INTERIM REPORT

September 30th, 2011

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	Federico Malorni Maria Assunta Coluccia

Executive Responsible	Roberto Di Muzio
Independent Auditors	KPMG SpA

** Members of the Internal Control Committee*

Introduction

The present interim report at September 30th 2011 was prepared in accordance with IAS/IFRS. The report is in compliance with article 154, paragraph 5 of Legislative Decree 58/1998, as supplemented.

Highlights

The key financial results for the first nine months and third quarter of 2011 compared with the same periods in 2011 are shown below.

In Euro thousands	*9M 2011*	*9M 2010*	*Change %*	*Q3 2011*	*Q3 2010*	*Change %*
Circulation revenues	59,102	60,545	-2.4%	21,585	21,517	0.3%
Promotions revenues	738	1,680	-56.1%	61	612	-90.0%
Advertising revenues	101,743	109,570	-7.1%	27,684	29,555	-6.3%
Other operating revenues	6,016	5,959	1.0%	1,898	1,849	2.7%
Total operating revenues	**167,599**	**177,754**	**-5.7%**	**51,228**	**53,533**	**-4.3%**
Raw material costs	(20,660)	(19,064)	8.4%	(7,115)	(6,215)	14.5%
Labour costs	(70,254)	(71,011)	-1.1%	(21,944)	(21,119)	3.9%
Other operating costs	(70,226)	(72,481)	-3.1%	(22,526)	(23,300)	-3.3%
Total operating costs	(161,140)	(162,556)	-0.9%	(51,585)	(50,634)	1.9%
EBITDA	**6,459**	**15,198**	**-57.5%**	**(357)**	**2,899**	**Na**
Amortisation, depreciation and provisions	(9,384)	(9,419)	-0.4%	(3,331)	(3,261)	2.1%
EBIT	**(2,925)**	**5,779**	**Na**	**(3,688)**	**(362)**	**Na**
Net financial income/(charges)	4,667	514	na	662	(518)	Na
Profit/(loss) before taxes	**1,742**	**6,293**	**-72.3%**	**(3,026)**	**(880)**	**Na**
Group profit/(loss)	2,190	6,599	-66.8%	(2,881)	(747)	Na
Minority interest share	(448)	(306)	46.4%	(145)	(133)	9.0%

The reduction in Operating Revenues of 5.7% in the first nine months of 2011 follows the decreases in circulation revenues (-2.4%) and advertising revenues (-7.1%); the ongoing crisis within the overall economy and with significant repercussions for the publishing sector impacted revenues.

Raw material costs increased 8.4% - principally due to international paper price increases, despite the lower quantity utilised in the production process.

Labour costs decreased 1.1% on 9M 2010, although non-structural charges amounted to approx. Euro 1.2 million, as a result of the agreement with the printing staff of the subsidiary "Il Messaggero" within a complex restructuring plan which involves the redundancy of 23 employees. On like-for-like terms and excluding therefore extraordinary charges, labour costs (despite the implications of collective journalist and printing labour contracts) reduced 2.7% on the same period of the previous year as a result of the restructuring actions taken in previous years. Labour costs in the third quarter increased 3.9% - owing to the above stated extraordinary charges in September 2011. On like-for-like terms, the reduction in labour costs in the third quarter of 2011 was approx. 1.7%.

Other operating costs decreased by 3.1% principally due to the reduction in copies distributed of the free newspaper Leggo, lower promotional add-on products, lower commissions paid to agents and the general cost containment exercises carried out in recent years.

The Ebitda was Euro 6.5 million (Euro 15.2 million in 9M 2010). The Ebitda margin on Revenues was 3.9%.

Amortisation, depreciation, write-downs and provisions of Euro 9.4 million includes amortisation and depreciation of Euro 6.7 million, doubtful debts of approx. Euro 1.9 million and provisions for risks of Euro 775 thousand.

Net financial income amounted to Euro 4.7 million (Euro 514 thousand in 2010), comprising financial income of Euro 6.9 million (Euro 4.9 million in 2010) and financial charges of Euro 2.3 million (Euro 4 million in 2010). Specifically, compared to 2010 the increase in financial income, comprising principally interest income on liquidity (Euro 3.6 million) and dividends on listed shares (Euro 3.2 million), stems both from improved returns on Group liquidity following interest rate rises and increased dividends on listed shares in portfolio.

