

## **Caltagirone Editore: Board of Directors approves 2012 first half results**

- Revenues: Euro 101.4 million (Euro 116.4 million as of June 30<sup>th</sup> 2011)
- Ebitda: Negative for Euro 7.4 million (Positive for Euro 6.8 million as of June 30<sup>th</sup> 2011)
- Ebit: Negative for Euro 12.9 million (Positive for Euro 763 thousands as of June 30<sup>th</sup> 2011)
- Group net profit: Negative for Euro 11.4 million (Positive for Euro 2.3 million as of June 30<sup>th</sup> 2011)

**Rome, July 26<sup>th</sup> 2012** - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, today approved the results for the first half of 2012.

Caltagirone Editore Group ended 2012 first half with results still suffering from the persisting crisis following the economic downturn which has repercussions on the sector, as shown by the contraction of national advertising market and the reduction in newsstand sales.

**Revenues** decreased to Euro 101.4 million, down by 12.8% compared to the corresponding period of 2011, mainly due to declining advertising revenues. In particular, revenues from newspaper sales recorded a decrease of 2.8% compared to the corresponding period of 2011, however well above the average circulation trend. About the circulation revenues the Group, at the moment, has not raised its newspapers cover price like almost all of its competitors. Advertising revenues, strongly influenced by the persistent crisis, declined by 18.7% compared to 2011. On the contrary Internet advertising revenues are growing by 23.9% compared to first semester 2011. Despite the positive trend, markedly higher than the average Internet advertising market (+10.6%), the volumes in this sector are still not significant compared to total advertising revenue. It needs to be highlighted the excellent performance of the Group websites during the period: in particular Leggo.it recorded an increase of 54.9%, lmessaggero.it of 24.2% and lilmattino.it of 9.5% of daily users.

**Ebitda** was negative for Euro 7.4 million, decreasing compared to the corresponding period of 2011 (Euro 6.8 million) due to lower revenues only partly offset by costs reduction (-0.6%). Particularly raw material costs reported an 3.2% increase due to international paper price increase. Personnel cost increased by 5.4% due to one off charges related to the reorganization plans undertaken by some companies within the Group.

**Ebit**, net of amortization, depreciation and provisions, decline to negative Euro 12.9 million (Euro 763 thousand in the corresponding period of 2011).

**Net financial result** was negative for Euro 2.4 million (Euro 4 million in the corresponding period of 2011) including charge from disposal of quoted stakes.

**Group Net Loss** Euro 11.4 million (positive for Euro 2.3 million in the corresponding period of 2011).

**Net cash position** was positive Euro 167 million decreasing by around Euro 13.7 million compared to 31<sup>st</sup> December 2011.

**Shareholders equity** amounted to Euro 701 million (Euro 720.4 million as of 31<sup>st</sup> December 2011) down due to the loss recorded in the period, dividends distribution and the valuation at *fair value* of equity investments held by the Group.

### **2012 Outlook and events after the first half**

The publishing sector is affected by significant uncertainty against which the Group continues to undertake a strict cost control and reduction policy. In this scenario, given the promising digital field, The Group switched to a development strategy started with the launch, in June, of the new *ilmessaggero.it* online version characterized by a new graphics and particular attention to the news, insights and thematic headings. A new graphic in the print edition is expected after the summer. The Group is also proceeding with a multimedia version development and with a continuous improvement of the internet activities to capture new advertising flows and new readers.

*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 “Testo Unico della Finanza”, that the accounting information contained in the present press release corresponds to the underlying documents, records and accounting entries.*

*The balance sheet and income statement are attached, currently being examined by the independent audit firm and by the Board of Statutory Auditors.*

## Consolidated Balance Sheet

### Assets

(in Euro thousands)

30.06.2012 31.12.2011

#### Non-current assets

Intangible assets with definite life	1,822	1,918
Goodwill and other indefinite intangible assets	447,315	447,315
Property, plant and equipment	69,551	73,077
Equity investments valued at net equity	857	858
Equity investments and non-current securities	86,102	76,608
Non-current financial assets	38	37
Other non-current assets	758	616
Deferred tax assets	34,643	29,087
<b>TOTAL NON-CURRENT ASSETS</b>	<b>641,086</b>	<b>629,516</b>

#### Current assets

Inventories	2,701	3,665
Trade receivables	62,775	68,151
<i>of which related parties</i>	1,661	1,619
Equity investments and current securities	-	11,970
Current financial assets	1,561	1,548
<i>of which related parties</i>	1,536	1,536
Tax receivables	2,358	2,229
Other current assets	2,062	1,797
Cash and cash equivalents	219,566	230,294
<i>of which related parties</i>	6,242	19,130
<b>TOTAL CURRENT ASSETS</b>	<b>291,023</b>	<b>319,654</b>

#### TOTAL ASSETS

**932,109 949,170**

## Consolidated Balance Sheet

### Shareholders' Equity and Liabilities

(in Euro thousands)

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

## Consolidated Income Statement

(in Euro thousands)

	<b>30.06.2012</b>	<b>30.06.2011</b>
<b>Revenues</b>		
Revenues from sales and services	97,154	112,253
<i>of which related parties</i>	564	2,181
Other revenues	4,272	4,118
<i>of which related parties</i>	50	53
<b>TOTAL REVENUES</b>	<b>101,426</b>	<b>116,371</b>
<b>Costs</b>		
Raw material costs	13,974	13,545
Labour costs	50,909	48,310
<i>of which restructuring charges</i>	4,004	-
Other operating charges	43,957	47,700
<i>of which related parties</i>	3,376	2,741
<b>TOTAL COSTS</b>	<b>108,840</b>	<b>109,555</b>
<b>EBITDA</b>	<b>(7,414)</b>	<b>6,816</b>
Amortisation and Depreciation, Provisions and Write-downs	5,472	6,053
<b>EBIT</b>	<b>(12,886)</b>	<b>763</b>
<b>Net result of the share of associates</b>	<b>(1)</b>	<b>(1)</b>
Financial income	3,958	5,534
<i>of which related parties</i>	1,928	5,497
Financial charges	(6,362)	(1,528)
<i>of which related parties</i>	(82)	(63)
<b>Net financial income/(charges)</b>	<b>(2,404)</b>	<b>4,006</b>
<b>PROFIT/ (LOSS) BEFORE TAXES</b>	<b>(15,291)</b>	<b>4,768</b>
Income taxes for the year	3,728	(2,674)
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>(11,563)</b>	<b>2,094</b>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>(11,563)</b>	<b>2,094</b>
Group net profit/(loss)	(11,354)	2,324
Minority interest share	(209)	(230)
Earnings per share	(0,091)	0,017
Diluted earnings per share	(0,091)	0,017