CALTAGIRONE EDITORE

HALF-YEAR REPORT

June 30TH 2012

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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 * Albino Majore * Giampietro Nattino *

Board of Statutory Auditors

Chairman	Antonio Staffa
Standing Auditors	Federico Malorni Maria Assunta Coluccia

Executive Responsible	Roberto Di Muzio
Independent Auditors	PricewaterhouseCoopers Spa

** Members of the Internal Control Committee*

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DIRECTORS' REPORT

Introduction

The present Report refers to the Condensed Consolidated Financial Statements at June 30th 2012, prepared in accordance with Article 154 *ter*, paragraph 3, of Legislative Decree 58/1998 as supplemented and the Consob Issuers' Regulation.

The present half-year report was prepared in accordance with International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union and was drawn up according to IAS 34 – Interim financial reporting, applying the same accounting principles adopted in the preparation of the Consolidated Financial Statements at December 31st 2011, with the exception of those described in the Notes in the paragraph "New accounting principles", to which reference is made.

Operational overview

The key financial results compared to the first half of 2011 are shown below:

In Euro thousands

INCOME STATEMENT	***H1 12***	***H1 11***	***Change %***
OPERATING REVENUES	**101,426**	**116,371**	**-12.8%**
CIRCULATION REVENUES	36,468	37,517	-2.8%
PROMOTIONS REVENUES	470	677	-30.6%
ADVERTISING REVENUES	60,216	74,059	-18.7%
OTHER INCOME AND REVENUES	4,272	4,118	3.7%
COSTS OF PRODUCTION	**(108,840)**	**(109,555)**	**-0.6%**
RAW MATERIALS, SUPPLIES & CONSUMABLE STORES	(13,974)	(13,545)	3.2%
LABOUR COSTS	(50,909)	(48,310)	5.4%
SERVICES	(38,375)	(41,733)	-8.0%
RENT, LEASES & SIMILAR COSTS	(3,850)	(4,288)	-10.2%
OTHER OPERATING CHARGES	(1,732)	(1,679)	3.2%
EBITDA	**(7,414)**	**6,816**	**na**
AMORTISATION, DEPREC. & WRITE-DOWNS	(5,472)	(6,053)	-9.6%
EBIT	**(12,886)**	**763**	**na**
SHARE OF COMPANIES VALUED AT EQUITY	**(1)**	**(1)**	**-**
FINANCIAL INCOME	3,958	5,534	-28.5%
FINANCIAL CHARGES	(6,362)	(1,528)	na
FINANCIAL RESULT	**(2,404)**	**4,006**	**na**
PROFIT (LOSS) BEFORE TAXES	**(15,291)**	**4,768**	**na**
INCOME TAXES	3,728	(2,674)	na
NET PROFIT (LOSS) FOR THE PERIOD	**(11,563)**	**2,094**	**na**
MINORITY INTEREST PROFIT	*209*	*230*	*-9.1%*
GROUP NET PROFIT (LOSS)	***(11,354)***	***2,324***	***na***

The reduction in Operating Revenues in H1 2012 of 12.8% follows the decrease in circulation revenues (-2.8%) and a contraction in advertising revenues (-18.7%); these figures were affected by the continuation of the crisis which hit the overall economy and with significant repercussions for the publishing sector.

Raw material costs increased 3.2% - principally due to international paper price increases.

Labour costs increased by 5.4%. The data for H1 2012 includes non structural costs of approx. Euro 4.5 million, related to the re-organisation plans put in place by a number of Group companies. Trade Union agreements were reached for a reduction in the workforce of Il Messaggero (25 journalists) and for Il Mattino (22 printing staff). Therefore at like-for-like values, excluding these extraordinary items, the cost of labour decreased by approx. 2.8% due to the restructurings introduced in previous years, absorbing the indexed journalism sector contracts.

Services costs reduced by 8%, principally due to the reduction in the number of copies distributed of the free daily newspaper Leggo.

Amortisation, depreciation, write-downs and provisions includes amortisation and depreciation of Euro 4.3 million, doubtful debts of approx. Euro 989 thousand and provisions for risks related to disputes in the year of Euro 165 thousand.

Net financial charges of Euro 2.4 million (income of Euro 4 million in H1 2011), was particularly affected by the existence in 2012 of losses from the sale on the market of listed shares for approx. Euro 4.6 million; the amount includes dividends on listed shares in the period for approx. Euro 1.2 million (Euro 3.2 million in H1 2011) and exchange gains of approx. Euro 800 thousand.

Group Net Cash Position at June 30th 2012 is as follows:

In Euro thousands

NET CASH POSITION	***30/06/12***	***31/12/11***
CURRENT FINANCIAL ASSETS	1,561	1,548
CASH AND CASH EQUIVALENTS	219,566	230,294
NON-CURRENT FINANCIAL LIABILIITES	(26,411)	(28,868)
CURRENT FINANCIAL LIABILITIES	(27,445)	(22,032)
TOTAL	**167,271**	**180,942**

* The Net Cash Position in accordance with CESR recommendation of February 10th 2005 is illustrated at paragraph 29 of the Notes to Condensed Consolidated Half-Year Financial Statements.

The net cash position decreased by approx. Euro 13.7 million, principally due to net investments in listed shares of approx. Euro 5.9 million, the distribution of dividends of Euro 3.7 million and cash needs from operating cash flows.

The consolidated net equity of the Group decreased from Euro 720.4 million at December 31st 2011 to Euro 701 million at June 30th 2012; the decrease of Euro 19.4 million is due to the combined effect of the loss for the period (Euro -11.4 million), the distribution of the dividend (Euro -3.7 million) and the effects from the valuation at fair value of equity investments held by the Group (Euro -4.3 million).

The Balance sheet ratios are provided below:

	H1 2012	31/12/11	H1 2011
ROE* *(Net Result/Net Equity)***	-1.65	-4.33	0.28
ROI* *(EBIT/Total Assets)***	-1.38	-0.37	0.08
ROS* *(EBIT/Operating Revenues)***	-12.70	-1.54	0.66
Equity Ratio *(Net Equity/Total Assets)*	0.75	0.76	0.75
Liquidity Ratio *(Cur.assets/Cur. liab.)*	3.11	3.63	3.32
Capital Invested Ratio *(Net Equity/non-current assets)*	1.09	1.14	1.12

** percentage values*

*** For definitions of "Net Result" and "Ebit", reference is made to the table attached at page 7 of the present report*

The income ratios (ROE, ROI and ROS) report reduced profitability due to the reduction in operating revenues.

The balance sheet ratios confirm Group financial and balance sheet equilibrium, with good stability in the ratio between own funds and debt[1], a good capacity to meet short-term commitments through liquid funds[2] and finally a good equilibrium between own funds and fixed assets[3].

Group operating performance

- ***Publishing activities***

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

In the first half of 2012 Group sales revenues from circulation and promotions decreased overall by 3.3% on H1 2011. In particular, circulation revenues of Euro 36.5 million fell by 2.8% within a daily newspaper market which reported an even greater reduction in circulation overall.

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 Group newspapers recorded a decrease of 30.6% following the substantial discontinuation of these promotional activities.

In relation to the sale of subscriptions and multimedia versions, the data was not significant and the percentage of total Group circulation revenues was still negligible. However the Group websites report a significant increase in daily users, particularly for Leggo +54.9%[4], il Messaggero +24.2%[4] and il Mattino +9.5%[4], in comparison to a market which overall grew 9.3%[5].

- ***Advertising revenues***

The reduction in advertising revenues (-18.7%) continues to be strictly related to the current advertising sector market crisis due to the difficult economic circumstances.

