ed CALTAGIRONE EDITORE

HALF-YEAR REPORT

June 30th 2009

Corporate Boards

Board of Directors

Chairman	Francesco Gaetano Caltagirone
Vice Chairmen	Gaetano Caltagirone Azzurra Caltagirone
Directors	Francesco Caltagirone Alessandro Caltagirone Massimo Confortini Mario Delfini Massimo Garzilli Franco Luciano Lenti Albino Majore Giampietro Nattino

Board of Statutory Auditors

Chairman	Raul Bardelli
Standing Auditors	Carlo Schiavone Federico Malorni

Executive Responsible	Roberto Di Muzio
Independent Auditors	KPMG SpA

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INTERIM DIRECTORS' REPORT ON OPERATIONS

INTRODUCTION

The present interim report refers to the condensed consolidated half-year financial statements at June 30th 2009 prepared in accordance with article 154, paragraph 3 of Legislative Decree 58/1998 as supplemented and the criteria established by IAS 34 in relation to interim financial reporting.

OPERATIONAL OVERVIEW

Caltagiorne Editore Group reported sales of Euro 128.05 million in the first half of 2009, a decrease of 17.6% on Euro 155.4 million in the same period of the previous year.

The Ebitda was Euro 2.95 million (Euro 22.7 million in 1H2008).

The Ebitda margin on revenues was 2.3% (14.6% in the first half of 2008).

The significant decrease in revenues and Ebitda are principally due to the sharp reduction in advertising revenues following the financial and economic crisis that hit the western economies.

The Caltagirone Editore Group, in order to offset the drop in revenues from the fall-off in advertising and the difficulties presented by the macroeconomic situation, is rolling out a rationalisation and cost containment restructuring programme which extends also to personnel. Agreements were therefore reached with the respective Trade Union organisations relating to reducing the workforces of Il Gazzettino, Il Mattino and Concessionaria di Pubblicità Piemme, while the procedure is in the conclusion phase for Il Messaggero.

The key financial results compared to the first half of 2008 are shown below:

in thousands of Euro

INCOME STATEMENT	*1H2009*	*1H2008*	*Changes%*
VALUE OF PRODUCTION	**128,054**	**155,386**	**-17.6%**
CIRCULATION REVENUES	40,868	43,173	-5.3%
PROMOTIONS REVENUES	2,687	4,399	-38.9%
ADVERTISING REVENUES	80,749	104,096	-22.4%
OTHER INCOME AND REVENUES	3,750	3,718	0.9%
COSTS OF PRODUCTION	**(125,105)**	**(132,624)**	**-4.5%**
RAW MATERIALS, SUPPLIES & CONSUMABLE STORES	(16,663)	(18,720)	-11.0%
LABOUR COSTS	(55,096)	(56,630)	-2.7%
SERVICES	(46,011)	(49,547)	-7.1%
RENT, LEASES & SIMILAR COSTS	(4,772)	(4,987)	-4.3%
OTHER CHARGES	(1,655)	(1,864)	-11.2%
OTHER OPERATING CHARGES	(908)	(876)	3.7%
EBITDA	**2,949**	**22,762**	**-87.0%**
AMORTISATION, DEPREC. & WRITE-DOWNS	(9,070)	(6,960)	30.3%
EBIT	**(6,121)**	**15,802**	**-138.7%**
SHARE OF COMPANIES VALUED AT EQUITY	(6,858)	992	NA
FINANCIAL INCOME	6,040	9,771	-38.2%
FINANCIAL CHARGES	(14,285)	(6,286)	127.3%
FINANCIAL RESULT	**(8,245)**	**3,485**	**-336.6%**
PROFIT (LOSS) BEFORE TAX	**(21,224)**	**20,279**	**-204.7%**
INCOME TAXES	2,175	(8,744)	-124.9%
NET PROFIT (LOSS)	**(19,049)**	**11,535**	**-265.1%**
MINORITY INTEREST PROFIT	227	(41)	Na
GROUP NET PROFIT (LOSS)	**(18,822)**	**11,494**	**Na**

The reduction in Operating Revenues is due to the contraction in all of the principal revenue lines. The decrease in advertising revenues was particularly significant, dropping 22.4% on the first half of 2008 following the continuance of the domestic and international economic crisis which has sharply hit consumption. Circulation and promotions revenues also decreased, by 5.3% and 38.9% respectively. Revenues from promotional products sold with the group's newspapers recorded a significant decrease also due to the reduced demand for these products. The fall in circulation revenues is also due to the growing market share of the free newspapers and online reading of daily newspapers.

The cost of raw materials decreased by 11.0% principally due to the lower quantities utilised in the production process following the fall in advertising space sold and the decrease in circulation revenues.

Labour costs decreased on the same period of the previous year by approx. 2.7% - showing the first effects of the restructuring begun in recent periods.

Service costs decreased principally due to the reduction in revenues and the lower number of promotional products offered. The decrease in costs relating to these products was Euro 1.4 million on lower revenues of Euro 1.7 million.

The account relating to amortisation, depreciation, write downs and provisions consists of amortisation and depreciation for Euro 5.1 million, write down of receivables by the subsidiary Piemme Concessionaria di Pubblicità for approx. Euro 1.2 million, both substantially in line with the values in the first half of 2008 and provisions for risks of approx. Euro 2.8 million; this account also includes the estimated charges in relation to agreements reached with the trade unions relating to the corporate restructuring plans.

The net loss of Euro 6.8 million from the valuation of companies under the equity method mainly relates to the effect of the recording of the loss by the Caltagirone Editore Group of Euro 6.7 million sustained by the associated company Rofin 2008 S.r.l., following the sale on the market, in the first quarter of 2009, of listed shares held in portfolio at December 31st 2008.

The financial management result includes financial income of Euro 6.0 million, of which Euro 2.7 million interest income on funds held and Euro 3 million as dividends received. The decrease on the first half 2008 is due to the drop in income from liquidity held following the reduction in the market rates and the curtailed funds available due to the investments carried out in the half year. Financial charges, totalling Euro 14.3 million, include Euro 12.3 million of a loss recorded following the sale on the market of listed shares and Euro 2 million mainly comprising interest expense.

The Group Net Cash Position at June 30th 2009 is as follows:

in thousands of Euro

NET CASH POSITION	*30/06/09*	*31/12/08*
CURRENT FINANCIAL ASSETS	5,582	29,711
CASH AND CASH EQUIVALENTS	286,790	308,349
NON-CURRENT FINANCIAL LIABILIITES	(45,116)	(49,061)
CURRENT FINANCIAL LIABILITIES	(21,254)	(26,446)
TOTAL	**226,002**	**262,553**

The reduction in the Net Cash Position at June 30th 2009 was principally due to the distribution of dividends for Euro 6.2 million, net investments in listed shares for Euro 22.1 million and the covering of losses of the associated company ROFIN 2008 Srl for Euro 6.8 million.

The consolidated net equity fell from Euro 822.1 million at December 31st 2008 to Euro 795.0 million at June 30th 2009, due to the losses in the first half year and the adjustments to fair value of the shareholdings.

