(1,718)	1,549	(183)
	31/12/2007	744	904	1,641	4,717	8,006
	01/01/2008	744	904	1,641	4,717	8,006
Increases		3	72	182	246	503
Decreases						-
Change in consolidation scope						-
Reclassifications						-
	30/06/2008	747	976	1,823	4,963	8,509
<i>Net value</i>						
	01/01/2007	7	78	3,214	673	3,972
	31/12/2007	7	52	2,675	951	3,685
	30/06/2008	4	339	2,533	803	3,679

The amortisation rates used are shown below:

Category	Average rate
Development Costs	20.0%
Industrial patents and intel. property rights	34.3%
Trademarks, concessions and licenses	18.7%
Others	31.14%

2. Goodwill and other indefinite intangible assets

The indefinite intangible assets, comprising of goodwill and newspaper titles, are not amortised, but annually subject to verifications to determine the existence of any loss in value.

The table below shows the movements in the indefinite intangible assets:

Historical cost	Goodwill	Newspa per titles	Total
01/01/2007	190,421	286,799	477,220
Increases			
Decreases		(1)	(1)
Change in consolidation area			
Write-downs			
Reclassifications			
31/12/2007	190,421	286,798	477,219
01/01/2008	190,421	286,798	477,219
Increases			-
Decreases		(1)	(1)
Change in consolidation area			-
Write-downs			-
Reclassifications			-
30/06/2008	190,421	286,797	477,218

The goodwill is allocated to the following cash-generating units:

	30/06/2008	31/12/2007
Il Gazzettino	101,567	101,567
Il Messaggero	51,613	51,613
Piemme (Advertising agency)	27,521	27,521
Il Mattino	9,720	9,720
Total	190,421	190,421

The breakdown of the balance relating to the newspaper titles is shown below:

	01/01/2007	Increases	Decreases	Change in consolidation area	Write-downs	31/12/2007
Il Messaggero SpA	90,808					90,808
Il Mattino SpA	44,496					44,496
Quotidiano di Puglia SpA	26,131					26,131
Corriere Adriatico SpA	24,656					24,656
Il Gazzettino SpA	100,700					100,700
Other minor newspaper titles	8		(1)			7
Total	286,799	-	(1)	-	-	286,798

	01/01/2008	Increases	Decreases	Change in consolidation area	Write-downs	30/06/2008
Il Messaggero SpA	90,808					90,808
Il Mattino SpA	44,496					44,496
Quotidiano di Puglia SpA	26,131					26,131
Corriere Adriatico SpA	24,656					24,656
Il Gazzettino SpA	100,700					100,700
Other minor newspaper titles	7		(1)			6
Total	286,798	-	(1)	-	-	286,797

In the absence of indications of a loss in value of the Cash Generating Units to which the values of the newspaper titles are attributed and of the goodwill, the Group did not make an estimate of the recoverable value in the period. Therefore, the last estimate remains the estimate made for the consolidated financial statements at December 31st 2007.

3. Property, plant and equipment

<i>Historical cost</i>	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01/01/2007	8,429	55,307	86,390	978	22,843	8,750	182,697
Increases	127	192	598	10	1,253	4,230	6,410
Decreases		(3,819)	(206)	(26)	(614)		(4,665)
Change in consolidation scope					(1,492)		(1,492)
Revaluations/(Write-downs)							-
Reclassifications		(245)	12,113	71	(949)	(12,324)	(1,334)
31/12/2007	8,556	51,435	98,895	1,033	21,041	656	181,616
01/01/2008	8,556	51,435	98,895	1,033	21,041	656	181,616
Increases	63	55	1,072	3	226		1,419
Decreases			(86)	(48)		(7)	(141)
Change in consolidation scope						(147)	(147)
Revaluations/(Write-downs)							-
Reclassifications	(126)	125	282	13	208	(502)	-
30/06/2008	8,493	51,615	100,163	1,001	21,475	-	182,747
<i>Depreciation and loss in value</i>							
	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01/01/2007		9,641	43,021	849	18,777	-	72,288
Increases		1,797	6,094	59	1,498	(104)	9,448
Decreases		(71)	(206)	(26)	(440)	-	(743)
Change in consolidation scope		0	0	0	(1,186)	104	(1,186)
Reclassifications		(245)	(104)	(9)	(975)		(1,333)
31/12/2007	-	11,122	48,805	873	17,674	-	78,474
01/01/2008	-	11,122	48,805	873	17,674	-	78,474
Increases	63	837	3,080	33	710		4,723
Decreases			(24)	(36)			(60)
Change in consolidation scope							-
Reclassifications							-
30/06/2008	63	11,959	51,861	870	18,384	-	83,137
<i>Net value</i>							
01/01/2007	8,429	45,666	43,369	129	4,066	8,750	110,409