The newspaper advertising sector in January-May 2012 reports a contraction in revenues of 13.8%[5] on the same period of 2011, following the decrease in advertising revenues from paid newspapers (-12.4%)[6] and in the free press (-51.0%)[6].

The decrease in revenues concerning the sale of advertising space in Group newspapers was impacted particularly by the drop in advertising revenues of the *Leggo* free newspaper (-48.4%, related also to the changed circulation area compared to 2011); net of this effect, the reduction in Group advertising revenues was 14.7%.

Internet advertising revenues grew 23.9% on the same period of the previous year. Sector internet advertising grew 10.6%[6]. Although internet advertising revenues are growing, the volumes in this sector are not significant in relation to Group overall advertising revenue.

Transactions with related parties

[4]Data: *Audiweb* May 2012 – May 2011
[5]Data: *FCP Stampa Research Institute* – January – May 2012.
[6]Data: *Assointernet Research Institute* – January – May 2012

The transactions with “related” parties, as set out in IAS 24, including inter-company operations, are not atypical or unusual and form part of the ordinary business activities of the companies of the Group. These operations are regulated at market conditions and take account of the characteristics of the goods and services provided and in the interest of the Group.

The Parent Company in the period did not carry out significant transactions nor significant levels of ordinary transactions requiring communication to the Supervisory Authority under the Consob Regulation concerning transactions with related parties adopted with Resolution No. 17221 of March 12th 2010.

The information on transactions with related parties, including those required by Consob communication of July 28th 2006, are shown in the Notes to the Condensed Consolidated Half-Year Financial Statements.

Other information

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

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 2012, there were 1,034 employees (1,072 at June 30th 2011).

Management of risks

The activities of the Caltagirone Editore Group are subject to the following 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.

In the first half of 2012, no market risks or uncertainties substantially differing from those evident in the 2011 annual accounts emerged and therefore the relative management strategy remains unchanged.

Principal uncertainties and going concern

Following on from that stated in the paragraph concerning management risks, the continuation of the general crisis 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.

Corporate Governance

The Shareholders' AGM of April 26th 2012 appointed the Board of Directors and the Board of Statutory Auditors for the three-year period 2012 – 2014; Messrs. Francesco Gaetano Caltagirone, Gaetano Caltagirone, Azzurra Caltagirone, Alessandro Caltagirone, Francesco Caltagirone, Massimo Confortini, Mario Delfini, Massimo Garzilli, Albino Majore and Gianpietro Nattino were appointed to the Board of Directors and Messrs. Antonio Staffa, Vincenzo Sportelli and Maria Assunta Coluccia were appointed to the Board of Statutory Auditors.

The Board of Directors on May 10th 2012 appointed Mr. Francesco Gaetano Caltagirone as Chairman and Messrs. Gaetano Caltagirone and Azzurra Caltagirone as Vice Chairman. In the same meeting the following were appointed to the Internal Control Committee: Messrs. Massimo Confortini (as Chairman) Mario Delfini, Massimo Garzilli, Albino Majore and Giampietro Nattino; the Internal Control Manager was confirmed as Mr. Fabrizio Caprara.

In the same meeting the Board of Directors appointed to the Committee of Independent Directors, after verifying the independence and after consultation with the Board of Statutory Auditors, in accordance with the provisions of the regulation which governs transactions with related parties, the Directors Massimo Confortini, as Chairman and Giampietro Nattino.

The Board of Directors' meeting also confirmed for 2012 the appointment of the Executive Responsible for the preparation of the accounting and corporate documents of the company in the person of Mr. Roberto Di Muzio.

The Shareholders AGM of April 26th 2012 appointed the Audit firm Pricewaterhouse Coopers S.p.A for the audit of the financial statements for the years 2012 – 2020.

Treasury shares

In execution of the Shareholders AGM resolution of April 26th 2012 which authorises the purchase and/or sale of treasury sales of the Company in accordance with Article 2357 of the Civil Code, the Board of Directors of Caltagirone Editore S.p.A implemented the treasury share buy-back program of Company shares on the MTA segment of Borsa Italiana.

At June 30th 2012 Caltagirone Editore Spa had 161,763 treasury shares in portfolio, comprising 0.1294% of the share capital for a value of Euro 194,802.

At the date of the present report treasury shares in portfolio numbered 186,723 – equal to 0.149% of the share capital.

2012 full year outlook and events subsequent to June 30th 2012

In June 2012 the new internet site of "Il Messaggero" was launched with a graphic and content restyling and particular attention on news items, commentary and on the contents, with the creation of a new graphic for the paper edition to follow also after the summer. The new site "*Il Messaggero.it*" is the first step in a digital sector development strategy which, although with a still minor share of revenues, represents a high potential publishing area with growing revenues. The Group is currently developing the multimedia versions of its newspaper titles and the internet activities in order to attract new sources of advertising and new readers.

The general economic situation, still in a highly recessionary phase, affects advertising investment in the publishing sector and necessitates a cost reduction and control policy. Therefore in the addition to that already agreed with the sector trade union organisations for Il Messaggero and for Il Mattino, the Group subsequent to June 30th 2012 signed an agreement for the reduction of the workforce also for Il Gazzettino (22 printing staff); in addition an agreement with recently reached with Il Mattino for the departure of 12 journalists which awaits the refinancing of the relative INPGI fund.

Rome, July 26th 2012

For the Board of Directors

The Chairman

Mr. Francesco Gaetano Caltagirone

CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

June 30th 2012

Consolidated Balance Sheet

Assets *(in Euro thousands)*	**note**	***30.06.2012***	***31.12.2011***
Non-current assets			
Intangible assets with definite life	1	1,822	1,918
Goodwill and other intang. assets with indefinite life	2	447,315	447,315
Property, plant and equipment	3	69,551	73,077
Equity investments valued at net equity	4	857	858
Equity investments and non-current securities	5	86,102	76,608
Non-current financial assets	6	38	37
Other non-current assets	7	758	616
Deferred tax assets	8	34,643	29,087
TOTAL NON-CURRENT ASSETS		**641,086**	**629,516**
Current assets			
Inventories	9	2,701	3,665
Trade receivables	10	62,775	68,151
of which related parties		*1,661*	*1,619*
Current investments and securities	11	-	11,970
Current financial assets	12	1,561	1,548
of which related parties		*1,536*	*1,536*
Tax receivables	8	2,358	2,229
Other current assets	13	2,062	1,797
Cash and cash equivalents	14	219,566	230,294
of which related parties		*6,242*	*19,130*
TOTAL CURRENT ASSETS		**291,023**	**319,654**
TOTAL ASSETS		**932,109**	**949,170**

Shareholders' equity & Liabilities

(in Euro thousands)

	note	*30.06.2012*	*31.12.2011*
Net equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Other reserves		606,179	644,974
Loss for the period		(11,354)	(30,737)
Group Shareholders' Equity		**700,960**	**720,372**
Minority interest shareholders' equity		107	127
TOTAL SHAREHOLDERS' EQUITY	**15**	**701,067**	**720,499**
Liabilities			
Non-current liabilities			
Employee provisions	**16**	31,314	32,627
Other non-current provisions	**17**	6,928	7,126
Non-current financial liabilities	**18**	26,411	28,868
Other non-current liabilities	**19**	3,607	3,661
Deferred tax liabilities	**8**	69,103	68,383
TOTAL NON-CURRENT LIABILITIES		**137,363**	**140,665**
Current liabilities			
Current provisions	**17**	8,871	5,722
Trade payables	**20**	27,172	29,284
of which related parties		*822*	*158*
Current financial liabilities	**18**	27,445	22,032
of which related parties		*5,576*	*2,394*
Other current liabilities	**19**	30,191	30,968
of which related parties		*8*	*12*
TOTAL CURRENT LIABILITIES		**93,679**	**88,006**
TOTAL LIABILITIES		**231,042**	**228,671**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**932,109**	**949,170**