The Balance sheet ratios are provided below:

	2009	2008
Equity Ratio *(Net equity/total assets)*	**0.75**	0.74
Liquidity Ratio *(Current assets/current liabilities)*	**3.92**	4.01
Capital Invested Ratio *(Net equity/non current assets)*	**1.17**	1.22

Despite the losses in the period, the balance sheet ratios confirm Group financial and balance sheet equilibrium, with good stability in the ratio between own funds and debt[1], a

[1] An optimal equity ratio is considered as between 0.5 and 1.

good capacity to meet short-term commitments through liquid funds[2] and finally a good equilibrium between own funds and fixed assets[3].

[2] The liquidity ratio is considered optimal when it is higher than 1.
[3] The capital invested ratio is considered good when it is higher than 1.

GROUP ACTIVITIES IN THE FIRST HALF OF 2009

1. PUBLISHING ACTIVITIES

in thousands of Euro

CIRCULATION REVENUES	*1H2009*	*1H2008*	*Change %*
SALES OF NEWSPAPERS	40,868	43,173	-5.3%
PROMOTIONAL PRODUCTS	2,687	4,399	-38.9%
TOTAL	**43,555**	**47,572**	**-8.4%**

Revenues from sales, for the reasons outlined above, recorded a total decrease of 8.4% on the first half of 2008. In particular, circulation revenues of Euro 40.9 million fell by 5.3%.

In Italy, as in the other principal western economies, the newspaper market is affected by the general drop in consumption following the severe international economic crisis.

This reduction in demand has affected the entire daily 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 the development and promotion of the Internet sites of its newspaper titles.

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.

2. ADVERTISING REVENUES

in thousands of Euro

ADVERTISING	*1H2009*	*1H2008*	*Change %*
Il Messaggero	36,714	48,141	-23.7%
Il Mattino	13,197	17,761	-25.7%
Il Gazzettino	11,786	15,020	-21.5%
Leggo	11,775	14,740	-20.1%
Quotidiano di Puglia	2,943	3,732	-21.1%
Corriere Adriatico	2,667	3,112	-14.3%
Total newspapers	**79,082**	**102,506**	**-22.9%**
Other advertising revenues	1,667	1,590	0.5%
TOTAL	**80,749**	**104,096**	**-22.4%**

In the first half of 2009 Group advertising revenues decreased by 22.4% on the same period in the previous year with a slight easing of the downward trend in the last two months of the half-year. The contraction in advertising revenues has affected all daily newspapers, national and foreign. The data published by Nielsen Media Research shows daily newspaper advertising decreasing by 21.8% in the period January/May 2009 on 2008 and the free press by 27.3% with the overall advertising market shrinking 16.5%.

Other revenues principally derive from advertising on the Telefriuli television network and on specialised Internet sites and Group newspapers - these latter recording positive performances in line with the market but not contributing significantly to overall results.

3. OTHER ACTIVITIES

in thousands of Euro

	1H2009	*1H2008*	*Change %*
OTHER REVENUES	3,750	3,718	0.9%

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 present report. These relate to transactions carried out in the normal course of business and at normal market conditions and do not relate to extraordinary and/or atypical operations or activities not relating to the Group.

OTHER INFORMATION

In June 2009, the Parent Company Caltagirone Editore purchased the remaining 15% of Quotidiano di Puglia for Euro 1.2 million.

During the period, the companies of the Caltagirone Editore Group did not carry out any research and development activity.

In accordance with that set out by paragraph 26 of the technical regulations on security, which comprise attachment B of Legislative Decree No. 196 of June 30th 2003 (code for the protection of personal data) and in compliance with law, the programmed document on security was updated. This document contained adequate information relating to the security measures adopted by the company, on the treatment of personal data, on the analysis of risks and the attribution of duties and responsibility in the treatment of data, in order to minimise the risk of destruction or loss, also accidental, of personal data, of non authorised access or of non consenting treatment and not in line with the reasons for its collection. Among the other information required by law is that the above stated document must outline the necessary measures to guarantee the completeness and the availability of the data.

During the half-year, the Parent Company did not purchase or sell treasury shares or shares in subsidiary companies, nor through trust companies.

The Parent Company is not subject to management and co-ordination pursuant to art. 2497 and subsequent of the Italian Civil Code.

At June 30th 2009, there were 1,198 employees (1,234 at December 31st 2008).

OUTLOOK FOR FULL YEAR 2009

The current data available, and in consideration of the general economic outlook and consumption, indicates a performance substantially in line with the first half of 2009.

MANAGEMENT OF RISKS

The activities of the Caltagirone Editore Group are subject to various financial risks: market risks (raw materials prices and the movements in listed share prices), credit risk, exchange rate risk, interest rate risk and liquidity risk. The management of the financial risks of the Group is undertaken through organisational directives which govern the management of these risks and the control of all operations which have importance in the composition of the financial and/or commercial assets and liabilities.

The Group has not used derivative financial instruments, nor do specific financial risks exist in relation to price, credit or liquidity (other than that deriving from the operating activities).

- Market risk (price of raw materials – paper)

The Group is exposed to fluctuations in the price of paper - the principal raw material; this risk is managed through supply contracts with Italian and foreign companies with fixed prices and quantities for a maximum period of approximately 12 months, and through procurement from suppliers based in different geographic areas in order to avoid the risks related to an excessive concentration of suppliers and to obtain the most competitively priced supplies.

- Price risk of the equity shareholdings

In relation to the risk of changes in the fair value of the equity shareholdings held as available for sale, the Group monitors the changes of share prices and for this reason constantly records the movements in the listed shares in portfolio. Based on this data, the investment and divestment policies of the Group are defined with the objective to optimise medium and long-term cash flows, also considering the distribution of dividends from the shares in portfolio. The investment and divestment strategies of the equity investments are also considered in relation to the diversification of risk.

The price risk is greater within the current Italian and international stock market conditions, which are undergoing strong turbulence and which have seen a reduction in the current stock market values of all of the listed companies throughout all sectors. The Group equity investments do not report any losses in value of more than 30% on the carrying value. This percentage limit was established by the Group as an accounting principle and therefore the write-down to the income statement of the equity investments available-for-sale is carried out when the fair value is reduced on the initial carrying value by over 30% in a 12 month period.

- Credit risk

The receivables at the end of the period are prevalently of a commercial nature, as indicated in the Notes to the consolidated half-year financial statements and to which reference should be made. In general, receivables are recorded net of any write-downs, calculated on the basis of the risk of non-fulfilment by the counterparty, determined considering the information available on the clients solvency and historical insolvency data in relation to the varying expiry dates of receivables. Historically, there are no significant situations which are particularly problematic in relation to the solvency of the clients, as the policy of the Group is only to sell to clients after a prudent evaluation of their credit capacity and therefore within the established credit limits. Finally, no significant debtor positions were recorded which would equate to an excessive concentration of credit. On this basis, the credit risk to which the Group is exposed can be considered limited.