Group profit before taxes was Euro 2.2 million compared to Euro 6.6 million in 9M 2010.

In the third quarter of 2011, the Group recorded Operating Revenues of Euro 51.2 million, a decrease of 4.3% on the same period of the previous year, with an EBITDA loss of Euro 357 thousand (Ebitda profit of Euro 2.9 million in Q3 2010).

Publishing activities

Group circulation and add-on promotion revenues decreased overall by 3.8% on the first nine months of 2010. In particular circulation revenues of Euro 59.1 million fell by 2.4% in the first nine months of 2011, while improving slightly in the third quarter of 2011. The Group - for the moment - has not applied the price rises implemented by almost all of its competitors.

In relation to the sales performance of the individual Group newspapers, the turnaround achieved by Il Gazzettino is highlighted, with sales up 2.1%.

The revenues from products sold together with the Group's newspapers decreased by 56.1% following the significant shift away from add-on products; these margins however are not significant in relation to the overall result (Euro 257 thousand).

Advertising revenues

Daily newspaper advertising revenues were impacted by the consumption crisis and the overall recessionary environment. The newspaper sector overall in the January-August 2011 period contracted 5.9% on the same period of 2010, with daily newspaper advertising contracting (5.3%)[1] and the free press by (20.7%)[1].

In the first nine months of 2011, Group daily newspaper advertising sales contracted 7.1% on the same period of 2010, impacted also by a significant contraction in the advertising revenues of the *Leggo* newspaper (-22%); excluding this effect the reduction in paid daily newspaper revenues was 5.7% and in line with the market.

The Group companies' internet advertising revenues grew 37.3% on the same period of the previous year. Although internet advertising revenues are in rapid growth, the volumes in this sector are still marginal in relation to Group overall advertising revenue.

Net Cash Position

The net cash position at September 30th 2011 is as follows:

In Euro thousands	**30/09/11**	**31/12/10**
Current financial assets	1,544	4,211
Cash and cash equivalents	226,793	256,987
Non-current financial liabilities	(30,898)	(33,756)
Current financial liabilities	(17,624)	(18,544)
	179,815	**208,898**

The Net Cash Position at September 30th 2011 amounted to Euro 179.8 million decreasing on Euro 208.9 million at December 31st 2010 principally due to the distribution of dividends of Euro 6.3 million and the subscription and acquisition of listed shares of Euro 27.8 million, net of the operating cash flow.

[1] Data from the Advertising Concessionary Federation relating to the period January-August 2011compared to the period January-August 2010

Shareholders’ Equity

The Caltagirone Editore Group Shareholders’ Equity amounted to Euro 728.9 million (Euro 762 million at December 31st 2010); the decrease is principally due to the net effect of the result for the period, the distribution of the dividend (Euro 6.3 million) and the effects of the valuation at fair value of the shareholdings held by the Group (Euro -28.9 million).

At September 30th 2011, Caltagirone Editore Spa had 104,588 treasury shares in portfolio, comprising 0.0837% of the share capital for a total value of Euro 134,987. Treasury share purchases were carried out until October 25th 2011, the date on which authorisation concluded. At the conclusion of the buyback programme Caltagirone Editore Spa, in the period August 3, 2011 – October 25, 2011, acquired a total of 132,125 treasury shares, comprising 0.1057% of the share capital for a total value of Euro 169,993.

Q4 2011 Outlook and subsequent events

Deep uncertainty permeates the general sector outlook against which the Group continues to implement a rigorous cost control policy while developing specific actions to overcome the sluggish domestic advertising market. In addition, the Group is currently developing its multimedia presence, whose ongoing improvement can tap into new advertising revenue flows and attract new readers.

With this in mind, in the second half of November 2011, the new version of *Leggo - the first Social Press* - will be launched.

Rome, November 8th 2011

For the Board of Directors

The Chairman

Francesco Gaetano Caltagirone

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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.