Consolidated Income Statement

(in Euro thousands)	note	H1 2012	H1 2011
Revenues			
Revenues from sales and services	21	97,154	112,253
of which related parties		*564*	*2,181*
Other operating revenues	22	4,272	4,118
of which related parties		*50*	*53*
TOTAL REVENUES		**101,426**	**116,371**
Costs			
Raw material costs	23	13,974	13,545
Labour costs	16	50,909	48,310
of which for restructuring charges		*4,004*	-
Other operating charges	24	43,957	47,700
of which related parties		*3,376*	*2,741*
TOTAL COSTS		**108,840**	**109,555**
EBITDA		**(7,414)**	**6,816**
Amortisation, depreciation, provisions & write-downs	25	5,472	6,053
EBIT		**(12,886)**	**763**
Net result of the share of associates	26	**(1)**	**(1)**
Financial income		3,958	5,534
of which related parties		*1,928*	*5,497*
Financial charges		(6,362)	(1,528)
of which related parties		*(82)*	*(63)*
Net financial income/(charges)	26	**(2,404)**	**4,006**
PROFIT (LOSS) BEFORE TAXES		**(15,291)**	**4,768**
Income taxes for the period	8	3,728	(2,674)
PROFIT (LOSS) FROM CONT. OPERATIONS		**(11,563)**	**2,094**
NET PROFIT (LOSS)		**(11,563)**	**2,094**
Parent Company Shareholders		(11,354)	2,324
Minority interests		(209)	(230)
Basic earnings per share	27	(0.091)	0.017
Diluted earnings per share	27	(0.091)	0.017

Consolidated Comprehensive Income Statement*

(in Euro thousands)	30/06/2012	30/06/2011
Net Profit (loss) for the period	**(11,563)**	**2,094**
Gain/(loss) from recalculation of AFS financial assets	(4,288)	(3,854)
Total other items of the Comprehensive Income Statement	**(4,288)**	**(3,854)**
Total comprehensive loss	**(15,851)**	**(1,760)**
Attributable to:		
Parent Company Shareholders	(15,643)	(1,530)
Minority interests	(209)	(230)

*The other consolidated comprehensive income statement items are reported net of the relative tax effect

CALTAGIRONE EDITORE

Statement of Changes in Consolidated Shareholders' Equity

(in Euro thousands)	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserves	Result for the period	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2011	**125,000**	**(18,865)**	**-**	**(13,494)**	**663,330**	**6,003**	**761,974**	**609**	**762,583**
Dividends distributed					(6,250)		**(6,250)**		**(6,250)**
Retained earnings					6,003	(6,003)	**-**		**-**
Change in consolidation scope					(92)		**(92)**	(36)	**- 128**
Total operations with shareholders	**125,000**	**(18,865)**	**-**	**(13,494)**	**662,991**	**0**	**755,632**	**573**	**756,205**
Change in fair value reserve				(3,854)			**(3,854)**		**(3,854)**
Net profit (loss)						2,324	**2,324**	(230)	**2,094**
Total comprehensive profit (loss) for the period	**-**	**-**	**-**	**(3,854)**	**-**	**2,324**	**(1,530)**	**(230)**	**(1,760)**
Balance at June 30th 2011	**125,000**	**(18,865)**	**-**	**(17,348)**	**662,991**	**2,324**	**754,102**	**343**	**754,445**
Balance at June 30th 2012	**125,000**	**(18,865)**	**(170)**	**(21,507)**	**666,651**	**(30,737)**	**720,372**	**127**	**720,499**
Dividends distributed					(3,746)		**(3,746)**		**(3,746)**
Retained earnings					(30,737)	30,737	**-**		**-**
Acquisition of treasury shares			(24)				**(24)**		**(24)**
Change in consolidation scope							**-**		**-**
Total operations with shareholders	**125,000**	**(18,865)**	**(194)**	**(21,507)**	**632,168**	**-**	**716,602**	**127**	**716,729**
Change in fair value reserve				(4,288)			**(4,288)**		**(4,288)**
Net loss						(11,354)	**(11,354)**	(209)	**(11,563)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(4,288)**	**-**	**(11,354)**	**(15,642)**	**(209)**	**(15,851)**
Other changes							**-**	189	**189**
Balance at June 30th 2012	**125,000**	**(18,865)**	**(194)**	**(25,795)**	**632,168**	**(11,354)**	**700,960**	**107**	**701,067**

Consolidated Cash Flow Statement

in Euro thousands	NOTES	30.06.2012	30.06.2011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14	**230,294**	**256,987**
Net profit (loss) for the period		(11,563)	2,094
Amortisation & Depreciation		4,317	4,438
(Revaluations) and write-downs		1,088	912
Net result of the share of associates		1	1
Net financial income/(charges)		2,305	(3,885)
(Gains)/losses on disposals		(9)	(7)
Income taxes		(3,728)	2,674
Changes in employee provisions		(1,982)	(2,222)
Changes in current and non-current provisions		2,952	(1,121)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL		**(6,619)**	**2,884**
(Increase) Decrease in inventories		965	314
(Increase) Decrease in Trade receivables		4,397	(185)
Increase (Decrease) in Trade payables		(2,377)	(854)
Change in other current and non-current liabilities		(1,231)	(1,508)
Change in deferred and current income taxes		(383)	(456)
OPERATING CASH FLOW		**(5,248)**	**195**
Dividends received		1,240	3,202
Interest received		2,648	1,640
Interest paid		(707)	(602)
Other income (charges) received/paid		55	-
Income taxes paid		(1,324)	(1,888)
A) CASH FLOW FROM OPERATING ACTIVITIES		**(3,336)**	**2,547**
Investments in intangible fixed assets		(111)	(117)
Investments in tangible fixed assets		(385)	(1,027)
Non-current investments and securities		(21,805)	(16,816)
Sale of intangible and tangible assets		56	1
Sale of equity investments and non-current securities		5,141	7
(Inc.) Current and deferred income taxes		10.649	-
Change in Non-current financial assets		(2)	(14)
Change in current financial assets		15	792
B) CASH FLOW FROM INVESTING ACTIVITIES		**(6,442)**	**(17,174)**
Change in non-current financial liabilities		(2,457)	(2,460)
Change in current financial liabilities		5,088	13,935
Dividends Distributed		(3,746)	(6,250)
Other changes		165	-
C) CASH FLOW FROM FINANCING ACTIVITIES		**(950)**	**5,225**
Change in net liquidity		**(10,728)**	**(9,402)**
CASH AND CASH EQUIVALENTS AT PERIOD END	14	**219,566**	**247,585**

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NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30TH 2012

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Introduction

Caltagirone Editore SpA (Parent Company) is a limited liability company, listed on the Milan Stock Exchange, operating in the publishing sector with its registered office in Rome (Italy), Via Barberini, No. 28.

At June 30th 2012, 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:

- Francesco Gaetano Caltagirone: 75,955,300 shares (60.76%).