- Currency risk

The Group operates exclusively in the Euro area and therefore is not exposed to exchange rate risks.

- Interest rate risk

The interest rate risk relates to an uncontrolled increase of the charges deriving from variable interest rates on medium/long-term loans of Group companies. The interest rate risk to which the Group is exposed is considered limited as the risk is principally related to medium-long term financing operations of guaranteed mortgage loans based on secured guarantees on fixed assets. For further information on financial liabilities, reference should be made to the Notes.

- Liquidity risk

Liquidity risk is linked to the difficulty in obtaining funds to cover commitments at a given moment. The Caltagirone Editore Group has access to its own liquidity which is in the form of short-term deposits and therefore easily accessible and highly liquid. This risk therefore does not pertain to the Group.

- Environment and security risk

Existing regulations and laws are rigorously applied to workplace health and security and hence govern this area of risk. The Group, in relation to workplace security and in order to protect the health of its employees, has identified risk factors which affect operational activity, the mandatory security measures for the carrying out of working activities and a programme for the prevention of risks at work.

Principal uncertainties and going concern

Further to that stated in the paragraph on business risks, the current conditions in the financial markets and the real economy do not allow accurate evaluations of the short-term outlook. This situation does not however cause concern in relation to the going concern principle in that the Group relies on its own funds and no uncertainties exist that could compromise the capacity of the Group to carry out its operating activities.

SUBSEQUENT EVENTS TO JUNE 30TH 2009

No significant events occurred after June 30th 2009.

Rome, August 5th 2009

For the Board of Directors

The Chairman

Cav. Lav. Francesco Gaetano Caltagirone

CALTAGIRONE EDITORE

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2009

Consolidated Balance Sheet

ASSETS

	Note	*30/06/2009*	*31/12/2008*
Non-current assets			
Intangible assets with definite life	**1**	3,173	3,401
Goodwill and other indefinite intangible assets	**2**	464,308	463,374
Property, plant and equipment	**3**	91,095	95,329
Equity investments valued at cost	**4**	2,486	2,486
Equity investments valued at equity	**5**	4,589	4,498
Equity investments and non-current securities	**6**	92,466	83,914
Non-current financial assets	**7**	27	27
Other non-current assets	**8**	1,234	991
Deferred tax assets	**9**	25,427	20,071
TOTAL NON-CURRENT ASSETS		**684,805**	**674,091**
Current assets			
Inventories	**10**	2,981	4,783
Trade receivables	**11**	79,937	87,130
Current financial assets	**12**	5,582	29,711
of which related parties		*5,431*	*29,203*
Tax receivables	**9**	900	1,627
Other current assets	**13**	1,796	3,126
Cash and cash equivalents	**14**	286,790	308,349
TOTAL CURRENT ASSETS		**377,986**	**434,726**
TOTAL ASSETS		**1,062,791**	**1,108,817**

LIABILITIES	Note	30/06/2009	31/12/2008
Net Equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Other reserves		707,721	726,931
Loss for the period		(18,822)	(10,985)
Group Shareholders' Equity		**795,034**	**822,081**
Minority interest shareholders' equity		3,030	2,599
TOTAL SHAREHOLDERS' EQUITY	**15**	**798,064**	**824,680**
Liabilities			
Non-current liabilities			
Employee provisions	17	43,431	45,245
Other non-current provisions	18	8,736	8,407
Non-current financial liabilities	16	45,116	49,061
Other non-current liabilities	20	3,292	3,437
Deferred tax liabilities	9	66,244	66,240
NON-CURRENT LIABILITIES		**166,819**	**172,390**
Current liabilities			
Current provisions	18	6,066	4,516
Trade payables	19	33,308	40,032
Current financial liabilities	16	21,254	26,446
Current income taxes		-	-
Other current liabilities	20	37,280	40,753
CURRENT LIABILITIES		**97,908**	**111,747**
TOTAL LIABILITIES		**264,727**	**284,137**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,062,791**	**1,108,817**

Consolidated Income Statement

	Note	*1H2009*	*1H2008*
Revenues from sales and services	21	124,304	151,668
Other operating revenues	22	3,750	3,718
TOTAL REVENUES		**128,054**	**155,386**
Raw material costs	23	16,663	18,720
Labour costs	16	55,096	56,630
Other operating charges	24	53,346	57,274
TOTAL COSTS		**125,105**	**132,624**
EBITDA		**2,949**	**22,762**
Amortisation, depreciation & provisions	25	5,066	5,226
Provisions	25	2,812	580
Goodwill write-down	25	-	-
Other write-downs	25	1,192	1,154
EBIT		**(6,121)**	**15,802**
Net result of the share of associates		**(6,858)**	**992**
Financial income		6,040	9,771
Loss on sale of listed shares		12,306	1,860
Financial charges		1,979	4,426
Net financial income/(charges)	26	**(8,245)**	**3,485**
PROFIT/(LOSS) BEFORE TAX		**(21,224)**	**20,279**
Income taxes for the period	9	2,175	(8,744)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(19,049)**	**11,535**
PROFIT (LOSS) FOR THE PERIOD		**(19,049)**	**11,535**
Profit (loss) of Parent Company shareholders		(18,822)	11,494
Profit (loss) of minority interest shareholders		(227)	41
Earnings (loss) per share	27	(0.152)	0.092
Diluted earnings (loss) per share	27	(0.152)	0.092

Comprehensive Consolidated Income Statement

	Note	1H2009	1H2008
Gains or losses recorded through profit or loss		**(19,049)**	**11,535**
Profits (losses) from redetermination of available-for-sale financial assets		(3,380)	(4,103)
Tax effect		930	1,128
Total net other profits/(losses)		**(2,450)**	**(2,975)**
Total profits/(losses)	**15**	**(21,499)**	**8,560**
Attributable to:			
Shareholders of the parent company		(21,272)	8,519
Minority shareholders		(227)	41

Statement of change in consolidated shareholders' equity

	Share Capital	Quotation charges	Fair Value reserve	Other reserves	Net profit (loss)	Group net equity	Minority interest N.E.	Total net equity
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 (acc. Losses)				34,757	(34,757)	**0**		**0**
Total operations with shareholders	**125,000**	**(18,865)**	**399**	**730,280**	**1,484**	**838,298**	**2,729**	**841,027**
Valuation at fair value			(2,975)			**(2,975)**		**(2,975)**
Other changes			44	(3,806)	(1,484)	**(5,246)**		**(5,246)**
Net profit					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**
Balance at January 1st 2009	**125,000**	**(18,865)**	**(1,620)**	**728,551**	**(10,985)**	**822,081**	**2,599**	**824,680**
Dividends distributed				(6,250)		**(6,250)**		**(6,250)**
Retained earnings (acc. losses)				(10,985)	10,985	**-**		**-**
Total operations with shareholders	**125,000**	**(18,865)**	**(1,620)**	**711,316**	**-**	**815,831**	**2,599**	**818,430**
Valuation at fair value			(2,450)			**(2,450)**		**(2,450)**
Change in consolidation area				(460)		**(460)**	658	**198**
Other changes				935		**935**		**935**
Net loss					(18,822)	**(18,822)**	(227)	**(19,049)**
Balance at June 30th 2009	**125,000**	**(18,865)**	**(4,070)**	**711,791**	**(18,822)**	**795,034**	**3,030**	**798,064**

