

Caltagirone Editore: the Board of Directors approves 2013 results

- Revenues: Euro 181.5 million (Euro 195.5 million in 2012)
- Ebitda significantly improved to negative Euro 1.2 million (negative Euro 16.2 million in 2012)
- Group net loss of Euro 75.4 million after write-down of goodwill totalling Euro 66.4 million and depreciation and amortization of Euro 10.8 million (negative Euro 61 million in 2012 after write-down, depreciation and amortization of Euro 46.6 million)

Rome, March 11th 2014 – The Board of Directors of Caltagirone Editore, chaired by Cav. Lav. Francesco Gaetano Caltagirone, examined and approved the draft financial statements for the year ended December 31st, 2013.

Caltagirone Editore Group ended 2013 with results which continue to suffer from the negative domestic economic backdrop and its repercussions on the publishing sector. From the operational point of view, these results confirm the turnaround deriving from cost control and reduction policies and restructuring initiated in previous years.

Operating revenues reached Euro 181.5 million, a decrease of 7.1% compared with 2012 (Euro 195.5 million) mainly as a result of the contraction in advertising revenues, only partially offset by the increase in circulation revenues, which recorded a growth of 2.8% compared to 2012, thanks to the increase in cover price of Group newspapers since February 1st, 2013.

Group advertising revenues recorded a contraction of 13.3%, lower than the market overall which fell by 19.4% (Source: FCP Press Research Centre). Even smaller was the decline in advertising revenues only on paid newspapers equal to 12.1%.

Internet advertising revenues reported an increase of 35.9% compared to an industry average decline of 1.8% (Source: Nielsen). Internet advertising volumes, however, are still marginal in relation to the Group's overall advertising revenues.

The Group websites continued to report a good performance in terms of daily users: compared to 2012, there was an increase in monthly average unique users of 63.3%, which confirms the positive evolution of the media strategy of the Group.

Ebitda was a negative Euro 1.2 million, however an improvement compared to December 31st 2012 (loss of Euro 16.2 million), due to the reduction in operating costs. In particular, labor costs, net of non-recurring charges, declined by 10.3% as a result of the reorganization plans undertaken in previous years.

Ebit reported a loss of Euro 82.6 million (loss of Euro 62.7 million at December 31st 2012), mainly due to write-down of goodwill and newspaper titles for some companies of the Group totalling Euro 70.6 million, before the positive tax effect of Euro 4.2 million, depreciation and amortization of Euro 8.6 million and write-down of receivables of Euro 2 million.

Net financial result was Euro 4.6 million (negative Euro 3.4 million at December 31st 2012) and included dividends from quoted companies and the positive balance between financial income and expenses.

Group net loss was equal to Euro 75.4 million (loss of Euro 61 million at December 31st 2012).

The total comprehensive loss for the year, considering that the value of financial assets available for sale at the end of the year 2013 increased by Euro 31.6 million with an impact on the Shareholders' Equity, was negative by Euro 44.5 million.

Net cash position was Euro 137.4 million, down compared to the previous year (Euro 154.3 million) mainly due to the cash outflows from restructuring plans undertaken in previous years.

Consolidated Group Shareholders' Equity declined from Euro 670.7 million at December 31st 2012 to Euro 625.6 million at December 31st 2013. This reduction by Euro 45.1 million is due to the yearly loss net of the positive impact from mark to market evaluation of financial stakes.

At December 31st 2013 the Group employed 924 people (976 at December 31st 2012).

The Board of Directors has resolved to propose to the Shareholders' Meeting not to distribute any dividend.

The Ordinary and Extraordinary Shareholders' Meeting is convened at the company's registered office, on single call, for April 16th, 2014, to vote in extraordinary session to amend "Art. 9 of the Bylaws" and in ordinary session to approve the financial statements at December 31st 2013 and authorisation to carry out the purchase and disposal of treasury shares.

The Board of Directors confirmed that the directors Massimo Confortini and Giampietro Nattino are Independent Directors, according to the provisions contained in the Legislative Decree No. 58 of February 24, 1998 "Consolidation Act on financial intermediation".

Significant events after the year-end

There are no significant events occurred after the end of the financial year. The Group is undertaking its regular operating activity.

Outlook

The industry is still characterized by a high degree of uncertainty, mainly linked to the advertising market, which does not allow for any accurate short term forecast. In this context, the Group is continuing to implement a rigorous cost reduction and control policy.