31/12/2007	8,556	40,313	50,090	160	3,367	656	103,142
30/06/2008	8,430	39,656	48,302	131	3,091	-	99,610

The account "Other assets" includes, in addition to computers, servers and network appliances, leasehold improvements and restructuring relating to rented offices. Depreciation relating to leasehold improvements is calculated based on the duration of the contract which is lower than the useful life of the asset.

4. Equity investments valued at cost

This account recorded the following changes compared to December 31st 2007:

Investments in subsidiary companies	Reg. offices	%	01/01/2007	Increases (Decreases)	Change in consolidation area	Write-downs	31/12/2007
Noisette	Madeira (Port)	99.8	5				5
Edime Sport	Naples	99.5	1			-	1
Total			6	-	-	-	6

			01/01/2008	Increases (Decreases)	Change in consolidation area	Write-downs	30/06/2008
Noisette		99.8	5				5
Edime Sport		99.5	1			(1)	-
Total			6	-	-	1	5

Equity investments in other companies	%	01/01/2007	Increases (Decreases)	Change in consolidation area	Write-downs	31/12/2007
Euroqube	14.82	1,891				1,891
Ansa	6.71	1,166				1,166
Sviluppo Quotidiani	33.34	15				15
Other minor		49				49
Total		3,121	-	-	-	3,121

Equity investments in other companies		01/01/2008	Increases (Decreases)	Change in consolidation area	Write-downs	30/06/2008
Euroqube	14.82	1,891	-			1,891
Ansa	6.71	1,166				1,166
Sviluppo Quotidiani	33.34	15	(2)			13
Other minor		49				49
Total		3,121	(2)	-	-	3,119

Total	3,127	(2)	-	-	3,125
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The investments in other companies are recorded at purchase cost, as the fair value cannot be reliably determined, since no information on the development of the activities or a listed market price in an active market was available.

5. Investments in associated companies

The amount recorded of Euro 4.73 million relates for Euro 442 thousand to the company Editrice Telenuovo SpA, held 39.96% by Il Gazzettino SpA, and for Euro 4.29 million to the company E-Care SpA., held 24.5% by Caltagirone Editore SpA.

These investments are valued under the equity method.

During the first half-year, Caltagirone Editore SpA subscribed to 30% of the share capital of Rofin 2008 Srl, valued in the consolidated financial statements under the equity method; this valuation, following the recording at fair value at June 30, 2008 of Assicurazioni Generali SpA, held by the associated company, resulted in a negative effect not considered permanent of approx. Euro 3 million, resulting in a reduction in the value of the investment for Euro 1.2 million and, for the remaining part, equal to Euro 1.8 million, of the financial receivable of the Parent Company from Rofin 2008 Srl.

The key financial data relating to these investments is summarised below:

Investments in associated companies	Registered offices	Share capital	Shareholders' Equity	Net profit/loss	% held
E-Care SpA *	Rome	344	8,867	(615)	24,5%
TNV Editrice Telenuovo SpA **	Verona	546	1,105	127	40,0%
ROFIN 2008 Srl	Rome	10	(8,546)	3,995	30,0%

(*) Data at May 31st 2008; (**) Data at December 31st 2007.

6. Equity investments and non-current and current securities

The breakdown of the Equity investments and non-current securities is as follows:

Investments available-for-sale	%	01/01/2007	Increases (Decreases)	Change in consolidation area	Valuation at fair value	31/12/2007
Generali SpA	0.09	-	36,900		610	37,510
Monte dei Paschi di Siena SpA	0.37	53,966	(53,966)			-
Total		53,966	(17,066)	-	610	37,510

		01/01/2008	Increases (Decreases)	Change in consolidation area	Valuation at fair value	30/06/2008
Generali SpA	0.09	37,510	(37,510)			-
Monte dei Paschi di Siena SpA	0.24	-	32,277		(3,493)	28,784
Total		37,510	(5,233)	-	(3,493)	28,784

The decrease amounting to Euro 37.51 million relates to the sale of 1,210,00 Assicurazioni Generali SpA shares to the associated company Rofin 2008 Srl.