Consolidated Cash Flow Statement

in thousands of Euro		30/06/2009	30/06/2008
CASH AND CASH EQUIVALENTS – PREVIOUS YEAR		**308,349**	**444,146**
Net profit/(loss) for the period		(19,049)	11,535
Amortisation & Depreciation	25	5,066	5,226
(Revaluations) and write-downs	25-26	1,039	1.156
Net result of the share of associates		6,858	(992)
Net financial income/(charges)		8,398	(5,346)
(Gains)/losses on disposals	26	(36)	1,856
Income taxes	9	(2,175)	8,744
Changes in employee provisions	17	(1,814)	(2,766)
Changes in current and non-current provisions	18	1,880	(593)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL		**167**	**18,820**
(Increase) Decrease in inventories	10	1,802	157
(Increase) Decrease in Trade receivables	11	6,078	1,954
Increase (Decrease) in Trade payables	19	(6,880)	(1,151)
Change in other current and non-current liabilities		1,957	(3,870)
Change in deferred and current income taxes		(4,918)	1,086
OPERATING CASH FLOW		**(1,794)**	**16,996**
Dividends received		911	0
Interest received		2,565	7,027
Interest paid		(1,534)	(1,855)
Income taxes paid		(1,786)	(2,108)
A) CASH FLOW FROM OPERATING ACTIVITIES		**(1,638)**	**20,060**
Investments in intangible fixed assets	1-2	(1,171)	(278)
Investments in tangible fixed assets	3	(252)	(392)
Investments in equity holdings and securities	6	(42,520)	(32,280)
Sale of intangible, tangible and fin. assets		20,395	34,253
B) CASH FLOW FROM INVESTING ACTIVITIES		**(23,548)**	**1,303**
Change in non-current fin. assets & liabilities		(10,355)	(12,432)
Change in current fin. assets & liabilities		20,547	(41,543)
Dividends Distributed	15	(6,250)	(25,113)
Other changes		(315)	-
C) CASH FLOW FROM FINANCING ACTIVITIES		**3,627**	**(79,088)**
D) Effect exc. diffs. on cash & cash equivalents		-	-
Change in net liquidity		**(21,559)**	**(57,725)**
CASH AND CASH EQUIV. – PRESENT PERIOD		**286,790**	**386,421**

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2009

Introduction

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

At June 30th 2009, 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 24th 1998, and other information available are:

1) Francesco Gaetano Caltagirone: 81,955,300 shares (60.76%).

This investment is held:

– Directly for 22,500,000 shares (18.0%)
– Indirectly through the Companies:

- Parted 1982 SpA (35.56%)
- Gamma Srl (7.2%)

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

3) Edizione Srl 2,799,000 shares (2.24%)

Caltagirone Editore SpA is fully consolidated in the condensed consolidated half-year financial statements of the Caltagirone Group.

At the date of the preparation of the present report, the ultimate holding company was FGG SpA, due to the shares held through subsidiary companies.

The present half-year report was authorised for publication by the Board of Directors on August 5th 2009.

Compliance with international accounting standards approved by the European Commission

The present condensed consolidated financial statements for the period ended June 30th 2009 of the Caltagirone Editore Group were prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the relative Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC), approved by the European Commission (hereafter also "IFRS") at the above date and utilised in the consolidated financial statements for the year ended December 31st 2008. In particular, the present condensed consolidated half-year financial statements at June 30th 2009 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 2008. As stated elsewhere, the financial statements conform with the annual Financial Statements revised following the updated version of IAS 1 – Presentation of Financial Statements (revised in 2007).

The accounting principles adopted in the preparation of the condensed consolidated half-year financial statements are those utilised for the 2008 consolidated financial statements, to which reference should be made.

Basis of presentation

The condensed consolidated half-year financial statements consist of the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Consolidated Cash Flow Statement, the Statement of changes in Shareholders' Equity and the Notes to the financial statements.

As already reported, with the entry into force of the new version of IAS1 (Presentation of Financial Statements) the statement of changes in shareholders' equity illustrates the operations carried out with shareholders, and the comprehensive income statement which includes all of the income and charges in the period both in the income statement and recorded directly to net equity.

The Balance Sheet is presented in a format which separates the current and non-current assets and liabilities, the Comprehensive Income Statement is classified on the basis of the nature of the costs, while the Consolidated 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 2008 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 condensed consolidated half-year financial statements are presented in Euro and the amounts are shown in thousands, except where indicated otherwise.

It is recalled that CONSOB resolution No. 15519 of July 27th 2006 requires that the above condensed consolidated half-year financial statements report, where the amounts are significant, additional sub-accounts to those already specifically required by IAS 1 and other international accounting standards in order to show the balances and transactions with related parties as well as the relative income statement accounts relating to non-recurring or unusual operations. These accounts are not reported separately in the Consolidated Cash Flow Statement as the amounts are not significant.

Use of estimates

The preparation of the condensed consolidated 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 financial situation and 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 plans 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.

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:

	Location	30.06.2009	31.12.2008	Activities
Caltagirone Editore SpA	Rome	Parent Com.	Parent Com.	Finance
Il Messaggero SpA *(1)*	Rome	100%	100%	Publishing
Il Mattino SpA	Rome	100%	100%	Publishing
Piemme SpA *(2)*	Rome	100%	100%	Advertising
Leggo SpA	Rome	90%	90%	Publishing
Finced Srl	Rome	100%	100%	Finance
Corriere Adriatico SpA.	Ancona	100%	100%	Publishing
Quotidiano di Puglia SpA	Rome	100%	85%	Publishing
Il Gazzettino SpA	Venice	98.64%	99.91%	Publishing
Centro Stampa Veneto SpA *(3)*	Venice	98.64%	99.91%	Publishing
Imprese Tipografiche Venete SpA *(3)*	Venice	98.64%	99.91%	Publishing
P.I.M. Srl *(3)*	Milan	98.64%	99.91%	Publishing
Ideco Holding S.A. *(3)*	Lugano	98.64%	99.91%	Finance
Telefriuli SpA *(4)*	Udine	84.85%	85.94%	Television

(1) 94.6% directly held and 5.4% through Piemme SpA.; (2) Held through Messaggero SpA.; (3) Held through Il Gazzettino SpA.; (4) 86.02% held through Il Gazzettino SpA.

In the first half of 2009, the remaining 15% of Quotidiano di Puglia SpA was acquired which generated a consolidation difference of Euro 936 thousand attributable to the higher value of the newspaper of Quotidiano di Puglia SpA.

In March 2009, the option on 1.27% of the share capital of Il Gazzettino SpA was exercised and therefore the percentage held reached 98.64%.