  This investment is held:

  Directly for 22,500,000 shares (18.0%)

  Indirectly through the Companies:

  - Parted 1982 SpA 44,454,550 shares (35.56%)
  - Gamma Srl 9,000,750 shares (7.2%)
- Gaetano Caltagirone 3,000,000 shares (2.40%)
- Edizione Srl 2,799,000 shares (2.24%)

The recording of the 2011 dividend, paid in May 2012, resulted in the receipt of dividends on 3,727,591 shares, representing 2.982% of the share capital through the Credit Suisse Equity Fund.

Caltagirone Editore SpA is fully consolidated in the 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 consolidated condensed financial statements at June 30th 2012 include the condensed half-year financial statements of the Parent Company and its subsidiaries (together the "Group"). For the consolidation, the balance sheet and financial situations prepared by the Directors of the individual consolidated companies were used.

The present half-year report was authorised for publication by the Board of Directors on July 26th 2012.

Compliance with international accounting standards approved by the European Commission

The condensed consolidated half-year financial statements at June 30th 2012 were prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the interpretations of the International Financial Reporting

Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC), approved by the European Commission (hereinafter "IFRS").

In particular, the Condensed Consolidated Group Half-Year Financial Statements 2012 were prepared according to the criteria set out by IAS 34 for the preparation of interim financial statements. 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 2011.

The financial statements conform with the Annual Accounts in application of the updated version of IAS 1 – Presentation of Financial Statements (revised in 2007).

The accounting principles adopted in the preparation of the present Condensed Consolidated Half-Year Financial Statements are the same as those utilised for the consolidated financial statements at December 31st 2011, with the exception of those described below in the notes – new accounting standards.

The 2011 consolidated financial statements are available on request from the registered offices of the company Caltagirone Editore S.p.A. via Barberini, 28 Rome or on the internet site www.caltagironeeditore.com.

Basis of presentation

The condensed consolidated half-year financial statements consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Comprehensive Consolidated Income Statement, the Statement of changes in Consolidated Shareholders' Equity, the Consolidated Cash Flow Statement and the present 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 Consolidated Income Statement is classified on the basis of the nature of the costs and the Consolidated Cash Flow statement is presented utilising the indirect method.

The IFRS were applied in accordance with the "Framework for the preparation and presentation of financial statements" and no matters arose which required recourse to the exceptions permitted by IAS 1, paragraph 17.

It is recalled that CONSOB. resolution No. 15519 of July 27th 2006 requires that the above 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, unusual or atypical operations.

The Consolidated Financial Statements were presented in thousands of Euro, the functional currency of the Parent Company and all of the companies included in the present consolidated financial statements.
All amounts included in the notes are expressed in thousands of Euro, except where otherwise indicated.
The assets and liabilities are shown separately and without any offsetting.

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 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:

	Registered office	**30.06.2012**	**31.12.2011**	**Activity carried out**
Caltagirone Editore SpA	Rome	Parent Company	Parent Company	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
Ced digital & servizi Srl	Rome	100%	100%	publishing
Quotidiano di Puglia SpA	Rome	100%	100%	publishing
Il Gazzettino SpA	Rome	100%	100%	publishing
Centro Stampa Veneto SpA *(3)*	Rome	100%	100%	publishing
Imprese Tipografiche Venete SpA *(3)*	Rome	100%	100%	publishing
P.I.M. Srl *(3)*	Rome	100%	100%	publishing
Telefriuli SpA *(4)*	Tavagnacco (UD)	87.50%	87.50%	television

(1) 94.6% directly held and 5.4% through Piemme SpA.; (2) Held through Messaggero SpA.; (3) Held through Il Gazzettino SpA.; (4) 87.5% held through Il Gazzettino SpA.

Associated companies

The consolidation scope includes the following associated companies:

	Registered office	**30.06.2012**	**31.12.2011**	**30.06.2011**
Rofin 2008 Srl	Rome	30.00%	30.00%	30.00%
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.

Standards, amendments and new interpretations on Standards effective from 2012

The following amendments did not have significant effects in terms of the presentation and measurement of the Group financial statement accounts:

- Amendments to IFRS 7 – Financial Instruments: additional disclosure – Transfer of financial assets, adopted with Regulation (EC) issued on November 22nd 2011.

Standards, amendments and new interpretations on Standards effective from the periods subsequent to 2012 and not adopted in advance by the Group

At the date of the approval of the present condensed consolidated half-year Financial Statements, IASB had issued (however not yet approved by the European Union) a number of accounting standards, interpretations and amendments - some still in the consultation phase - among which we highlight:

- Exposure Draft (ED) "*Measurement of non-financial liabilities*" as part of the review of the current IAS 37 in relation to the recognition and measurement of provisions and contingent liabilities and assets;
- Exposure Draft (ED) "*Revenues*" in relation to the review of the current IAS 11 and IAS 18, concerning the recognition of revenues;
- Exposure Draft (ED) "*Insurance contracts*" in relation to the review of the current IFRS 4, concerning the recognition of insurance contracts;
- Exposure Draft (ED) "*Leasing*" in relation to the review of the current IAS 17, concerning the recognition of leases;
- Exposure Draft (ED) "*Improvements to IFRS*", as part of the annual improvement and general review of the international accounting standards;
- a number of Exposure Drafts (ED) issued within the review of the current IAS 39, concerning *Amortised Cost and Impairments, the Fair Value Option for Financial Liabilities and Hedge Accounting*;
- Amendment to *IAS 1 - Presentation of financial statements: Comprehensive income statement"* in relation to the presentation of financial statements concerning the Comprehensive Income Statement;

- *IAS 12 - Income taxes – Deferred taxation: recovery of underlying assets;*
- *IAS 19 - Employee benefits, as part of the review of the current international accounting standard concerning employee benefits;*
- *IAS 27 - Separate Financial Statements:*
- *IAS 28 – Investments in associates and joint ventures, within the review process of the current standard concerning joint ventures;*
- *IAS 32 – Financial instruments: disclosure in financial statements, amendments, in relation to the offsetting of financial assets and liabilities;*
- *IFRS 9 – Financial instruments,* within the ambit of the review of the current IAS 39*;*
- *IFRS 10 - Consolidated Financial Statements,* in relation to the consolidation of financial statements of subsidiaries as part of the review of IAS 27 and of SIC 12 – *Consolidation – Special purpose entities*;
- *IFRS 11 - Joint arrangements*, as part of the review of IAS 31 – *Interests in joint ventures*;
- *IFRS 12 - Disclosure of interests in other entitles;*
- *IFRS 13 - Fair value measurement*.

Any effects that the newly applied accounting standards, amendments and interpretations may have on the Group financial disclosure are currently being evaluated.