Roberto Di Muzio, as the Executive responsible for preparing the Company's financial reports, declares in accordance with article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that the accounting information contained in this 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.

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CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET



ASSETS

(in thousands of Euro)

31.12.2013 **31.12.2012**

Non-current assets

Intangible assets with definite life	1,285	1,711
Goodwill and other indefinite intangible assets	342,735	413,315
Property, plant and equipment	58,813	66,009
Equity investments valued at net equity	777	845
Equity investments and non-current securities	139,704	108,975
Non-current financial assets	43	28
Other non-current assets	453	533
Deferred tax assets	43,461	41,224
TOTAL NON-CURRENT ASSETS	587,271	632,640

Current assets

Inventories	2,317	3,316
Trade receivables	59,483	60,348
<i>of which related parties</i>	1,971	1,474
Current financial assets	3	1,536
<i>of which related parties</i>	-	1,536
Tax receivables	4,121	3,081
Other current assets	1,279	2,292
<i>of which related parties</i>	4	-
Cash and cash equivalents	186,633	188,902
<i>of which related parties</i>	770	92,197
TOTAL CURRENT ASSETS	253,836	259,475
TOTAL ASSETS	841,107	892,115

**CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET**



SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of Euro)

	31.12.2013	31.12.2012
Shareholders' Equity		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	594,936	625,496
Profit/(loss) for the year	(75,432)	(60,978)
Group shareholders' equity	625,639	670,653
Minority interest shareholders' equity	68	(32)
TOTAL SHAREHOLDERS' EQUITY	625,707	670,621
LIABILITIES		
Non-current liabilities		
Employee provisions	29,410	31,678
Other non-current provisions	6,684	7,414
Non-current financial liabilities	18,652	23,749
Other non-current liabilities	2,799	3,734
Deferred tax liabilities	65,480	69,814
TOTAL NON-CURRENT LIABILITIES	123,025	136,389
Current liabilities		
Current provisions	5,862	14,633
Trade payables	24,576	27,049
<i>of which related parties</i>	1,230	651
Current financial liabilities	30,544	12,334
<i>of which related parties</i>	5,845	1,117
Other current liabilities	31,393	31,089
<i>of which related parties</i>	35	10
TOTAL CURRENT LIABILITIES	92,375	85,105
TOTAL LIABILITIES	215,400	221,494
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	841,107	892,115

**CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT**



<i>(in thousands of Euro)</i>	2013	2012
Revenues		
Revenues from sales and supply of services	174,703	187,699
<i>of which related parties</i>	2,109	1,115
Other operating revenues	6,812	7,739
<i>of which related parties</i>	92	97
TOTAL REVENUES	181,515	195,438
Costs		
Raw material costs	20,716	26,316
Personnel costs	82,896	98,185
<i>of which restructuring charges</i>	1,974	7,937
Other operating charges	79,060	87,099
<i>of which related parties</i>	7,080	6,423
TOTAL COSTS	182,672	211,600
EBITDA	(1,157)	(16,162)
Amortisation	8,564	8,857
Depreciation	235	1,635
Impairment losses	70,580	34,000
Other write-downs	2,043	2,020
EBIT	(82,579)	(62,674)
Net result of the share of associates	(99)	(3,247)
Financial income	6,917	6,483
<i>of which related parties</i>	2,555	3,223
Financial charges	(2,365)	(9,861)
<i>of which related parties</i>	(219)	(164)
Net financial result	4,552	(3,378)
PROFIT/(LOSS) BEFORE TAX	(78,126)	(69,299)
Income taxes for the period	2,592	7,977
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(75,534)	(61,322)
NET PROFIT/(LOSS) FOR THE YEAR	(75,534)	(61,322)
Group net loss	(75,432)	(60,978)
Minority interest share	(102)	(344)
Earnings per share (Euro per share)	(0.603)	(0.488)
Diluted earnings per share (Euro per share)	(0.603)	(0.488)

Consolidated Comprehensive Income Statement

(in Euro thousands)

	2013	2012
Net loss for the year	(75,534)	(61,322)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	(638)	(1,682)
Items which may be reclassified subsequently to profit/(loss) for the period		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	31,650	16,953
Total other items of the Comprehensive Income Statement	31,012	15,271
Total comprehensive loss for the year	(44,522)	(46,051)
Attributable to:		
Parent Company shareholders	(44,419)	(45,703)
Minority interest	(103)	(348)