The increase of Euro 32.28 million relates to the purchase of 16,000,000 Banca Monte dei Paschi di Siena SpA shares. The fair value change in this investment, as per the official stock exchange prices at June 30th 2008, is recorded in a separate equity reserve, net of the relative tax effect, not considering the loss in value permanent.

7. Non-current financial assets

The account, amounting to Euro 27 thousand, principally relates to receivables for deposits due within five years.

8. Other non-current assets

The account relates to the advance tax paid on the employee leaving indemnity for the employees of Il Mattino S.p.A., Il Gazzettino S.p.A. and Il Corriere Adriatico S.p.A. (Euro 145 thousand) and other receivables (Euro 1.06 million), principally relating to the receivable of Telefriuli S.p.A. from the Ministry of Communications for the contributions to the local television broadcasters as per Ministerial Decree 378/1999.

9. Deferred and current income taxes

The deferred taxes refer to temporary differences between the values recorded in the financial statements and the corresponding values recognised for tax purposes.

The movements are shown below of the deferred tax assets and liabilities:

	1/01/2007	Provisions	Utilisations	Other changes	30/06/2008
Deferred tax assets	21,215	222	(5,177)	987	17,247
Total	21,215	222	(5,177)	987	17,247
Deferred tax liabilities	63,985	1,140	(532)	(164)	64,429
Total	63,985	1,140	(532)	(164)	64,429
Net deferred tax liabilities	(42,770)	(918)	(4,645)	1,151	(47,182)

The change compared to the previous year is due to the utilisation of the deferred tax asset recorded on the tax losses carried forward.

The assets include the receivables for current taxes, which shows the net position for income taxes, represented by the payments on account and other tax credits, net of income taxes payable:

<i>In thousands of Euro</i>	30/06/2008	31/12/2007
Receivables for direct taxes	1,431	2,482
Reimbursement request of direct taxes	151	151
Other receivables	977	470
Payables for IRES/IRAP/substitute taxes	(2,277)	(1,996)
Total	282	1,107

The income taxes for the period consist of:

	30.06.2008	30.06.2007
Current income tax	3,181	5,973
Current income tax	3,181	5,973
Provision for deferred tax liabilities	1,140	2,984
Utilisation of deferred tax liabilities	(532)	(1,355)

Deferred tax liabilities	608	1,629
Recording of deferred tax assets	(222)	(1,128)
Utilisation of deferred tax assets	5,177	6,548
Deferred tax assets	4,955	5,420
Total income taxes	8,744	13,022

The group effective tax rate for the first half of 2008 is 43% compared to a tax rate of 7% in the year 2007. It is underlined that the year 2007 was positively impacted by the valuation and utilisation of fiscal losses previously not recorded, by the effect of the change in the tax rate and by the presence of exempt gains.

10. Inventories

The inventories at June 30th 2008 amount to Euro 3.62 million (Euro 3.78 million at December 31st 2007) and consist exclusively of raw materials, ancillary and consumables. Raw materials consist prevalently of paper and ink and relate for Euro 1.66 million to Il Messaggero SpA., for Euro 926 thousand to the companies of Il Gazzettino SpA, for Euro 743 thousand to Il Mattino SpA, for Euro 182 thousand to Corriere Adriatico Spa and for Euro 109 thousand to Quotidiano di Puglia SpA.

The cost of inventory recorded in the income statement amounts to Euro 138 thousand and is included in the account Raw material costs (see Note 23).

Inventories are measured at the lower of the purchase price, calculated using the weighed average cost method, and the realisable value.

There is no inventory provided as a guarantee on liabilities.

11. Trade receivables

This account can be broken down as follows:

	30/06/2008	31/12/2007
Trade receivables	113,628	117,691
Provisions for doubtful debts	(19,039)	(19,957)
Trade receivables	94,589	97,734
Receivables from other Group companies	1,028	996
Advances to suppliers	49	29
Total trade receivables	95,666	98,759

Trade receivables principally relate to the Group advertising revenues of Piemme SpA.

The doubtful debt provision was utilised in the period for Euro 2,072 thousand and increased by Euro 1,154 thousand for the provisions made in the period.

There are no receivables due over 12 months.

12. Current financial assets

This account can be broken down as follows:

	30/06/2008	31/12/2007
Financial assets from subsidiaries	14	14
Financial assets from associated companies	35,112	-
Accrued interest	2,274	2,447
Total current financial assets	37,400	2,461

The increase compared to 2007 derives from the net effect resulting from the increase for the loan provided by Caltagirone Editore SpA to the associated company Rofin 2008 Srl of Euro 36.9 million, necessary to finance the investment in listed shares of Assicurazioni Generali SpA, and by the write-down of this receivable, amounting to Euro 1.8 million, for the valuation of the shares of Assicurazioni Generali SpA to the Stock Market values at June 30th 2008.