ASSETS

1. Intangible assets with definite life

Historical cost	Research & devel.	Patents	Trademarks	Others	Total
01.01.2011	762	1,476	4,541	6,395	**13,174**
Increases		46	2	239	**287**
Decreases				(139)	**(139)**
31.12.2011	**762**	**1,522**	**4,543**	**6,495**	**13,322**
01.01.2012	762	1,522	4,543	6,495	**13,322**
Increases			14	147	161
Decreases					0
30.06.2012	**762**	**1,522**	**4,557**	**6,642**	**13,483**

A and loss in value	Research & devel.	Patents	Trademarks	Others	Total
01.01.2011	762	1,383	2,755	6,016	**10,916**
Increases		58	392	177	**627**
				(139)	
31.12.2011	**762**	**1,441**	**3,147**	**6,054**	**11,543**
01.01.2012	762	1,441	3,147	6,054	**11,404**
Increases		25	159	73	257
Decreases					0
30.06.2012	**762**	**1,466**	**3,306**	**6,127**	**11,661**
Net value					
01.01.2011	**-**	**93**	**1,786**	**379**	**2,258**
31.12.2011	**-**	**81**	**1,396**	**441**	**1,918**
30.06.2012	**-**	**56**	**1,251**	**515**	**1,822**

The amortisation rates used are shown below:

Category	**Average rate**
Development Costs	20.0%
Industrial patents and intel. property rights	26.5%
Trademarks, concessions and licenses	31.8%
Others	28.7%

2. Goodwill and other indefinite intangible assets

The indefinite intangible assets, comprising of goodwill and newspaper titles, are not amortised, but annually subject – as described in detail below - 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
01.01.2011	**160,521**	**286,794**	**447,315**
Increases			-
Decreases			
Write-downs			
31.12.2011	**160,521**	**286,794**	**447,315**
01.01.2012	**160,521**	**286,794**	**447,315**
Increases			-
Decreases			-
30.06.2012	**160,521**	**286,794**	**447,315**

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

Cgu	Goodwill		Newspaper titles		Total CGU	
	30.06.2012	**31.12.2011**	**30.06.2012**	**31.12.2011**	**30.06.2012**	**31.12.2011**
Il Gazzettino	71,667	71,667	100,700	100,700	172,367	172,367
Il Messaggero	51,613	51,613	90,808	90,808	142,421	142,421
Piemme (Advertising agency)	27,521	27,521	-	-	27,521	27,521
Il Mattino	9,720	9,720	44,496	44,496	54,216	54,216
Quotidiano di Puglia	-	-	26,131	26,131	26,131	26,131
Corriere Adriatico	-	-	24,656	24,656	24,656	24,656
Other minor	-	-	3	3	3	3
Total	**160,521**	**160,521**	**286,794**	**286,794**	**447,315**	**447,315**

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

	01.01.2011	Increases	Decrease	31.12.2011
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	5		(2)	3
Total	**286,796**	**-**	**(2)**	**286,794**

	01.01.2012	Increases	Decrease	30.06.2012
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	3			3
Total	**286,794**	**-**	**-**	**286,794**

In the absence of significant (trigger) events which indicate 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 2011, which will be updated in the financial statements at December 31st 2012.

3. Property, plant and equipment

Historical cost	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01.01.2011	8,606	51,525	99,027	1,034	20,906	11	**181,109**
Increases			319	20	1,205	51	**1,595**
Decrease			(134)	(13)	(659)		**(806)**
31.12.2011	**8,606**	**51,525**	**99,212**	**1,041**	**21,452**	**62**	**181,898**
01.01.2012	8,606	51,525	99,212	1,041	21,452	62	**181,898**
Increases			101	5	327	157	590
Decrease					(191)		(191)
Reclassifications			126			(126)	-
30.06.2012	**8,606**	**51,525**	**99,439**	**1,046**	**21,588**	**93**	**182,297**

Depreciation and loss in value	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01.01.2011	-	16,156	65,211	1,000	18,953	-	**101,320**
Increases		1,663	5,769	22	846		**8,300**
Decreases			(133)	(11)	(655)		**(799)**
31.12.2011	**-**	**17,819**	**70,847**	**1,011**	**19,144**	**-**	**108,821**
01.01.2012	-	17,819	70,847	1,011	19,144	-	**108,821**
Increases		822	2,817	7	413		4,059
Decreases					(134)		(134)
30.06.2012	**-**	**18,641**	**73,664**	**1,018**	**19,423**	**-**	**112,746**
Net value							
01.01.2011	**8,606**	**35,369**	**33,816**	**34**	**1,953**	**11**	**79,789**
31.12.2011	**8,606**	**33,706**	**28,365**	**30**	**2,308**	**62**	**73,077**
30.06.2012	**8,606**	**32,884**	**25,775**	**28**	**2,165**	**93**	**69,551**

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 net equity

	01.01.11	Reclassifications	Increases (Decreases) to Income Statement	Reval (WD)	Other movements	31.12.11
Editrice telenuovo SpA	692			153		**845**
Rofin 2008 S.r.l.	15		(2)			**13**
Total	**707**	**-**	**(2)**	**153**	**-**	**858**

	01.01.2012	Reclassifications	Increases (Decreases) to Income Statement	Reval(WD)	Other movements	30.06.2012
Editrice telenuovo SpA	845					**845**
Rofin 2008 S.r.l.	13		(1)			**12**
Total	**858**	**-**	**(1)**	**-**	**-**	**857**

The income statement effect of valuation under the equity method is a loss of Euro 1 thousand, essentially due to the loss recorded in the half-year by the associated company Rofin 2008 Srl.

5. Equity investments and non-current and current securities

Equity investments and non-current securities	01.01.12	Increases (Decreases)	Write-downs	Fair value change	30.06.12
Investments in subsidiary companies	-				-
Investments in other companies valued at cost	4,502	75	(97)		4,480
Investments in other companies available-for-sale	72,106	13,333		(3,817)	81,622
Total	**76,608**	**13,408**	**(97)**	**(3,817)**	**86,102**

The breakdown of the account investments in other companies is as follows:

Investments in other companies	**Registered office**	**%**	**01.01.2011**	**Increases (Decreases)**	**Reclassifications**	**Write-downs**	**31.12.2011**
Euroqube		14,82	647	(30)		(68)	549
Ansa		6,71	1,166				1,166
E-Care			2,745				2,745
Other minor			42				42
Total			**4,600**	**(30)**	**-**	**(68)**	**4,502**

Investments in other companies			**01.01.2012**	**Increases (Decreases)**	**Reclassifications**	**Write-downs**	**30.06.2012**
Euroqube		14,82	549			(97)	452
Ansa		6,71	1,166				1,166
E-Care			2,745	75			2,820
Other minor			42				42
Total			**4,502**	**75**	**-**	**(97)**	**4,480**

Investments in other companies are valued at fair value or, where not available, at cost.

The breakdown of the account Investments in other companies available-for-sale is as follows:

Investments in other companies available-for-sale	01.01.11	Share capital increase	Increases (Decreases)	Fair value change	Reclassifications	31.12.11
Banca Monte dei Paschi di Siena SpA	22,126	8,349	(6,250)	(12,255)	(11,970)	-
Assicurazioni Generali SpA	80,997		6,954	(15,845)		72,106
Total	**103,123**	**8,349**	**704**	**(28,100)**	**(11,970)**	**72,106**

	01.01.2012	Share capital increase	Increases (Decreases)	Fair value change	Reclassifications	30.06.2012
Assicurazioni Generali SpA	72,106		(8,397)	(2,947)		60,762
Unicredit SpA	-		21,730	(870)		20,860
Total	**72,106**	**-**	**13,333**	**(3,817)**	**-**	**81,622**

	01.01.11	Share capital increase	Increases	Decrease	Reclassifications	31.12.11
Assicurazioni Generali SpA	5,700,000		500,000			6,200,000
Banca Monte dei Paschi di Siena SpA	26,000,000	18,720,000	25,280,000	(22,500,000)	(47,500,000)	-

	01.01.12	Share capital increase	Increases	Decrease	Reclassifications	30.06.12
Assicurazioni Generali SpA	6,200,000			(500,000)		5,700,000
Unicredit SpA	-		7,000,000			7,000,000

The increase of Euro 21.7 million is due to the subscription of 6,500,000 shares relating to the capital increase of UniCredit S.p.A and the purchase on the market of 500,000 shares of the same company. The decrease of Euro 8.4 million is due to the sale on the market of 500,000 Assicurazioni Generali SpA shares with a loss Euro 3.3 million.