Associated companies

The consolidation scope includes the following associated companies:

	Location	30/06/2009	31/12/2008	30/06/2008
Rofin 2008 Srl	Rome	30.00%	30.00%	30.00%
E-care SpA	Rome	24.50%	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.

New accounting standards

From January 1st 2009, the following international accounting standards applicable to the Group entered into force:

IAS 1 revised - Presentation of Financial Statements

The revised IAS 1 requires, as well as the traditional financial statements, the presentation of a "statement of comprehensive income" which shows both the results of the income statement (defined as the result of the changes generated from transactions with non shareholders) and the income statement results recorded directly to net equity (other comprehensive income). The standard allows the company to present this result in a single "comprehensive income statement" or in separate statements presented consecutively:

- a first separate statement ("income statement") which shows the profit (loss) components of the period; and
- a second statement ("comprehensive income statement recorded in the period") which, beginning with the profit (loss) in the period, includes the other comprehensive income statement components (other comprehensive income).

The Group opted for the presentation through the two separate statements called respectively the "income statement" and the "comprehensive income statement".

IAS 23 revised – Borrowing costs

The revised IAS 23 eliminates the option of recording immediately to the income statement borrowing costs directly attributable to the acquisition, production or construction of assets according for which a certain period of time normally passes before the assets become available for use or for sale (qualifying assets), requiring instead the capitalisation as part of the cost of the asset. The application of this standard did not have any accounting effects, in that it is not relevant to the Group.

IAS 38 revised - Intangible assets:

IAS 38 revised establishes the recognition to the income statement of promotional and advertising costs. In addition, it establishes in the case in which the enterprise incurs charges with future economic benefits without the recording of intangible assets, these should be recorded in the income statement when the enterprise has the right to utilise the asset, if this relates to the acquisition of assets, or in which the service is rendered, if it relates to the acquisition of services. The application of this standard did not have any accounting effects, in that these factors are not applicable to the Group.

IFRS 8 – Operating segments

IFRS 8, which replaces IAS 14, substantially requires the identification and recording of operating segment results under the "management approach", or rather under the methodology utilised by management in the internal reporting used to evaluate the performance and allocate resources between the segments. The adoption of the new standard did not have any impact on the Group in that the manner of presentation of the results of the segment utilised previously were substantially in line with that of the new standard.

IFRIC 14 on IAS 19 - Limit on a defined benefit asset, minimum funding requirements

The interpretation provides general guidelines on measuring the limit established by IAS 19 for the recognition of the assets servicing the plans and provides an explanation on the accounting effects caused by the presence of a minimum funding requirement clause in the plan. The application of this standard did not have any accounting effects for the Group.

For those newly issued amendments, standards and interpretations which have not yet been approved by the European Union, but concern current or potential issues relevant to the Group, the Parent Company is evaluating the potential impact on the financial statements from their application, taking into account their efficacy.

ASSETS

1. Intangible assets with definite life

Historical cost	Research & devel.	Patents	Trademarks	Others	Total
01/01/2008	751	956	4,316	5,668	**11,691**
Increases		142	40	469	**651**
Decreases					**-**
Reclassifications		228		(81)	**147**
31/12/2008	**751**	**1,326**	**4,356**	**6,056**	**12,489**
01/01/2009	751	1,326	4,356	6,056	**12,489**
Increases		48	12	164	224
Decreases	(511)				(511)
Reclassifications					-
30/06/2009	**240**	**1,374**	**4,368**	**6,220**	**12,202**

Amortisation and loss in value	Research & devel.	Patents	Brands	Others	Total
01/01/2008	744	904	1,641	4,717	**8,006**
Increases	5	149	363	565	**1,082**
Decreases					**-**
Reclassifications					**-**
31/12/2008	**749**	**1,053**	**2,004**	**5,282**	**9,088**
01/01/2009	749	1,053	2,004	5,282	**9,088**
Increases	1	79	165	207	452
Decreases	(511)				(511)
Reclassifications					-
30/06/2009	**239**	**1,132**	**2,169**	**5,489**	**9,029**

Net value					
01/01/2008	**7**	**52**	**2,675**	**951**	**3,685**
31/12/2008	**2**	**273**	**2,352**	**774**	**3,401**
30/06/2009	**1**	**242**	**2,199**	**731**	**3,173**

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	28.7%
Others	31.00%

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	Newspaper titles	Total
01/01/2008	190,421	286,799	**477,220**
Increases			
Decreases		(1)	**(1)**
Write-downs	(13,019)		**(13,019)**
Other changes	(825)		**(825)**
31/12/2008	**176,577**	**286,798**	**463,375**
01/01/2009	176,577	286,798	**463,375**
Increases		936	**936**
Decreases		(3)	**(3)**
Write-downs			**-**
Other changes			**-**
30/06/2009	**176,577**	**287,731**	**464,308**

The increase is due to the purchase of the remaining 15% of Quotidiano di Puglia SpA.

In thousands of Euro	**Cost**
Fair value of the net assets acquired	315
Goodwill	935
Price paid for the acquisitions	**1,250**
Cash from the companies acquired	(379)
Net cash flow deriving from the acquisitions	**871**

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

	30/06/2009	**31/12/2008**
Il Gazzettino	87,723	87,723
Il Messaggero	51,613	51,613
Piemme (Advertising agency)	27,521	27,521
Il Mattino	9,720	9,720
Total	**176,577**	**176,577**

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

	01/01/2008	Increases	Decreases	Change in consolidation scope	Write-downs	31/12/2008
Il Messaggero S.p.A	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 S.p.A.	100,700					100,700
Other minor newspaper titles	7		(1)			6
Total	**286,798**	**-**	**(1)**	**-**	**-**	**286,797**

	01/01/2009	Increases	Decreases	Change in consolidation scope	Write-downs	30/06/2009
Il Messaggero S.p.A	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 S.p.A.	100,700					100,700
Other minor newspaper titles	6		(2)			4
Total	**286,797**	**-**	**(2)**	**-**	**-**	**286,795**

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 2008.