Caltagirone Editore Group
Consolidated Cash Flow Statement



in Euro thousands

	31.12.2013	31.12.2012
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	188,902	230,294
Net loss for the year	(75,535)	(61,322)
Amortisation & Depreciation	8,564	8,857
(Revaluations) and write-downs	72,770	36,118
Net result of the share of associates	98	3,247
Net financial income/(charges)	(4,697)	(1,277)
(Gains)/losses on disposals	(3)	4,574
Income taxes	(2,592)	(7,977)
Changes in employee provisions	(4,173)	(4,728)
Changes in current and non-current provisions	(7,806)	5,952
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(13,374)	(16,556)
(Increase) Decrease in inventories	999	350
(Increase) Decrease in Trade receivables	(1,178)	5,784
Increase (Decrease) in Trade payables	(2,535)	(2,439)
Change in other current and non-current liabilities	433	(221)
Change in deferred and current income taxes	(308)	(1,464)
OPERATING CASH FLOW	(15,963)	(14,546)
Dividends received	1,770	1,240
Interest received	5,146	4,269
Interest paid	(1,085)	(1,534)
Income taxes paid	(3,849)	(3,347)
A) CASH FLOW FROM OPERATING ACTIVITIES	(13,981)	(13,918)
Investments in intangible fixed assets	(270)	(323)
Investments in tangible fixed assets	(634)	(1,276)
Non-current investments and securities	(6)	(22,040)
Sale of intangible and tangible assets	26	171
Sale of equity investments and non-current securities	-	5,141
(Inc.)/Dec in current investments and securities	-	10,657
Change in non-current fin. assets	(15)	9
Change in current fin. assets	-	20
B) CASH FLOW FROM INVESTING ACTIVITIES	(899)	(7,641)
Change in non-current fin. liabilities	(5,097)	(5,119)
Change in current fin. liabilities	18,100	(9,706)
Dividends Distributed	-	(3,746)
Other changes	(392)	(81)
C) CASH FLOW FROM FINANCING ACTIVITIES	12,611	(18,652)
D) Effect exc. diffs. on cash & cash equivalents	-	(1,181)
Change in net liquidity	(2,269)	(41,392)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	186,633	188,902

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

31.12.2013 **31.12.2012**

Non-current assets

Property, plant and equipment	6,748	9,076
Equity investments valued at cost:		
<i>subsidiary companies</i>	327,466,813	440,507,250
<i>associated companies</i>	-	-
<i>other companies</i>	3,044,983	3,044,983
Equity investments and non-current securities	57,291,250	46,029,000
Deferred tax assets	30,226,217	27,309,496
TOTAL NON-CURRENT ASSETS	418,036,011	516,899,805

Current assets

Trade receivables	868,037	288,076
<i>of which related parties</i>	868,037	288,076
Current financial assets	34,038,934	37,985,914
<i>of which related parties</i>	34,038,934	37,985,914
Tax receivables	1,915,379	871,191
Other current assets	2,787,661	3,553,310
<i>of which related parties</i>	2,768,446	3,052,711
Cash and cash equivalents	181,130,506	183,559,478
<i>of which related parties</i>	657,810	87,817,027
TOTAL CURRENT ASSETS	220,740,517	226,257,969

TOTAL ASSETS

638,776,528 **743,157,774**



SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro)

31.12.2013

31.12.2012

Shareholders' Equity

Share capital	125,000,000	125,000,000
Share capital issue costs	(18,864,965)	(18,864,965)
Other reserves	512,856,219	528,095,522
Profit/(loss) for the year	(53,523,894)	(26,713,206)
SHAREHOLDERS' EQUITY	565,467,360	607,517,351

LIABILITIES

Non-current liabilities

Employee provisions	79,549	71,293
Deferred tax liabilities	151,079	2,221
TOTAL NON-CURRENT LIABILITIES	230,628	73,514

Current liabilities

Current provisions	17,799	5,075,452
Trade payables	2,709,278	1,753,878
<i>of which related parties</i>	2,623,973	1,635,078
Current financial liabilities	37,909,340	100,173,794
<i>of which related parties</i>	37,909,267	100,173,794
Current income tax payables	97,293	25,467
Other current liabilities	32,344,830	28,538,318
<i>of which related parties</i>	25,706,191	23,199,170
TOTAL CURRENT LIABILITIES	73,078,540	135,566,909