The fair value measurement of these investments at June 30th 2012 was written to the comprehensive income statement, in the specific net equity reserve for a total of Euro 3.8 million.

In relation to the disclosure required by IFRS 7, concerning the so-called “hierarchy of fair value”, the shares available for sale belong to level one, as defined by paragraph 27 A (IFRS 7) concerning financial instruments listed on an active market.

6. Non-current financial assets

The account, amounting to Euro 38 thousand, principally relates to receivables for deposits due within five years.

7. Other non-current assets

The account, totalling Euro 758 thousand, is composed principally of the receivable of Telefriuli SpA from the Communication Ministry for grants to local television providers under Ministerial Decree No. 378/1999.

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

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

	01.01.2011	Provisions	Utilisations	Other changes	31.12.2011
Deferred tax assets	23,861	8,597	(2,082)	(1,289)	29,087
Deferred tax liabilities	66,328	2,282	(910)	683	68,383
Net deferred tax liabilities	**(42,467)**	**6,315**	**(1,172)**	**(1,972)**	**(39,296)**

	01.01.2012	Provisions	Utilisations	Other changes	30.06.2012
Deferred tax assets	29,087	7,855	(1,828)	(471)	34,643
Deferred tax liabilities	68,383	1,152	(432)		69,103
Net deferred tax liabilities	**(39,296)**	**6,703**	**(1,396)**	**(471)**	**(34,460)**

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 in the deferred tax assets include the estimates of the tax effects on the fair value of the investments and the actuarial losses recorded directly to the Comprehensive Income Statement.

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

The net position for income taxes, represented by the payments on account and other tax credits, net of income taxes payable, is calculated as follows:

	30.06.2012	31.12.2011
Receivables for direct taxes	1,404	1,254
Other receivables	2,427	2,190
Payables for IRES/IRAP/substitute taxes	(1,473)	(1,215)
Total	**2,358**	**2,229**

The income taxes for the period consist of:

	30.06.2012	30.06.2011
Current taxes	1,579	2,086

Income taxes of prior years		
Current taxes	**1,579**	**2,086**
Provision for deferred tax liabilities	1,152	1,141
Utilisation of deferred tax liabilities	(432)	(432)
Change in tax rate		(49)
Deferred tax charge	**720**	**660**
Recording of deferred tax assets	(7,855)	(1,317)
Utilisation of deferred tax assets	1,828	1,245
Deferred tax income	**(6,027)**	**(72)**
Total income taxes	**(3,728)**	**2,674**

Current and deferred Ires tax	(5,171)	-
Current and deferred Irap tax	1,443	2,674
Total income taxes	**(3,728)**	**2,674**

The current income taxes comprise only IRAP taxes.

9. Inventories

The inventories at June 30th 2012 amount to Euro 2.7 million (Euro 3.67 million at December 31st 2011) and consist exclusively of raw materials, ancillary and consumables. Raw materials consist prevalently of paper and ink and relate for Euro 1.27 million to Il Messaggero SpA., for Euro 584 thousand to the companies of Il Gazzettino SpA, for Euro 663 thousand to Il Mattino SpA, for Euro 49 thousand to Corriere Adriatico Spa and for Euro 137 thousand to Quotidiano di Puglia SpA.

The cost of inventory recorded in the income statement is Euro 965 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. The net realisable value of inventories amounts to Euro 2.7 million. There is no inventory provided as a guarantee on liabilities.

10. Trade receivables

This account can be broken down as follows:

	30.06.2012	31.12.2011
Trade Receivables	73,386	78,790
Provisions for doubtful debts within 12 months	(12,959)	(13,008)
Trade Receivables	**60,427**	**65,782**
Receivables from related parties	1,661	1,619
Advances to suppliers	82	145
Trade receivables beyond 12 months	1,901	1,901
Provisions for doubtful debts beyond 12 months	(1,296)	(1,296)
Total trade receivables	**62,775**	**68,151**

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

11. Current investments and securities

The decrease of Euro 11.9 million concerns the sale on the market of 47.5 million Banca Monte dei Paschi di Siena S.p.A shares with a loss of Euro 1.3 million.

12. Current financial assets

This account can be broken down as follows:

	30.06.2012	31.12.2011
Financial assets from associated companies	1,536	1,536
Accrued interest	25	12
Total current financial assets	**1,561**	**1,548**
of which related parties	1,536	1,536

Euro 1.5 million refers entirely to the non-interest bearing shareholder loan granted to the associated company Rofin 2008 Srl.

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:

	30.06.2012	31.12.2011
Employee receivables	125	231
VAT receivables	-	318
Other receivables	1,124	710
Prepaid expenses	813	538
Total other current assets	**2,062**	**1,797**

Other receivables consist of deposits of Euro 83 thousand, social security receivables of Euro 160 thousand, various other receivables of Euro 574 thousand and withholding tax on interest of Euro 307 thousand.

The prepaid expenses relate to rental (Euro 32 thousand), insurance (Euro 132 thousand) and others (Euro 649 thousand).

14. Cash and cash equivalents

This account can be broken down as follows:

	30.06.2012	31.12.2011
Bank and post office deposits	213,228	211,084
Bank and postal deposits	6,242	19,130
Cash and cash equivalents on hand	96	80
Total cash and cash equivalents	**219,566**	**230,294**

The reduction in bank deposits in the first half of 2012 is principally due to the effect of net investments in listed shares for approx. Euro 5.9 million, the distribution of dividends for Euro 3.7 million and cash needs generated from operating activity.

LIABILITIES AND SHAREHOLDERS' EQUITY

15. Net 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 26th 2012, as well as the valuation at fair value of the holdings in Unicredit 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.

Treasury shares

At June 30th 2012 Caltagirone Editore Spa had 161,763 treasury shares in portfolio, comprising 0.1294% of the share capital, for a value of Euro 194,802. In the period of the purchase plan approved by the Board of Directors, 29,638 treasury shares were purchased for a value of Euro 24,809 (June 21, 2012 – June 30, 2012).

Dividends

The dividend issued in the period was Euro 0.03 per share. This dividend was approved by the Shareholders' Meeting of April 26th 2012.

Other reserves

Other Reserves includes the Share Premium Reserve of Euro 482.6 million and the Legal Reserve of the Parent Company of Euro 25 million, created in accordance with article 2430 of the Civil Code.

The consolidation reserve, consisting of the higher value of the Group's share of net equity compared to the cost of some equity investments and retained earnings are also included in this account for a total amount of Euro 103.1 million.

The other reserves principally include:

- the fair value reserve, negative for Euro 25.8 million, which includes the net change for the period - a decrease of Euro 4.3 million - to adjust the market value of the investments in other companies available-for-sale;

- the reserves relating to the first application of the IAS accounting standards for Euro 16.9 million relate to the reversal of non-recognisable assets.

16. Personnel

Employee benefit plans

The movements in the employee benefit provision were as follows:

	30.06.2012	31.12.2011
Net liability at beginning of period	32,627	40,138
Current cost for the period	212	243
Interest charge (income), net	669	1,359
Actuarial profits (losses)	-	(5,168)
(Services paid)	(2,194)	(3,945)
Net liabilities at the end of the period	**31,314**	**32,627**

The employee benefit plans includes the Senior Management Indemnity Provision as this provision has similar characteristics to the employee leaving indemnity provision as set out in the civil code.

Cost and personnel numbers

	30.06.2012	30.06.2011
Wages and salaries	31,833	33,194
Social security expenses	11,026	11,237
Employee leaving indemnity	212	198
Employee leaving indemnity to Complementary Fund	2,322	2,130
Other expenses	5,516	1,551
Total personnel costs	**50,909**	**48,310**

For other personnel costs reference should be made to note 17.