3. Property, plant and equipment

Historical cost	**Land**	**Buildings**	**Plant and machinery**	**Commercial and industrial equipment**	**Other assets**	**Assets in progress**	**Total**
01/01/2008	8,556	51,435	98,895	1,033	21,041	656	**181,616**
Increases		48	1157	9	599	10	**1,823**
Decreases			(1,091)		(457)	(7)	**(1,555)**
Change in consolidation scope							**0**
Revaluations/ (Write-downs)							**-**
Reclassifications	11	(11)	292	(1)	(435)	(649)	**(793)**
31/12/2008	**8,567**	**51,472**	**99,253**	**1,041**	**20,748**	**10**	**181,091**
01/01/2009	8,567	51,472	99,253	1,041	20,748	10	**181,091**
Increases			22		333	67	422
Decreases			(7)	(2)	(274)		(283)
Change in consolidation scope							**-**
Revaluations/ (Write-downs)							
Reclassifications	(127)	117	10	26		(26)	0
30/06/2009	**8,440**	**51,589**	**99,278**	**1,065**	**20,807**	**51**	**181,230**

Depreciation and loss in value	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01/01/2008	-	11,122	48,805	873	17,674	-	**78,474**
Increases	-	1,678	6,255	65	1,459		**9,457**
Decreases	-		(1,091)		(431)	-	**(1,522)**
Change in consolidation scope	-						**0**
Reclassifications			9	(1)	(655)		**(647)**
31/12/2008	**0**	**12,800**	**53,978**	**937**	**18,047**	**0**	**85,762**
01/01/2009	-	12,800	53,978	937	18,047	-	**85,762**
Increases	-	839	3,167	29	579		4,614
Decreases	-		(2)	(2)	(237)		(241)
Change in consolidation scope	-						**-**
Reclassifications			(2)		2		0
30/06/2009		**13,639**	**57,141**	**964**	**18,391**	**0**	**90,135**
Net value							
01/01/2008	**8,556**	**40,313**	**50,090**	**160**	**3,367**	**656**	**103,142**
31/12/2008	**8,567**	**38,672**	**45,275**	**104**	**2,701**	**10**	**95,329**
30/06/2009	**8,440**	**37,950**	**42,137**	**101**	**2,416**	**51**	**91,095**

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 has not changed compared to December 31st 2008:

Investments in subsidiary companies	**Location**	**%**	**01/01/2008**	**Increases (Decreases)**	**Change in consolidation area**	**Write-downs**	**31/12/2008**
Noisette Lda	Madeira (Port)	99.8	5		-		5
Edime Sport Srl in liquidation	Naples	99.5	1			(1)	-
Total			**6**	**-**	**-**	**(1)**	**5**
			01/01/2009	**Increases (Decreases)**	**Change in consolidation area**	**Write-downs**	**30/06/2009**
Noisette Lda		99.8	5				5
Total			**5**	**-**	**-**	**-**	**5**

Equity investments in other companies	Location	%	01/01/2008	Increases (Decreases)	Change in consolidation area	Write-downs	31/12/2008
Euroqube		14.82	1,891			(625)	1,266
Ansa		6.71	1166				1,166
Sviluppo Quotidiani		33.34	15			(15)	-
Other minor			49				49
Total			**3,121**	**-**	**-**	**(640)**	**2,481**

Equity investments in other companies		01/01/2009	Increases (Decreases)	Change in consolidation area	Write-downs	30/06/2009
Euroqube	14.82	1,266				1,266
Ansa	6.71	1,166				1,166
Other minor		49				49
Total		**2,481**	**-**	**-**	**-**	**2,481**

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 4.59 million relates for Euro 595 thousand to the company Editrice Telenuovo SpA, held 39.96% by Il Gazzettino SpA, and for Euro 3.98 million to the company E-Care SpA and for Euro 19 thousand to Rofin 2008 Srl, held respectively for 24.5% and 30% by Caltagirone Editore SpA.

These investments are valued under the equity method.

The valuation under the equity method was a loss of Euro 6.9 million, due for Euro 6.7 million to the loss of Rofin 2008 Srl. Caltagirone Editore SpA holds 20% of Rofin 2008 Srl; the loss follows the losses realised by Rofin Srl from the sale of the Assicurazioni Generali SpA shares.

	01/01/2009	Purchases	Increases (Decreases) recorded to the income statement	Other movements	30/06/2009
Rofin 2008 S.r.l.	-		(6,681)	6,700	19
Total	**-**	**-**	**(6,681)**	**6,700**	**19**

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

Investments in associated companies	Location	Share capital	Shareholders' equity June 30th 2009	Net profit June 30th 2009	% held
E-Care SpA	Rome	344	7,971	(388)	24.50%
TNV Editrice Telenuovo SpA	Verona	546	1,067	(38)	39.96%
ROFIN 2008 Srl	Rome	10	63	(22,269)	30.00%

6. Equity investments and non-current and current securities

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

Inv. available-for-sale	01/01/2008	Increases	(Decreases)	Valuation at fair value	31/12/2008
Generali SpA	37,510	(5,750)	-	3,322	35,082
Monte dei Paschi di Siena SpA	-	-	54,330	(5,498)	48,832
Total	**37,510**	**(5,750)**	**54,330**	**(2,176)**	**83,914**

	01/01/2009	Increases	(Decreases)	Valuation at fair value	30/06/2009
Generali SpA	35,082	44,595	(386)	(5,241)	74,050
Monte dei Paschi di Siena SpA	48,832	-	(32,277)	1,861	18,416
Total	**83,914**	**44,595**	**(32,663)**	**(3,380)**	**92,466**

The increase of Euro 44.60 million is due to the purchase of 3,222,000 Assicurazioni Generali SpA shares, while the decrease of Euro 386 thousand is due to the sale of 22,000 shares which incurred a loss of Euro 72 thousand.

In relation to the holding in Banca Monte dei Paschi di Siena SpA, the decrease of Euro 32.28 million relates to the sale of 16,000,000 shares; the sale generated a loss of Euro 12.20 million.

The fair value change in these investments, as per the official stock exchange prices at June 30th 2009, is recorded in a separate equity reserve, net of the relative tax effect.

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 principally is composed of receivables for deposits for Piemme SpA (Euro 118 thousand), Il Gazzettino SpA (Euro 119 thousand), Il Mattino SpA (Euro 41 thousand) and Telefriuli SpA (Euro 13 thousand) and the receivable of Telefriuli SpA from the Communication Ministry for grants to local television providers under Ministerial Decree No. 378/1999 (Euro 885 thousand).

9. Deferred taxes, receivables for current taxes and income taxes for the period

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:

	01/01/2009	Provisions	Utilisations	Other changes	30/06/2009
Deferred tax assets	20,071	6,201	(1,088)	243	25,427
Deferred tax liabilities	(66,240)	(1,117)	425	688	(66,244)
Net deferred tax liabilities	**(46,169)**	**5,084**	**(663)**	**931**	**(40,817)**

The change compared to the previous year is principally due to the recording of deferred tax assets on the tax losses for the period.

The other changes relate to specific fiscal calculations on the adjustments to fair value of the AFS shareholdings.

Current 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:

in thousands of Euro	30/06/2009	31/12/2008
Receivables for direct taxes	2,743	2,139
Reimbursement request of direct taxes	151	151
Other receivables	766	1,168
Payables for IRES/IRAP/substitute taxes	(2,760)	(1,831)
Total	**900**	**1,627**

The income taxes for the period consist of:

	30/06/2009	30/06/2008

Current income tax	2,246	3,181
Current income tax	**2,246**	**3,181**
Provision for deferred tax liabilities	1,117	1,140
Utilisation of deferred tax liabilities	(425)	(532)
Deferred tax charge	**692**	**608**
Recording of deferred tax asset	(6,201)	(222)
Utilisation of deferred tax assets	1,088	5,177
Deferred tax income	**(5,113)**	**4,955**
Total income taxes	**(2,175)**	**8,744**

10. Inventories

The inventories at June 30th 2009 amount to Euro 2.98 million (Euro 4.78 million at December 31st 2008) and consist exclusively of raw materials, ancillary and consumables. Raw materials consist prevalently of paper and ink and relate for Euro 1.43 million to Il Messaggero SpA., for Euro 693 thousand to the companies of Il Gazzettino SpA, for Euro 657 thousand to Il Mattino SpA, for Euro 50 thousand to Corriere Adriatico Spa and for Euro 149 thousand to Quotidiano di Puglia SpA.

