

CALTAGIRONE EDITORE: Board of Directors approves 2008 results

- Revenues: euro 294 million (Euro 326.8 million in 2007)
- Ebitda: Euro 30.8 million (euro 53.6 million in 2007)
- Net profit euro -10.9 million (euro 61.2 million in 2007 after amortisation, depreciation and write-downs of euro 29.7 million)
- Dividend: Euro 0.05 per share (euro 0.20 in 2007)

Rome, March 24th, 2008 - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, today approved the annual accounts for the year ended December 31st, 2008.

Financial highlights (euro millions)

	2008	2007
Revenues	294	326.8
Ebitda	30.8	53.6
EBIT	1.2	39.6
Net profit	-10.9	61.2

2008 results have been impacted by a profound macroeconomic crisis which is causing uncertainty, consumer spending contraction and a decline in advertising budgets. Such trend has accelerated during the second half of the year.

Revenues declined from euro 326,8 million in 2007 to euro 294 million in 2008. Such reduction is due mainly to a decline in advertising revenue (euro 193,5 million vs. 210,6 million in 2007). It is worth noting, however, that 2007 revenues included euro 4,16 million contribution from B2Win, discontinued since July 2008.

Ebitda reached euro 30,8 million compared to euro 53,6 million in 2007; **Ebit** declined to euro 1,2 million (euro 39,6 million in 2007) due to a decline in Ebitda, depreciation and amortisation of euro 10,5 million and euro 13 million write offs. As a consequence, **Net Loss** reached euro 10,9 million compared to a Net Profit of euro 61,2 million in 2007. The financial result declined from euro 27,2 million to euro in 2007 to euro 7,6 million in 2008, although 2007 figure included some extraordinary capital gains on financial stakes.

Net Cash position reached euro 262,5 million from euro 311 million in 2007. Such decline is due to: dividend distribution, investments in listed companies and cash flow generated from ordinary and extraordinary operating activity.

At December 31st, 2008, the group employed **1,234 people** (1,256 at December 31st, 2007).

Significant events after 31.12.2008

The Caltagirone Editore group, in order to deal with market crisis, has undertaken some cost cutting programs and a company reorganisation in order to improve its efficiency.

At the "Il Gazzettino", a restructuring plan was arranged, involving a streamlining of the organisation and a revitalisation of the newspaper, with new graphics and a reduction of the format. For Il Mattino a similar plan is being explored.

The Board of Directors of Caltagirone Editore resolved to propose to the Shareholders' Meeting, called for April 27th, 2009, the distribution of a **dividend** of Euro 0.05 per share (Euro 0.20 in 2007). The dividend coupon is proposed for May 18th, 2009 with a payment date of May 21st, 2008. The Board of Directors has also decided to propose to the EGM a share buy back plan, the details of which will be set by the EGM, together with new the new Board of directors and the Board of Auditors.

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 press release corresponds to the underlying accounting documents, records and accounting entries.

The consolidated and parent company balance sheets and income statements are attached, providing greater information in relation to the financial position and performance of the Company and of the Group. The financial statements are currently being examined by the independent audit firm and by the Board of Statutory Auditors.

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CALTAGIRONE EDITORE GROUP

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

A S S E T S

		31/12/2008	31/12/2007
<i>Non-current assets</i>			
Intangible assets with definite life	1	3.401	3.685
Goodwill and other indefinite intangible assets	2	463.374	477.219
Property, plant and equipment	3	95.329	103.142
Equity investments at cost	4	2.486	3.127
Equity investments at equity	5	4.498	4.941
Investments and non-current securities	6	83.914	37.510
Non-current financial assets	7	27	27
Other non-current assets	8	991	1.209
Deferred tax assets	9	20.071	21.215
TOTAL NON-CURRENT ASSETS		674.091	652.075
<i>Current assets</i>			
Inventories	10	4.783	3.776
Trade receivables	11	87.130	98.759
Current financial assets	12	29.711	2.461
Tax receivables	9	1.627	1.107
Other current assets	13	3.126	2.176
Cash and cash equivalents	14	308.349	444.146
TOTAL CURRENT ASSETS		434.726	552.425
TOTAL ASSETS		1.108.817	1.204.500

CALTAGIRONE EDITORE GROUP

CONSOLIDATED BALANCE SHEET

thousand of Euro

LIABILITIES & EQUITY

	Note	31/12/2008	31/12/2007
Shareholders' Equity			
Share capital		125.000	125.000
Share capital issue costs		-18.865	(18.865)
Other reserves		726.931	695.922
Profit/(loss) for the year		-10.985	61.241
Group shareholders' equity		822.081	863.298
Minority interest shareholders' equity		2.599	2.842
TOTAL SHAREHOLDERS' EQUITY	15	824.680	866.140
Non-current liabilities			
Employee provisions	17	45.245	46.185
Other non-current provisions	18	8.407	8.871
Medium/long term debt	16	49.061	104.410
Other non-current liabilities	20	3.437	3.420
Deferred tax liabilities	9	66.240	63.985
NON-CURRENT LIABILITIES		172.390	226.871
Current liabilities			
Current provisions	18	4.516	3.683
Trade payables	19	40.032	38.709
Short-term debt	16	26.446	31.140
Other current liabilities	20	40.753	37.957
CURRENT LIABILITIES & PROVISIONS		111.747	111.489
TOTAL LIABILITIES AND EQUITY		1.108.817	1.204.500