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

	30.06.2012	31.12.2011	Average H1 2012	Average 2011
Executives	26	27	27	28
Managers & white collar	371	376	377	386
Journalists	491	509	491	505
Print workers	146	148	146	152
Total	**1,034**	**1,060**	**1,041**	**1,071**

17. Provisions for risks and charges

	Legal disputes	Agents' indemnity	Other risks	Total
Balance at January 1st 2011	11,097	446	1,755	**13,298**
Provisions	812		1,346	**2,158**
Utilisations	(1,111)	(76)	(1,421)	**(2,608)**
Balance at December 31st 2011	**10,798**	**370**	**1,680**	**12,848**
of which:				
Current portion	4,288		1,434	**5,722**
Non-current portion	6,510	370	246	**7,126**
Total	**10,798**	**370**	**1,680**	**12,848**
Balance at January 1st 2012	10,798	370	1,680	**12,848**
Provisions	165		4,134	**4,299**
Utilisations	(486)		(861)	**(1,347)**
Balance at June 30th 2012	**10,477**	**370**	**4,953**	**15,800**
of which:				
Current portion	4,103		4,769	**8,872**
Non-current portion	6,374	370	184	**6,928**
Total	**10,477**	**370**	**4,953**	**15,800**

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. Srl against liabilities deriving from damages requested for slander and from employees. The provision was estimated taking into consideration the nature of the business, based on experience in similar cases and of all the information available at the date of the preparation of the present half-year report, considering the difficulty in estimating charges and the timing 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, refers to the company Piemme SpA, advertising agency.

The provision for other risks principally includes charges concerning the restructuring plans of Il Messaggero SpA and Il Mattino SpA, included in other labour costs.

18. Financial liabilities

	30.06.2012	31.12.2011
Payables for assets in leasing	-	27
Bank payables	26,411	28,841
Non-current financial payables	**26,411**	**28,868**
Bank payables	16,925	14,682
Payables to related companies	5,576	2,394
Short-term portion of non-current loans	4,819	4,761
Payables for assets in leasing	125	195
Current financial payables	**27,445**	**22,032**

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 Intesa Sanpaolo SpA 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. In addition, a special privileged guarantee was given on the factory assets amounting to Euro 60 million, in addition to a bank surety of the Parent Company of Euro 37.9 million.

19. Other Liabilities

	30.06.2012	31.12.2011
Other non-current liabilities		
Other payables	114	114
Deferred income	3,493	3,547
Total	**3,607**	**3,661**
Other current liabilities		
Social security institution payables	5,775	8,143
Employee payables	10,764	8,656
VAT payables	1,394	547
Payables for withholding taxes	3,058	4,091
Other payables	9,014	9,284
Payables to related companies	8	12
Deferred income	177	235
Total	**30,190**	**30,968**

Other payables include Euro 4.9 million as the amount available to the Board of Directors in accordance with Article 25 of the by-laws which establishes the allocation to this account of 2% of net profit.

20. Trade payables

	30.06.2012	31.12.2011
Supplier payables	26,350	29,126
Payables to related companies	822	158
	27,172	**29,284**

Trade payables principally refer to operating subsidiaries in the publishing sector and relate to the purchase of raw materials, services and capital expenditures.

There are no payables due over 12 months.

INCOME STATEMENT

21. Revenues from sales and services

	30.06.2012	30.06.2011
Circulation revenues	36,468	37,517
Promotions revenues	470	677
Advertising	60,216	74,059
Total revenues from sales and services	**97,154**	**112,253**
of which related parties	564	2,181

Sales and advertising revenues of the principal newspaper titles were affected by the economic-financial crisis of recent years. The performances are commented upon in the Directors' Report, to which reference should be made.

22. Other operating revenues

	30.06.2012	30.06.2011
Operating grants	632	126
Recovery of expenses from third parties	1,065	1,042
Capital grant contributions	542	231
Prior year income	265	475
Other revenue	1,768	2,244
Total other operating revenues	**4,272**	**4,118**
of which related parties	50	53

23. Raw material costs

	30.06.2012	30.06.2011
Paper	11,051	11,299
Other publishing materials	1,957	1,930
Other	1	2
Change in inventory of raw materials and goods	965	314
Total raw materials costs	**13,974**	**13,545**

The increase in paper costs is related to the increase in the unitary prices in H1 2012. For further information, reference should be made to the Directors' Report.

24. Other operating costs

	30.06.2012	30.06.2011
Editorial services	8,147	8,488
Transport and delivery	6,678	8,253
Outside contractors	4,734	5,461
Advertising & promotions	1,059	1,974
Commissions and agent costs	4,770	4,637
Utilities and power	1,419	1,418
Maintenance and repair costs	1,979	1,987
Consulting	2,118	1,573
Purchase of advertising space third parties	160	26
Directors and statutory auditors fees	1,065	978
Insurance, postal and telephone	911	947
Other expenses	5,335	5,991
Total service costs	**38,375**	**41,733**
Rental	3,289	3,289
Hire	561	999
Total rent, lease and hire costs	**3,850**	**4,288**
Other operating charges	1,602	1,641
Other	130	38
Total other costs	**1,732**	**1,679**
Total other operating costs	**43,957**	**47,700**
of which related parties	3,376	2,741

25. Amortisation, depreciation, provisions & write-downs

	30.06.2012	30.06.2011
Amortisation of intangible assets	257	288
Depreciation of tangible assets	4,059	4,150
Provision for risks and charges	165	583
Doubtful debt provision	991	1,032
Total deprec., amortisation, provisions & write-downs	**5,472**	**6,053**

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

26. Net financial management result and valuation of investments at equity

	30.06.2012	30.06.2011
Valuation of investments at Equity		
Rofin 2008	(1)	(1)
Total valuation of investments at Equity	**(1)**	**(1)**
Financial income		
Dividends	1,240	3,202
Bank deposit interest	1,726	2,150
Revaluations of investments	-	153
Exchange gains	938	-
Other financial income	54	29
Total	**3,958**	**5,534**
of which related parties	1,928	5,497
Financial charges		
Loss on transfer of investments	4,569	9
Write-down of equity investments	97	33
Loan interest	393	382
Interest on bank current accounts	339	218
Interest on leaving indemnity	669	746
Banking commissions and charges	121	75
Exchange losses	133	-
Other financial expenses	41	65
Total	**6,362**	**1,528**
of which related parties	82	63
Financial result	**(2,404)**	**4,006**

The decrease in the interest income is due to reduced interest rates.

The dividends included in financial income relates to the shareholding in Assicurazioni Generali SpA for Euro 1.24 million.

The loss on the sale of investments concerns the sale on the market of listed shares, as commented upon previously.

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.

	30.06.2012	30.06.2011
Net Result	(11,563)	2,094
Number of ordinary shares outstanding (000)	125,000	125,000
Basic earnings per share	**-0.093**	**0.017**

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The diluted earnings (loss) per share are identical to the basic result per share as Caltagirone Editore SpA has only issued ordinary shares.

In 2012, dividends were distributed of Euro 0.03 per share, totalling Euro 3.75 million.