The cost of inventory recorded in the income statement is Euro 1.80 million 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:

	30/06/2009	31/12/2008
Trade receivables	96,416	103,231
Provisions for doubtful debts	(17,471)	(17,091)
Trade receivables	**78,945**	**86,140**
Receivables from other Group companies	949	936
Advances to suppliers	43	54
Total trade receivables	**79,937**	**87,130**

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

There are no receivables due over 12 months.

12. Current financial assets

This account can be broken down as follows:

	30/06/2009	31/12/2008
Financial assets from subsidiaries	14	14
Financial assets from associated companies	5,431	29,203
Accrued interest	137	494
Total current financial assets	**5,582**	**29,711**

The decrease on December 31st 2008 relates to the receipt of part of the receivable from Rofin 2008 Srl for Euro 17.1 million, as well as the partial cancelation of the same financial receivable for Euro 6.8 million.

The accrued interest refers to the interest income matured on long-term bank deposits.

13. Other current assets

This account can be broken down as follows:

	30/06/2009	31/12/2008
Receivables from employees	235	168
VAT receivables	226	962
Other receivables	636	526
Prepaid expenses	699	1,470
Total other current assets	**1,796**	**3,126**

The prepaid expenses relate to rental (Euro 26 thousand), insurance (Euro 99 thousand) and others (Euro 574 thousand).

14. Cash and cash equivalents

This account can be broken down as follows:

	30/06/2009	31/12/2008

Bank and postal deposits	286,568	308,120
Cash in hand and similar	222	229
Total cash and cash equivalents	**286,790**	**308,349**

The reduction in bank deposits in the first half of 2009 is due to the distribution of dividends for approx. Euro 6 million and net investments in listed shares for Euro 22.1 million, net of Group operating activities.

LIABILITIES

15. Shareholders' equity

For the movements in the Consolidated Shareholders' Equity, reference should be made to the Financial Statements. The movements in the Shareholders' Equity accounts relate to the shareholders' meeting resolutions of April 27th 2009, as well as the valuation at fair value of the holdings in Banca Monte dei Paschi di Siena SpA and in Assicurazioni Generali SpA.

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 dividend issued in the period was Euro 0.05 per share. This dividend was approved by the Shareholders' Meeting of April 27th 2009.

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 2.45 million, is due to the valuation of the investment in the companies Banca Monte dei Paschi di Siena SpA and Assicurazioni Generali SpA at the official stock market price at June 30th 2009 and the reversal of the fair value reserve recorded at December 31st 2008 on the amount of the same investments sold in the first half of 2009, net of the relative tax effect.

16. Financial liabilities

	30/06/2009	31/12/2008
Non-current financial liabilities		
Payables for assets in leasing	537	580
Bank payables	40,736	43,412
Other lenders	3,843	5,069
Total	**45,116**	**49,061**
Current financial liabilities		
Bank payables	14,154	18,618
Short-term portion of non-current loans	4,548	3,844
Payables for assets in leasing	127	166
Other lenders	2,425	3,818
Total	**21,254**	**26,446**

The non-current financial liabilities to banks are represented by a loan to finance the construction in 2005 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 payables to other lenders relates to two loans provided by Mediocredito Lombardo to the Parent Company Caltagirone Editore SpA and to Il Mattino SpA for Euro 11.62 million and Euro 9.81 million respectively.

For the loans to the Parent Company and Il Mattino SpA, the final repayment is due in 2011. 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 benefit plans

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

	30/06/2009	31/12/2008
Net liability at January 1st	45,245	46,185
Current cost for the period	384	458
Interest charge (income), net	537	1,442
Actuarial (profit)/loss	-	2,402
(Services paid)	(2,735)	(5,242)
Net liability at June 30th	**43,431**	**45,245**

The employee leaving indemnity incorporates also the Senior Management Indemnity Provision as this provision has similar characteristics to the employee leaving indemnity provision.

The change between the liability determined at nominal value and that under IFRS was principally caused by interest rates.

Cost and personnel numbers

	30/06/2009	30/06/2008
Salaries and wages	37,787	38,795
Social security expenses	12,431	12,752
Employee leaving indemnity prov.	384	130
Employee leaving indemnity to Complementary Fund	2,349	2,519
Pension costs	-	120
Other costs	2,145	2,314
Total personnel costs	**55,096**	**56,630**

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

	30.06.2009	31.12.2008	Average 2009	Average 2008
Executives	26	27	26	27
Managers & white collar	417	413	420	421
Journalists	604	632	620	637
Print workers	151	162	154	168
Total	**1,198**	**1,234**	**1,220**	**1,253**

18. Provisions for risks and charges

	Legal disputes	Agents' indemnity	Other provisions	Total
Balance at January 1st 2008	9,820	509	2,225	**12,554**
Provisions	1,740		1,593	**3,333**
Utilisations	(1,527)	(5)	(1,432)	**(2,964)**
Reclassifications	112		(112)	**-**
Balance at December 31st 2008	**10,145**	**504**	**2,274**	**12,923**
of which:				
Current portion	2,496		2,020	**4,516**
Non-current portion	7,649	504	254	**8,407**
Total	**10,145**	**504**	**2,274**	**12,923**
Balance at January 1st 2009	10,145	504	2,274	**12,923**
Provisions	597		2,215	**2,812**
Utilisations	(611)	(43)	(279)	**(933)**
Reclassifications	(42)		42	-
Balance at June 30th 2009	**10,089**	**461**	**4,252**	**14,802**
of which:				
Current portion	2,859		3,207	**6,066**
Non-current portion	7,230	461	1,045	**8,736**
Total	**10,089**	**461**	**4,252**	**14,802**

The provision for legal disputes refers principally to the provisions made by the companies Il Messaggero SpA, Il Mattino SpA, Il Gazzettino SpA and P.I.M. Pubblicità Italiana Multimediale Srl against liabilities 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 condensed 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 principally relate to Il Gazzettino SpA and Il Mattino SpA for the restructuring plans.

19. Trade payables

	30/06/2009	31/12/2008
Trade payables	33,110	39,909
Payables to group companies	198	123

Total	**33,308**	**40,032**

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

There are no payables due over 12 months.

20. Other Liabilities

	30/06/2009	31/12/2008
Other non-current liabilities		
Other payables	81	85
Deferred income	3,211	3,352
Total	**3,292**	**3,437**
Other current liabilities		
Social security institutions	6,463	9,408
Employee payables	13,462	10,865
VAT payables	1,869	1,105
Payables for withholding taxes	3,735	4,474
Other payables	10,731	13,578
Accruals	811	1,241
Deferred income	209	82
Total	**37,280**	**40,753**

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.