The accrued interest refers to the interest income matured on bank deposit accounts.

13. Other current assets

This account can be broken down as follows:

	30/06/2008	31/12/2007
Receivables from employees	206	273
VAT receivables	186	408
Other receivables	1,025	476
Prepaid expenses	1,631	1,019
Total other current assets	3,048	2,176

The prepaid expenses relate to rental (Euro 558 thousand), insurance (Euro 178 thousand) and others (Euro 895 thousand).

14. Cash and cash equivalents

This account can be broken down as follows:

	30/06/2008	31/12/2007
Bank and postal deposits	386,254	443,691
Cash in hand and similar	167	455
Total cash and cash equivalents	386,421	444,146

The reduction of the bank deposits in the first half of 2008 amounted to approx. Euro 58 million and related to the distribution of dividends for Euro 25 million, to the loan provided to the associated company Rofin 2008 Srl for approx. Euro 37 million, to the exercise of the sales options on the shares of Il Gazzettino SpA by some shareholders and to the purchase and sale of shares of the companies Assicurazioni Generali SpA and Banca Monte dei Paschi di Siena SpA, net of the cash flow generated from operating activities.

LIABILITIES AND SHAREHOLDERS' EQUITY

15. Shareholders' equity

Capital and reserve movements

	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserves	Net profit (loss)	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2007	125,000	(18,865)	-	25,725	688,040	32,130	852,030	2,475	854,505
Dividends distributed						(25,000)	(25,000)		(25,000)
Retained earnings					6,539	(6,539)	-		-
Valuation at fair value				(25,326)			(25,326)		(25,326)
Change in consolidation scope							-		-
Other changes					944	(591)	353	(487)	(134)
Profit for the year						61,241	61,241	854	62,095
Balance at December 31st 2007	125,000	(18,865)	-	399	695,523	61,241	863,298	2,842	866,140
Balance at January 1st 2008	125,000	(18,865)	-	399	695,523	61,241	863,298	2,842	866,140
Dividends distributed						(25,000)	(25,000)	(113)	(25,113)
Retained earnings					34,757	(34,757)	-		-
Valuation at fair value				(2,975)			(2,975)		(2,975)
Change in consolidation scope							-		-
Other changes				44	(3,806)	(1,484)	(5,246)		(5,246)
Profit for the period						11,494	11,494	41	11,535
Balance at June 30th 2008	125,000	(18,865)	-	(2,532)	726,474	11,494	841,571	2,770	844,341

Share capital

The share capital amounts to Euro 125 million, consisting of 125 million ordinary shares at a nominal value of Euro 1 each. The number of ordinary shares outstanding did not change during the period.

Dividends

The dividends paid in the first six months to June 30th 2008 amounted to Euro 0.20 per share (unchanged compared to 2006). This dividend was approved by the Shareholders' Meeting of April 22nd 2008.

Other reserves

The Other Reserves includes the Share Premium Reserve of Euro 521.02 million and the Legal Reserve of the Parent Company of Euro 25 million set up in accordance with article 2430 of the Civil Code, the consolidation reserve consisting of the higher value of the Group net equity share compared to the cost of some investments, retained earnings and finally, the actuarial gains and losses deriving from the valuation of the employee leaving indemnity based on the provisions of IAS 19.

Fair value reserve

- The fair value reserve includes all the market value changes at the reporting date of the present half-year financial statements of the investments in other companies available-for-sale until these investments are maintained in the accounts. The change in the period, amounting to Euro 2.93 million, is due to the valuation of the investment in the company Banca Monte dei Paschi di Siena S.p.A. at the official stock market price at June 30th 2008 and the reversal of the fair value reserve recorded at December 31st 2007 on the shares of Generali S.p.A., sold in the first half of 2008 to a company under common control, net of the relative tax effect.