TOTAL LIABILITIES

73,309,168

135,640,423

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

638,776,528

743,157,774

CALTAGIRONE EDITORE SPA
INCOME STATEMENT



<i>(in Euro)</i>	2013	2012
Other operating revenues	710,143	892,564
<i>of which related parties</i>	701,306	813,105
TOTAL REVENUES	710,143	892,564
Personnel costs	518,682	554,621
Other operating charges	2,420,161	2,471,414
<i>of which related parties</i>	1,433,357	1,415,972
TOTAL COSTS	2,938,843	3,026,035
EBITDA	(2,228,700)	(2,133,471)
Amortisation, depreciation and provisions	2,329	2,783
EBIT	(2,231,029)	(2,136,254)
Financial income	24,485,379	4,938,960
<i>of which related parties</i>	1,433,083	2,651,327
Financial charges	75,419,221	28,955,374
<i>of which related parties</i>	1,710,050	2,175,697
Net financial result	(50,933,842)	(24,016,414)
PROFIT/(LOSS) BEFORE TAX	(53,164,871)	(26,152,668)
Income taxes for the period	359,023	560,538
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(53,523,894)	(26,713,206)
NET PROFIT/(LOSS) FOR THE YEAR	(53,523,894)	(26,713,206)

Comprehensive Income Statement

<i>(in Euro)</i>	2013	2012
Net loss for the year	(53,523,894)	(26,713,206)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	3,317	(3,653)
Items which may be reclassified subsequently to profit/(loss) for the period		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	11,107,142	7,068,500
Total other items of the Comprehensive Income Statement	11,110,459	7,068,500
Total comprehensive loss for the year	(42,413,435)	(19,644,706)

Caltagirone Editore SpA
Cash Flow Statement



in euro

	31.12.2013	31.12.2012
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	183,559,478	119,577,489
Net loss for the year	(53,523,894)	(26,713,206)
Amortisation & Depreciation	2,328	2,783
(Revaluations) and write-downs	54,918,401	23,980,309
Net financial income/(charges)	(3,984,557)	(623,342)
<i>of which related parts</i>	946,967	(475,630)
(Gains)/losses on disposals	-	659,446
Income taxes	359,022	560,539
Changes in employee provisions	9,221	11,740
Changes in current and non-current provisions	17,799	-
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(2,201,680)	(2,121,731)
(Increase) Decrease in Trade receivables	(579,963)	409,304
Increase (Decrease) in Trade payables	127,887	(517,756)
Change in other current and non-current liabilities	4,505,792	10,858,539
Change in deferred and current income taxes	(3,999,838)	(11,795,183)
OPERATING CASH FLOW	(2,147,802)	(3,166,827)
Dividends received	670,000	670,000
<i>of which related parts</i>	670,000	670,000
Interests received	5,030,604	4,264,227
<i>of which related parts</i>	93,083	1,981,327
Interests paid	(886,182)	(182,828)
<i>of which related parts</i>	(882,539)	(71,107)
Income taxes paid	(75,595)	-
A) CASH FLOW FROM OPERATING ACTIVITIES	2,591,025	1,584,572
Investments in tangible fixed assets	-	(2,191)
Non-current investments and securities	(4,859,247)	(3,524,132)
Sale of intangible and tangible assets	-	-
Sale of equity investments and non-current securities	500	215,053
(Inc.)/Dec in current investments and securities	-	6,270,553
Change in current fin. assets	140,430	(30,582,960)
Other changes fin. assets	34,877	-
B) CASH FLOW FROM INVESTING ACTIVITIES	(4,683,440)	(27,623,677)
Change in non-current fin. liabilities	(700,000)	96,074,029
Dividends Distributed	-	(3,746,036)
Other changes	363,443	(270,389)
C) CASH FLOW FROM FINANCING ACTIVITIES	(336,557)	92,057,604
D) Effect exc. diffs. on cash & cash equivalents	-	(2,036,510)
Change in net liquidity	(2,428,972)	63,981,989
CASH AND CASH EQUIVALENTS AT END OF PERIOD	181,130,506	183,559,478