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21. Revenues from sales and services

	1H2009	1H2008
Circulation revenues	40,868	43,173

Promotions revenues	2,687	4,399
Advertising	80,749	104,096
Total revenues from sales and services	**124,304**	**151,668**

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

	1H2009	1H2008
Operating grants	268	219
Recovery of expenses from third parties	968	778
Capital grant contributions	288	289
Gains on disposal of assets	36	4
Prior year income	195	147
Other revenues	1,995	2,281
Total other operating revenues	**3,750**	**3,718**

23. Raw material costs

	1H2009	1H2008
Paper	12,694	15,457
Other publishing materials	2,161	3,090
Other	6	35
Change in inventory of raw materials and goods	1,802	138
Total raw materials costs	**16,663**	**18,720**

24. Other operating costs

	1H2009	1H2008
Editorial services	8,818	7,240

Transport and delivery	8,610	8,736
Outside contractors	6,865	9,158
Promotions revenues	2,283	3,687
Advertising & promotions	1,938	2,103
Commissions and agent costs	4,859	5,460
Utilities and power	1,723	1,943
Maintenance and repair costs	1,951	1,857
Consulting	1,817	2,050
Purchase of advertising space third parties	109	25
Directors and statutory auditors fees	904	1,073
Insurance, postal and telephone	1,157	1,166
Other costs	4,977	5,049
Total service costs	**46,011**	**49,547**
Rental	3,388	3,412
Hire	1,384	1,575
Total rent, lease and hire costs	**4,772**	**4,987**
Other operating charges	1,655	1,864
Others	908	876
Total other costs	**2,563**	**2,740**
Total other operating costs	**53,346**	**57,274**

25. Amortisation, depreciation & provisions

	1H2009	1H2008
Amortisation of intangible assets	452	503
Depreciation of tangible assets	4,614	4,723
Provision for risks and charges	2,812	580
Doubtful debts	1,192	1,154
Deprec., amortisation, provisions & write-downs	**9,070**	**6,960**

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

The increase in provisions for risks and charges principally refers to the charges in relation to the restructuring plans.

26. Net financial income/(charges)

Financial income	1H2009	1H2008
Dividends	2,987	-
Interest income from bank deposits	2,679	9,313
Exchange gains	1	-
Revaluations of investments	153	
Other financial income	220	458
Total	**6,040**	**9,771**

Financial charges	1H2009	1H2008
Loss on transfer of investments	12,306	1,860
Loan interest	880	1,637
Interest on bank current accounts	397	708
Interest on leaving indemnity	537	1,158
Financial charges from discounting	-	757
Banking commissions and charges	77	80
Other financial expenses	88	86
Total	**14,285**	**6,286**
Net financial income/(charges)	**(8,245)**	**3,485**

The dividends included in the financial income relate to the shareholdings in Banca Monte dei Paschi di Siena SpA and Assicurazioni Generali SpA.

The loss on the sale of investments to associated companies relate to the sale on the market, at current values, of 16,000,000 Banca Monte dei Paschi di Siena SpA shares (Euro 12.2 million) and 22,000 Assicurazioni Generali SpA shares (Euro 72 thousand).

The discounting charges at June 30th 2008 refer to the option contracts on Il Gazzettino SpA shares matured at December 31st 2008.

27. Earnings per share

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

	1H2009	1H2008

Net Profit (loss)	(19,049)	11,535
Number of ordinary shares outstanding (000)	125,000	125,000
Basic earnings (loss) per share	**(0.152)**	**0.092**

The diluted earnings (loss) per share is identical to the basic result 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 receiv.	Trade payables	Operating costs	Financial income
Rofin 2008 Srl	-	5,431	-	-	-
Ical SpA	-	-	-	1,172	-
Editrice Telenuovo SpA	840	-	-	-	153
Vianini Lavori SpA	-	-	142	-	-
Total	**840**	**5,431**	**142**	**1,172**	**153**
% on total in accounts	**1.05%**	**96.83%**	**0.43%**	**0.94%**	**2.53%**

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.

The account Trade payables relates to the payables from Vianini Lavori SpA.

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 income relates to the revaluation of the holdings in Editrice Telenuovo SpA.

29. Business segment information

The disclosures required in accordance with IFRS 8 on the segment information are provided below. The Caltagirone Editore Group has adopted the sector of operating 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. This break-down is used by Management to carry out an analysis of operational performance and for the specific management of risks related to each sector.

The Group operates exclusively in Italy.

in thousands of Euro	***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	1332	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
Interest income	2,216	768	6,786		9,770	-	9,770
Interest expense	3,060	367	156		3,583	-	3,583
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 (loss) valued at equity			992		992	-	992
Investments in intangible and tangible fixed assets	1,431	188	150		1,769	-	1,769

in thousands of Euro **30/06/2009**	***Newspapers***	***Advertising revenues***	***Other activities***	***Consol. Adjustments***	***Consolidated pre-segment eliminations***	***Segment eliminations***	***Consolidated***
Segment revenues	108,789	82,862	894		192,545	-	-
Inter-segment revenues	63,161	1,049	473	(192)	64,491	(64,491)	-
Revenues from third parties	**45,628**	**81,813**	**421**	**192**	**128,054**	**-**	**128,054**
Segment result	595	3,321	(967)		2,949	-	2,949
Amortisation, depreciation, write-downs and provisions	7,419	1,456	195		9,070	-	9,070
Interest income	693	387	1,649		2,729	-	2,729
Interest expense	1,627	179	85		1,891	-	1,891
Segment assets	537,642	124,197	374,319	26,633	1,062,791	-	1,062,791
Segment liabilities	235,022	18,999	13,466	(2,760)	264,727	-	264,727
Investments valued at NE	595		2,103	1,891	4,589	-	4,589
Share of profit (loss) valued at equity			(6,858)		(6,858)	-	(6,858)
Investments in intangible and tangible fixed assets	499	141	939		1,579	-	1,579

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

30. Net Cash Position

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

in thousands of Euro	**30/06/2009**	**30/06/2008**
A. Cash	222	167
B. Bank deposits	286,568	386,254
D. Liquidity (A)+(B)	**286,790**	**386,421**
E. Current financial receivables	**5,582**	**37,400**
F. Bank payables – current portion	14,154	18,208
G. Current portion of long-term loans	4,548	3,764
H. Current payables to other lenders	2,552	2,375
I. Current debt (F)+(G)+(H)	**21,254**	**24,347**

J. Net current cash position (I)-(E)-(D)	**(271,118)**	**(399,474)**
K. Non-current bank payables	40,736	46,116
L. Non-current payables to other lenders	4,380	47,386
M. Non-current debt (K)+(L)	**45,116**	**93,502**
N. Net cash position (J)+(M)	**(226,002)**	**(305,972)**