LIABILITIES

16. Financial liabilities

	30/06/2008	31/12/2007
Non-current financial liabilities		
Bank payables	45,349	47,241
Other lenders	48,153	57,169
	93,502	104,410
Current financial liabilities		
Bank payables	18,208	24,892
Short-term portion of non-current loans	3,764	3,694
Other lenders	2,375	2,554
	24,347	31,140

The non-current financial liabilities to banks are represented by a loan to finance the construction of a printing centre located at Torrespaccata in Rome. The loan is at a variable interest rate (Euribor at 6 months + spread 0.5%) amounting to Euro 60 million, granted by San Paolo - IMI to the company S.E.M. SpA., incorporated in 2006 into Il Messaggero SpA. The first capital repayment was made in December 2005, while the final repayment is due in June 2018. The loan is secured by a mortgage on a building owned by Il Messaggero SpA for a total amount of Euro 60 million. In addition, a special privileged guarantee was given on the factory assets amounting to Euro 43.4 million.

The non-current financial liabilities to other lenders includes the recording by the Parent Company of the current value of the payable as at June 30th 2008, amounting to Euro 41.1 million, against sales and purchase option contracts signed on 27.04 % of the share capital of Gazzettino SpA.

The main features of the option contracts still existing are summarised in the table below:

Type of option	% Share capital	Subscription date	Expiry option period
Purchase/Sale	25.77%	21/07/2006	31/12/2008
Purchase/Sale	1.27%	09/10/2006	31/03/2009

The non-current financial liabilities to other lenders also include two loans provided by Mediocredito Lombardo to the parent company Caltagirone Editore SpA and Il Mattino SpA respectively of Euro 11.62 million and Euro 9.81 million and of a loan received by Il Messaggero SpA from Intesa Leasing SpA following the signing of a lease contract for Euro 0.9 million.

The first repayment was due on June 30, 2002, while the final repayment is due in 2011 for the loans received by the Parent Company and Il Mattino SpA. The interest rate applied on these loans is a variable Euribor at 6 months + spread 0.70%.

As guarantee on these loans, mortgages were provided on the land and buildings of the factory of Il Mattino SpA at Caivano amounting to Euro 37.51 million and special privileges on the factory assets amounting to Euro 17.17 million.

17. Personnel

Employee leaving indemnity and employee provisions

The movements in the Employee Leaving Indemnity provision were as follows:

	30/06/2008	31/12/2007
Net liability at January 1st	46,185	48,369
Current cost for the period	130	460
Pension costs	120	-
Effect of employee indemnity reform	-	1,552
Interest charge (income), net	1,158	1,904
Actuarial profits (losses)	-	(1,316)
Change in consolidation scope	-	(119)
(Services paid)	(3,016)	(4,665)
Net liability at December 31st	44,577	46,185

The comparison with the liability in accordance with Italian regulations is as follows:

	30/06/2008	31/12/2007	30/06/2007
Nominal value of the provision	48,731	50,339	50,966
Actuarial adjustment	(4,154)	(4,154)	(3,358)
Total Employee leaving indemnity	44,577	46,185	47,608

As illustrated in the movement, the change between the liability determined in accordance with Italian regulations and IFRS was principally impacted by the interest rates.

Cost and personnel numbers

	30/06/2008	30/06/2007
Salaries and wages	38,795	39,171
Social charges	12,752	12,936
Employee leaving indemnity prov.	130	2,830
Employee leaving indemnity to Complementary Fund	2,519	-
Effect of employee indemnity reform	-	1,552
Pension costs	120	-
Other costs	2,314	1,657
Total personnel costs	56,630	58,146

The following table shows the average number of employees by category:

	30.06.2008	31.12.2007	Average 2008	Average 2007
Executives	27	27	27	28
Managers & white collar	420	432	426	421
Journalists	635	629	168	174
Print workers	169	168	634	640
Total	1,251	1,256	1,255	1,263

18. Provisions for risks and charges

	Legal disputes	Agents' indemnity	Other risks	Total
Balance at January 1st 2007	10,054	542	2835	13,431
Provisions	1,132	3	796	1,931
Utilisations	(1,366)	(36)	(1,483)	(2,885)
Reclassifications			77	77
Change in consolidation area				
Balance at December 31st 2007	9,820	509	2,225	12,554
Of which:				
Current portion	1,966		1,717	3,683
Non-current portion	7,854	509	508	8,871
Total	9,820	509	2,225	12,554
Balance at January 1st 2008	9,820	509	2,225	12,554
Provisions	321		291	612
Utilisations	(781)		(424)	(1,205)
Reclassifications	50		(50)	-
Balance at June 30th 2008	9,410	509	2,042	11,961
Of which:				
Current portion	1,876		1,669	3,545
Non-current portion	7,534	509	373	8,416
Total	9,410	509	2,042	11,961

The provision for legal disputes refers principally to the provisions made by the companies Il Messaggero SpA and Il Mattino SpA against liabilities prevalently deriving from damages requested for slander and from employees. The provision was estimated taking into account the nature of the business, based on experience in similar cases and all of the information available at the date of the preparation of the consolidated half-year financial statements, considering the difficulty in estimating charges connected to each single case.