28. Other items of the Comprehensive Income Statement

The breakdown of the other comprehensive income statement items, gross of the relative tax effect, is detailed below:

	30.06.2012			30.06.2011		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Financial Instruments	(3,817)	(471)	(4,288)	(4,236)	382	(3,854)

29. 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 250 thousand:

	Trade receivables	Current financial assets	Cash and cash equivalents	Trade payables	Current financial liabilities	Other current liabilities
Pubblieditor Srl in liquidation	840					
Intermedia Srl	474					
Acea SpA						
Caltagirone SpA				605		
Rofin 2008 S.r.l.		1,536				
Unicredit SpA			779		5,572	
Banca Finnat Spa			5,463			
Other minor	347			217	4	8
Total	**1,661**	**1,536**	**6,242**	**822**	**5,576**	**8**
% on total in accounts	**2.65%**	**98.40%**	**2.84%**	**3.03%**	**20.32%**	**0.03%**

	Operating revenues	Operating costs	Financial income	Financial charges
Fabrica Immobiliare Sgr		610		
Intermedia Srl	267			
Ical SpA		1,255		

Ugi SpA		634		
Caltagirone SpA		500		
Assicurazioni Generali SpA			1,240	
Unicredit SpA			687	
Other minor	347	377	1	82
Total	**614**	**3,376**	**1,928**	**82**
% on total in accounts	**0.61%**	**3.10%**	**48.71%**	**1.29%**

The company Il Gazzettino SpA undertakes commercial transactions with the associated company Pubblieditor Srl in liquidation.

The account Current Financial assets principally includes the non-interest bearing shareholder loan provided by the Parent Company to the associated company Rofin 2008 Srl.

Cash and cash equivalents and financial liabilities concern the operations in place at June 30th 2012 with the credit institutions Unicredit SpA and Banca Finnat Euramerica SpA.

Operating revenues concern the advertising carried out with Group newspapers.

Operating costs also include 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 concerns dividends received from Assicurazioni Generali S.p.A and interest income on bank deposits at UniCredit S.p.A.

30. 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 and bases sector performance on turnover volumes and EBITDA from ordinary operations.

in thousands of Euro	***Publishing activities***	***Advertising revenues***	***Other assets***	***Consol. Adjustments***	***Consolidated pre-segment elimination***	***Segment eliminations***	***Consolidated***

					s		
30.06.2011							
Sector revenues – third parties	98,823	75,275	628		174,726	-	-
Inter-segment revenues	57,522	433	448	(48)	58,355		58,355
Segment revenues	**41,301**	**74,842**	**180**	**48**	**116,371**		**116,371**
Segment Ebitda	6,052	2,525	(1,761)		6,816		**6,816**
Depreciation, amortisation, provisions & write-downs	4,694	1,138	221		6,053		6,053
Ebit	**1,358**	**1,387**	**(1,982)**	**-**	**763**	**-**	**763**
Net financial income/(charges)							4,006
Net result of the share of associates							(1)
Profit before taxes							**4,768**
Income tax							(2,674)
Net profit							**2,094**

	Publishing activities	*Advertising revenues*	*Other assets*	*Consol. Adjustments*	*Consolidated pre-segment eliminations*	*Segment eliminations*	*Consolidated*
Segment assets	549,463	80,944	345,866	25,204	1,001,477		1,001,477
Segment liabilities	213,055	17,774	18,355	(2,152)	247,032		247,032
Equity investments valued at net equity	845		14		859		859
Investments in intangible and tangible fixed assets	1,024	57	61		1,142		1,142

in thousands of Euro	*Publishing activities*	*Advertising revenues*	*Other assets*	*Consol. Adjustments*	*Consolidated pre-segment eliminations*	*Segment eliminations*	*Consolidated*
30.06.2012							
Sector revenues – third parties	86,868	61,479	1,575		149,922	-	-
Inter-segment revenues	46,991	510	1070	(75)	48,496		48,496
Segment revenues	**39,877**	**60,969**	**505**	**75**	**101,426**		**101,426**
Segment Ebitda	(5,568)	(591)	(1,255)		(7,414)		**(7,414)**
Depreciation, amortisation, provisions & write-downs	4,163	1,087	222		5,472		5,472
Ebit	**(9,731)**	**(1,678)**	**(1,477)**	**-**	**(12,886)**	**-**	**(12,886)**
Net financial income/(charges)							(2,404)
Net result of the share of associates							(1)
Loss before taxes							**(15,291)**
Income tax							3,728
Net loss							**(11,563)**

	Publishing activities	*Advertising revenues*	*Other assets*	*Consol. Adjustments*	*Consolidated pre-segment eliminations*	*Segment eliminations*	*Consolidated*
Segment assets	542,246	70,413	293,887	25,563	932,109		932,109
Segment liabilities	204,127	19,770	8,952	(1,807)	231,042		231,042
Equity investments valued at net equity	845		12		857		857
Investments in intangible and tangible fixed assets	650	40	61		751		751

31. 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	30.06.2012	30.06.2011
A. Cash	96	354
B. Bank deposits	219,470	247,231
D. Liquidity (A)+(B)	**219,566**	**247,585**
E. Current financial receivables	**1,561**	**3,927**
F. Bank payables – current portion	22,502	26,334
G. Current portion of long-term loans	4,819	4,784
H. Current payables to other lenders	124	1,499
I. Current debt (F)+(G)+(H)	**27,445**	**32,617**
J. Net current cash position (I)-(E)-(D)	**(193,682)**	**(218,895)**
K. Non-current bank payables	26,411	31,171
L. Non-current payables to other lenders	-	125
M. Non-current financial debt (K)+(L)	**26,411**	**31,296**
N. Net Cash (J)+(M)	**(167,271)**	**(187,599)**

32. Hierarchy of Fair Value according to IFRS 7

In relation to financial instruments recorded at Fair Value, IFRS 7 requires that these values are classified based on a hierarchy of levels which reflects the sources of the input utilised in the determination of the Fair Value. Therefore the following hierarchy levels are established:

- Level 1: determination of fair value based on prices listed in active markets by class of asset or liability subject to valuation;

- Level 2: determination of Fair Value based on input other than the listed prices included at "Level 1" but which are directly observable (prices) and indirectly (derivatives from prices) on the market; instruments not characterised by sufficient level of liquidity or which do not express in a continuous manner a "binding" market listing are included in this category;

- Level 3: determination of the Fair Value based on valuation models whose input is not based on observable market data.

The following table shows the hierarchy level for the assets and liabilities which are valued at Fair Value:

(Euro '000) 06/30/12	Note	Level 1	Level 2	Level 3	Total
Assets valued at fair value AFS					
Equity investments valued at fair value AFS	5	81,622			**81,622**

In the first half of 2012 no transfers occurred between the various levels and no changes took place in level 3.

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Declaration on the Condensed Consolidated Half-Year Financial Statements as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

1. The undersigned Francesco Gaetano Caltagirone, as Chairman of the Board of Directors, and Roberto Di Muzio, executive responsible for the preparation of the corporate accounting documents of Caltagirone Editore S.p.A., affirm, and also in consideration of article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24th 1998:

   - the accuracy of the information on company operations and
   - the effective application,

   of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements for the first half-year of 2012.

2. The activity was undertaken evaluating the organisational structure and the execution, control and monitoring processes of the business activities necessary for the preparation of the condensed consolidated half-year financial statements.

   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the condensed consolidated half-year financial statements:

a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19th 2002;

b) corresponds to the underlying accounting documents and records;

c) provide a true and correct representation of the economic, balance sheet and financial situation of the issuer and of the companies included in the consolidation.

3.2 the Interim Directors' Report on operations includes an analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. The interim directors' report also includes a reliable analysis of the information on transactions with related parties.

Rome, July 26th 2012

The Chairman	**The Executive Responsible**
Mr. Francesco Gaetano Caltagirone	Mr. Roberto Di Muzio