



INTERIM REPORT
March 31st 2010

Corporate Boards

Board of Directors

Chairman Francesco Gaetano Caltagirone

Vice Chairmen Gaetano Caltagirone
Azzurra Caltagirone

Directors Alessandro Caltagirone
Francesco 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

* members of the Internal Control Committee

FIRST QUARTER REPORT 2010

The present interim report at March 31st 2010 was prepared in accordance with IAS/IFRS. The report is in compliance with article 154, paragraph 3 of Legislative Decree 58/1998, as supplemented.

Highlights

Caltagirone Editore Group recorded a Group net profit of Euro 1.6 million in Q1 2010 following a loss of Euro 13.9 million in the same period of the previous year, and operating revenues in line with the previous year.

The Ebitda recovered from a loss of Euro 1.9 million in the first quarter of 2009 to a profit of Euro 4.6 million in Q1 2010. The strong improvement in the Ebitda is principally due to the reduction in operating costs (-10.9%) and in particular of labour costs (-9.8%) as a consequence of the restructuring plans implemented in 2009. The Ebitda margin on Revenues was 7.7%.

The Ebit, after amortisation/depreciation and write-downs of Euro 2.7 million, increased from a loss of Euro 5.46 million in the first quarter of 2009 to a profit of Euro 1.8 million in the first quarter of 2010.

The key financial results compared to Q1 2009 are shown below:

<i>In thousands of Euro</i>	Q 1 2010	Q 1 2009	Cge. %
Circulation revenues	19,680	20,836	-5.5%
Promotions revenues	544	1,411	-61.4%
Advertising revenues	37,746	36,040	4.7%
Other operating revenues	1,926	1,732	11.2%
Total operating revenues	59,896	60,019	-0.2%
Raw material costs	(6,474)	(8,367)	-22.6%
Labour costs	(24,126)	(26,742)	-9.8%
Other operating charges	(24,664)	(26,896)	-8.3%
Total operating costs	(55,264)	(62,005)	-10.9%
EBITDA	4,632	(1,986)	n.a
Amortisation, depreciation, provisions & write-downs	(2,778)	(3,472)	-20.0%
EBIT	1,854	(5,458)	n.a
Share of income/(charge) of companies valued at equity	(103)	(9,375)	n.a.
Financial charges and income	(281)	705	n.a.
Profit (loss) before taxes	1,470	(14,128)	n.a

Group net profit (loss)	1,579	(13,911)	n.a.
Minority interest share	(109)	(217)	-49.8%

Operating Revenues saw an increase in advertising revenues of approx. 4.7% and a decrease in circulation revenues (-5.5%) and add-on products (-61.4%). These results confirm the current difficulties within the economy.

The cost of raw materials decreased by 22.6%, principally due to the lower quantities utilised (approx. -12%) in the production process in line with the fall in sales, as well as the drop in the cost of paper (approx. -11%).

Labour costs decreased by 9.8% on the same period of the previous year due to the restructuring plans implemented in 2009.

The results of the companies valued under the equity method recorded a total loss of Euro 103 thousand following the losses of the associated companies E-Care Spa and B2Win Spa operating in the call centre sectors.

Net financial charges amounted to approx. Euro 281 thousand and include bank interest income of Euro 431 thousand relating to the investment of available liquidity, net of interest and charges of Euro 712 thousand.

Net financial income in the same period of the previous year was Euro 705 thousand, principally due to higher market rates on the funds invested by the Group.

The Caltagirone Editore Group Shareholders' Equity amounted to Euro 781.4 million (Euro 786.7 million at December 31st 2009); the decrease, in addition to the result in the period, is principally due to the loss in the quarter in the valuation at fair value of the shareholdings held by the Group.

The Net Cash Position at March 31st 2010 compared to December 31st 2009 is shown below:

Net Cash Position

<i>in Euro thousands</i>	31/03/2010	31/12/2009
Current financial assets	5,469	5,505
Cash and cash equivalents	272,252	284,460
Non-current financial liabilities	(40,951)	(41,387)
Current financial liabilities	(24,675)	(22,266)
Net Cash Position	212,095	226,312

The net cash position decreased by approx. Euro 14.2 million due to investments in listed shares for approx. Euro 8.4 million and the remaining Euro 5.8 million principally concerns the extraordinary funding related to the leaving incentive plans in 2009.

OPERATIONAL PERFORMANCE

Circulation Revenues

<i>In Euro thousands</i>	Q 1 2010	Q 1 2009	Cge. %
Newspaper sales	19,680	20,836	-5.5%
Promotions revenues	544	1,411	-61.4%
Total	20,224	22,247	-9.1%

In Italy, as in the other principal western economies, the newspaper market is affected by the gradual generalised drop in consumption.

Group circulation revenues decreased by 5.5% - substantially in line with the overall market. The Group - for the moment - has not applied the price rises implemented by almost all of its competitors.

The revenues from products sold together with the Group's newspapers decreased by 61.4%; following the continual reduction in the add-on products, volumes, and especially margins, are not considered significant in relation to the overall result.

Advertising Revenues

<i>In Euro thousands</i>	Q 1 2010	Q 1 2009	Cge. %
Advertising			
• Il Messaggero	17,234	16,279	5.9%
• Il Mattino	6,750	6,109	10.5%
• Il Gazzettino	5,298	5,448	-2.8%
• Leggo	4,959	4,949	0.2%
• Quotidiano di Puglia	1,464	1,413	3.6%
• Corriere Adriatico	1,211	1,179	2.7%
Total newspapers	36,916	35,377	4.4%
• Others	830	663	25.2%
Total	37,746	36,040	4.7%

In the first three months of 2010, the advertising revenues from Group newspapers increased by 4.7% - from Euro 36 million in the first quarter of 2009 to Euro 37.7 million in the same period of 2010. This positive result is a consequence of the small recovery in advertising revenues after the sharp and general reduction in the first quarter of 2009. The Advertising Agency Federation (F.C.P) data on newspapers reports an overall rise in the first quarter of 2.8% - growth of 3.5% for paid newspapers and a decrease of 12% for free newspapers.

Group advertising revenues performed strongly in the quarter (growth of 4.7%) when compared to such general market data.

Other revenues principally derive from advertising on the Telefriuli television network and on specialised Internet sites and Group newspapers. The internet advertising revenues recorded a very positive performance (+74.3%) but the volumes are still very low.

Outlook for the following quarters

Deep uncertainty permeates the general sector outlook against which the Group implemented a rigorous cost control policy resulting in non-recurring charges in 2009; significant benefits have already been seen in the first quarter of 2010 and which will also be

reflected in the following quarters. It's uncertain whether that the advertising revenues may maintain the level of improvement of the first quarter.

Roma, May 7th 2010

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The Executive responsible for the preparation of the corporate accounting documents, Roberto Di Muzio, declares in accordance with article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present report corresponds to the underlying accounting documents, records and accounting entries.