The agent's indemnity provision, which reflects the prudent increase in the risk connected to the termination of the mandate conferred to agents in accordance with law, principally refers to the company Piemme SpA.

The other provisions include charges relating to some minor disputes.

19. Trade payables

30/06/2008	31/12/200
	7

Trade payables	38,862	38,520
Payables to group companies	313	189
	39,175	38,709

Trade payables principally refer to operating subsidiaries in the publishing sector, Il Messaggero SpA, Il Mattino SpA, Piemme SpA and Leggo SpA, and relate to the purchase of raw materials and capital expenditures.

There are no payables due over 12 months.

20. Other Liabilities

	30/06/2008	31/12/2007
Other non-current liabilities		
Other payables	5	71
Deferred income	3,593	3,349
Total	3,598	3,420
Other current liabilities		
Social security institutions	6,268	9,022
Employee payables	13,117	11,296
VAT payables	2,734	2,028
Payables for withholding taxes	3,292	4,580
Other payables	9,998	9,202
Accruals	677	1,310
Deferred income	50	519
Total	36,136	37,957

The other non-current liabilities include deferred income principally relating to the grants received by Il Mattino SpA, in accordance with Law No. 488/1992.

INCOME STATEMENT

21. Revenues from sales and services

	30/06/2008	30/06/2007
Circulation revenues	43,173	45,202
Promotions	4,399	7,578
Advertising	104,096	108,103
Services and Internet	-	4,042
Total revenues from sales and supply of services	151,668	164,925

The sales relating to the principal newspapers and the revenues from advertising are commented upon in the Interim Directors' Report on operations.

22. Other operating revenues

	30/06/2008	30/06/2007
Operating grants	219	214
Recovery of expenses from third parties	778	559
Capital grant contributions	289	336
Gains on disposal of assets	4	36
Prior year income	147	391
Other revenues	2,281	1,925
Total other operating revenues	3,718	3,461

23. Raw material costs

30/06/2008	30/06/2007
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Paper	15,457	15,387
Other publishing materials	3,090	2,969
Other	35	45
Change in inventory of raw materials and goods	138	751
Total raw materials costs	18,720	19,152

Raw material costs decreased due to the reduction in the price of paper in the first half of 2008.

24. Other operating expenses

	30/06/2008	30/06/2007
Editorial services	7,240	7,191
Transport and delivery	8,736	8,753
Outside contractors	9,158	8,820
Promotions	3,687	6,270
Advertising & promotions	2,103	1,136
Commissions and agent costs	5,460	4,797
Utilities and power	1,943	1,971
Maintenance and repair costs	1,857	2,317
Consulting	2,050	1,722
Purchase of advertising space from third parties	25	1,162
Directors and statutory auditors fees	1,073	976
Insurance, postal and telephone	1,166	1,377
Other costs	5,049	6,989
Total service costs	49,547	53,481
Rental	3,412	3,346
Hire	1,575	1,575
Other	-	33
Total rent, lease and hire costs	4,987	4,954
Taxes relating to previous period	-	48
Other operating charges	1,864	1,869
Other	876	1,006
Total other costs	2,740	2,923
Total other operating costs	57,274	61,358

Service costs decreased principally due to the lower number of promotional products offered.

25. Amortisation, depreciation & provisions

	30/06/2008	30/06/2007
Amortisation of intangible assets	503	448
Depreciation of tangible assets	4,723	4,416
Provision for risks and charges	580	745
Doubtful debts	1,154	271
Depreciation, amortisation, provisions & write-downs	6,960	5,880

The depreciation of the tangible fixed assets principally relates to the depreciation on printing and rotary plant.

The increase in the doubtful debt provision derives from the rationalisation of the client portfolio relating to the advertising activities undertaken by Area Nord SpA for the Gazzettino Group before the incorporation into Piemme SpA during 2007.