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

INCOME STATEMENT

	Note	31/12/2008	31/12/2007
<i>Revenues</i>			
Revenues from sales and supply of services	21	286.899	317.404
Other operating revenues	22	7.139	9.483
TOTAL REVENUES		294.038	326.887
<i>Costs</i>			
Raw material costs	23	37.068	39.133
Labour costs	17	111.400	113.021
Other operating costs	24	114.673	121.067
TOTAL COSTS		263.141	273.221
EBITDA		30.897	53.666
Amortisation	25	10.539	10.359
Depreciation	25	3.333	1.301
Impairment losses	2-25	13.019	-
Other write-downs	25	2.839	2.328
EBIT		1.167	39.678
Share of expenses/(income) from equity investments		-8.122	3
Financial income		18.791	37.746
Financial charges		11.180	10.520
Financial result	26	7.611	27.226
PROFIT BEFORE TAX		656	66.907
Income taxes	9	11.739	4.812
PROFIT FROM CONTINUING OPERATIONS		-11.083	62.095
NET PROFIT FOR THE YEAR		-11.083	62.095
Group net profit		-10.985	61.241
Minority interest net profit		-98	854
Earnings per share	27	-0,088	0,490
Diluted earnings per share	27	-0,088	0,490

CALTAGIRONE EDITORE S.p.A.

BALANCE SHEET

(in Euro)

A S S E T S

	Notes	31/12/2008	31/12/2007
<i>Non-current assets</i>			
Intangible assets with definite life	1	8.165	10.886
Property, plant and equipment	2	9.803	65.322
Equity investments at cost	3		
<i>subsidiaries</i>		398.441.004	438.564.764
<i>associated companies</i>		6.536.000	6.536.000
Equity investments afs			
<i>equity investments other companies afs</i>		24.416.000	-
Deferred tax assets	4	3.361.844	5.045.236
TOTAL NON-CURRENT ASSETS		432.772.816	450.222.208
<i>Current assets</i>			
Trade receivables	5	46.792	89.420
<i>of which related parties</i>		46.792	85.455
Current financial assets	6	116.381.975	111.563.693
<i>of which related parties</i>		116.057.140	110.670.089
Tax receivables	4	298.702	242.730
Other current assets	7	727.520	1.294.416
<i>of which related parties</i>		713.352	1.230.426
Cash and cash equivalents	8	182.553.791	265.091.255
TOTAL CURRENT ASSETS		300.008.780	378.281.514
TOTAL ASSETS		732.781.596	828.503.722

CALTAGIRONE EDITORE S.p.A.

BALANCE SHEET

(in Euro)

LIABILITIES & EQUITY

	Notes	31/12/2008	31/12/2007
Shareholders' Equity			
Share capital		125.000.000	125.000.000
Share capital issue costs		(18.864.965)	(18.864.965)
Other reserves		622.467.286	573.055.372
Profit for the year		(13.340.037)	74.184.792
TOTAL SHAREHOLDERS' EQUITY	9	715.262.284	753.375.199
Non-current liabilities			
Employee provisions	11	29.128	32.663
Medium/long term debt	10	2.748.110	53.761.536
Deferred tax liabilities	4	653.517	3.607
NON-CURRENT LIABILITIES		3.430.755	53.797.806
Current provisions			
Other short term provisions for risks and charges		-	-
Current liabilities			
Trade payables	12	193.236	432.675
<i>of which related parties</i>		91.556	224.895
Short-term debt	10	6.144.356	13.344.194
<i>of which related parties</i>		3.413.000	12.113.000
Tax payables	4	518.263	2.132
Other current liabilities	13	7.232.702	7.551.716
<i>of which related parties</i>		1.715.813	2.862.897
CURRENT LIABILITIES & PROVISIONS		14.088.557	21.330.717
		17.519.312	75.128.523
TOTAL LIABILITIES AND EQUITY		732.781.596	828.503.722

CALTAGIRONE EDITORE S.p.A.

INCOME STATEMENT

(in Euro)

INCOME STATEMENT

	Note	2008	2007
Revenues			
Other operating revenues	14	14.067	128.998
<i>of which related parties</i>		10.606	73.068
TOTAL REVENUES		14.067	128.998
Costs			
Labour costs	11	533.652	482.618
Other operating costs	15	1.648.546	1.380.107
<i>of which related parties</i>		472.570	472.768
TOTAL COSTS		2.182.198	1.862.725
EBITDA		(2.168.131)	(1.733.727)
Depreciation, amortisation, provisions & write-downs	16	58.241	58.386
EBIT		(2.226.372)	(1.792.113)
Financial income		15.461.086	88.652.660
<i>of which related parties</i>		2.849.733	87.200.097
Financial charges		23.679.940	13.378.509
<i>of which related parties</i>		21.822.184	10.766.318
Impairment losses financial activities		3.000	
<i>of which related parties</i>		3.000	
Financial result	17	(8.221.854)	75.274.151
PROFIT BEFORE TAX		(10.448.226)	73.482.038
Income taxes		2.891.811	(702.754)
PROFIT FROM CONTINUING OPERATIONS		(13.340.037)	74.184.792
NET PROFIT FOR THE YEAR		(13.340.037)	74.184.792