26. Net financial income

Financial income	30/06/2008	30/06/2007
Dividends	-	2,695
Interest income from bank deposits	9,313	7,471
Other financial income	458	71
Total	9,771	10,237

Financial charges	30/06/2008	30/06/2007
Loss on transfer of investments	1,860	-
Exchange losses	-	203
Loan interest	1,637	1,535
Interest on current accounts	708	526
Interest on leaving indemnity	1,158	784
Financial charges from discounting	757	307
Banking commissions and charges	80	184
Other financial expenses	86	-
Total	6,286	3,539

Financial result	3,485	6,698
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The loss on investment sales to associated companies relates to the sale, at market prices, of 1,210,000 shares of Assicurazioni Generali SpA to the associated company Rofin 2008 Srl.

The financial charges from discounting relates to the fair value recording at June 30th 2008 of the payable of Caltagirone Editore SpA against the purchase/sale option signed on 27.04% of the share capital of Il Gazzettino SpA.

27. Earnings per share

The basic earnings per share is calculated by dividing the Group net result for the period by the weighed average number of ordinary shares outstanding in the period.

	30/06/2008	30/06/2007
Net Profit	11,535	17,124
Number of ordinary shares outstanding (000)	125,000	125,000
Basic earnings per share	0.092	0.137

The diluted earning per share is identical to the basic earnings per share as Caltagirone Editore SpA has only issued ordinary shares.

28. Transactions with related parties

Transactions with companies under common control

The transactions of Group companies with related parties generally relate to normal operations and are regulated at market conditions. They principally relate to the exchange of goods, the provision of services, and the provision and use of financial resources by associated companies and subsidiaries excluded from the consolidation scope, as well as with other companies belonging to the Caltagirone Group or under common control.

There are no atypical or unusual transactions which are not within the normal business operations. Where such operations exist, detailed information is provided in the present paragraph.

The table below shows the operations considered significant, or rather those above Euro 100 thousand:

	Trade receivables	Financial receivables	Trade payables	Operating costs	Financial charges
Caltagirone Editore SpA		36,879	-	166	-
Il Messaggero SpA	-	-	-	954	-
Il Gazzettino SpA	840	-	-	-	-
Finced Srl	-	-	-	-	1,860
Piemme SpA	-	-	110	-	-
Total	840	36,879	110	1,120	1,860
% on total in accounts	0.88%	94.16%	0.28%	0.84%	29.59%

The company Il Gazzettino SpA undertakes commercial transactions with the associated company Editrice Telenuovo SpA.

The account Financial Receivables only includes the loan provided by the Parent Company to the associated company Rofin 2008 Srl.

Operating costs also includes rental costs by the Parent Company and Il Messaggero S.p.A. for their respective head offices from companies under common control.

The account Financial Charges relates to the loss realised by Finced srl on the sale of the shares of Assicurazioni Generali SpA to the associated company Rofin 2008 Srl.

29. Business segment information

The disclosures required in accordance with IAS 14 on the Segment information are provided below. The Caltagirone Editore Group has adopted the sector of activity as the primary disclosure of information, defined as a separate and distinctly identifiable part of the Group, which provides related products and services and that is subject to risks and benefits different than those of the other sectors of activity of the Group.

The Group operates exclusively in Italy and therefore no geographic sectors were identified as defined by IAS 14.

In thousands of Euro

	Newspapers	Advertising revenues	Other activities	Consol. Adjustments	Consolidated pre-segment eliminations	Segment eliminations	Consolidated
30/06/2007							
Segment revenues	141,460	108,822	5,035	56	255,373	-	-
Inter-segment revenues	86,162	91	678	56		(86,987)	-
Revenues from third parties	55,298	108,731	4,357	-	-	-	168,386
Segment result	24,354	5,646	(270)	-	29,730	-	29,730
Amortisation, depreciation, write-downs and provisions	4,587	952	341	-	5,880	-	5,880
Segment assets	769,166	141,592	269,064	22,567	1,202,389	-	1,202,389
Segment liabilities	259,296	34,779	64,994	(3,699)	355,370	-	355,370
Investments valued at NE	391	-	-	-	391	-	391
Investments in intangible and tangible fixed assets	4,556	557	17	-	5,130	-	5,130

<i>In thousands of Euro</i>	Newspapers	Advertising revenues	Other activities	Consol. Adjustments	Consolidated pre-segment eliminations	Segment eliminations	Consolidated
30/06/2008							
Segment revenues	136,112	106,118	930		243,160	-	-
Inter-segment revenues	85,687	1,332	673	82	87,774	(87,774)	-
Revenues from third parties	50,425	104,786	257	(82)	-	-	155,386
Segment result	20,280	3,285	(803)		22,762	-	22,762
Amortisation, depreciation, write-downs and provisions	5,280	1,458	222		6,960	-	6,960
Segment assets	564,767	141,308	428,529	29,229	1,163,833	-	1,163,833
Segment liabilities	242,173	24,728	53,548	(957)	319,492	-	319,492
Investments valued at NE	442		(162)	4,455	4,735	-	4,735
Share of profit valued at equity			992		992	-	992
Investments in intangible and tangible fixed assets	1,431	188	150		1,769	-	1,769

The sectors of activity in which the group operates are not affected by seasonal factors.

30. Net financial position

The Net Financial Position, as required by CONSOB Communication DEM 6064291 of July 28th 2006 is as follows:

<i>in thousands of Euro</i>	30/06/2008	30/06/2007
A. Cash	167	334
B. Bank deposits	386,254	378,628
D. Liquidity (A)+(B)	386,421	378,962
E. Current financial receivables	37,400	173
F. Bank payables – current portion	18,208	23,438
G. Current portion of long-term loans	3,764	4,389
H. Current payables to other lenders	2,375	2,786
I. Current debt (F)+(G)+(H)	24,347	30,613
J. Net current debt (I)-(E)-(D)	(399,474)	(348,522)
K. Non-current bank payables	46,116	48,979
L. Non-current payables to other lenders	47,386	57,155
M. Non-current financial debt (K)+(L)	93,502	106,134
N. Net financial debt (J)+(M)	(305,972)	(242,388)

List of significant investments at 30.06.2008 as per art. 120 of Legs. Decree No. 58 of 24.02.2008

(in accordance with article 126 of the CONSOB Resolution 11971 of May 14, 1999)

COMPANY	REG. OFFICE	SHARE CAPITAL	CURRENCY	INDIRECTLY	HOLDING	
		HELD			DIRECT THROUGH	
B2WIN SpA	ROME	1,000,000	Euro	-	E-CARE SpA	100.00%
CENTRO STAMPA VENETO SpA	ROME	567,000	Euro		IL GAZZETTINO SpA	100.00%
CORRIERE ADRIATICO SpA	ANCONA	102,000	Euro	99.999%	FINCED Srl	0.00%
E-CARE SpA	ROME	344,505	Euro	24.5%		
E.DI.ME. SPORT Srl In liquidation	NAPLES	10,200	Euro	-	IL MATTINO SpA	99.50%
EDITRICE T.N.V. SpA	VERONA	546,000	Euro		IL GAZZETTINO SpA	40.00%
EUROQUBE S.A.	BELGIUM	84,861,116	Euro	-	IL MESSAGGERO SpA	14.82%
FINCED Srl	ROME LUGANO (SWITZ)	10,000	Euro	99.990%	PIEMME SPA	0.01%
IDECO HOLDING SA		100,000	CHF	-	IL GAZZETTINO SpA	100.00%
IL GAZZETTINO SpA	ROME	5,100,492	Euro	99.912%		-
IL MATTINO SpA	ROME	500,000	Euro	99.999%	FINCED Srl	0.00%
IL MESSAGGERO SpA	ROME	42,179,500	Euro	94.610%	PIEMME SpA	5.39%
IMPRESSE TIPOGRAFICHE VENETE SpA	ROME	936,000	Euro		IL GAZZETTINO SpA	100.00%
LEGGO SpA	ROME	1,000,000	Euro	90.000%		-
NOISETTE SERVICOS DE CONSULTORIA LDA	PORTUGAL	5,000	Euro	-	FINCED Srl	98.00%
					LEGGO SpA	2.00%
						100.00%
PIEMME SpA	ROME	2,646,540	Euro	-	IL MESSAGGERO SpA	%
P.I.M. PUBBLICITA' ITALIANA MULTIMEDIA Srl	ROME	1,044,000	Euro		IL GAZZETTINO SpA	100.00%
PUBBLIEDITOR SRL in liquidation	VERONA	40,800	Euro		IL GAZZETTINO SpA	40.00%
QUOTIDIANO DI PUGLIA SpA	ROME	1,020,000	Euro	85.000%		-
ROFIN srl	ROME	10,000	Euro	30.000%		
SVILUPPO QUOTIDIANI SpA	ROME	45,900	Euro	-	IL MATTINO SpA	16.67%
					IL GAZZETTINO SpA	16.67%
TELEFRIULI SpA	TAVAGNACCO	1,655,300	Euro		IL GAZZETTINO SpA	86.02%