

Caltagirone Editore: the Board of Directors approves results as of 30th of September 2014

- Revenues reached Euro 122.6 million (Euro 131.9 million as of 30th of September 2013)
- EBITDA: Euro -3.1 million (Euro -1.9 million as of 30th September 2013)
- Group Pretax: Euro -6.4 million (Euro -5.4 million as of 30th September 2013)
- Growth of Digital activities continues. "Total Audience" (PC + Mobile) of Caltagirone Editore internet sites network to July 2014 reached 1.21 million unique daily users. Internet advertising +64% compared to 30 September 2013. over 10% of Group advertising revenues.

Rome, November 11th 2014 - The Board of Directors of Caltagirone Editore, chaired by Cav. Lav. Francesco Gaetano Caltagirone, approved 2014 nine months results.

Caltagirone Editore Group ended the first nine months of 2014 with results which still suffer from a difficult domestic economic backdrop and its repercussions on the publishing sector. Such impact is partially mitigated by the restructuring efforts implemented in previous years and by the good performance of digital activities.

Revenues declined by 7.1% to Euro 122.6 million, compared to the corresponding period of 2013. In particular, advertising and circulation revenues – both traditional and online copies - reached Euro 54.42 million, down by 6.5% compared to the corresponding period of 2013, which suffered from a 6.95% contraction of the overall market in the period January-August 2014. Subscriptions and digital copies now represent 8.2% of total Sales and in the month of August grew by 130%. Visits to Group Web sites reached in July 2014 an audience (Mobile + PC) of 1.21 million unique daily users thanks to the strong increase of all online newspapers. In particular, *corriereadriatico.it* grew unique daily users by 80.2%, *ilmattino.it* by 35.7%, *gazzettino.it* by 28.7%, *ilmessaggero.it* by 56.6% and *nuovoquotidianodipuglia.it* by 60.2%. The Group is today the third digital information provider in Italy.

Advertising revenue declined by 7.2%; the reduction in traditional newspapers (-11.7%) has been partially offset by the good performance of online sites (+64% compared to 30/9/2013 vis-a-vis a small sector increase of 0.1%.)

In September 2014, Internet advertising passed the 10% threshold of total advertising revenues. It is worth underlying that the Social Press "Leggo" in the

same period has grown by 2.7% over the first nine months of 2013, thanks to internet advertising.

Ebitda was Euro -3.1 million (-1.9 million in 2013). The reduction was partially mitigated by operating costs decline (-6.1%) and in particular labor cost net of structural charges, which declined by 5.4% due to restructuring efforts started in previous years. Raw materials costs declined by 9.1% due to lower input quantities.

Ebit was Euro -11.2 million (Euro -9.4 in the same period of 2013)

Net financial result reached Euro 4.6 million (4.1 million last year)

Group pre-tax result was – 6.4 million (Euro -5.4 million in the corresponding period of 2013).

Net cash position of Euro 133.1 million, declined by Euro 4.3 million due to operating cash needs, net of dividend received.

Shareholders' Equity reached Euro 619.8 million (from Euro 625.6 million as at December 31st 2013). The variation is due to loss for the period.

Highlights on Q3 2014 performance

Q3 **Revenues** reached Euro 39.2 million, down by 7.8% compared to Q3 2013 (Euro 42.5 million). **EBIT** was Euro -3.4 million (Euro -2.5 million in Q3 2013), **Group Pretax** was Euro -3 million (Euro –1.8 million in Q3 2013)

Other Information and subsequent events

In the month of September the Group has not exercised the option right on the capital injection and surcharge at Telefriuli S.p.A. and has therefore no remaining stake in that company. In the month of October the Group has sold Il Gazzettino S.p.A.'s stake in Telenuovo S.p.A..

Outlook

The general backdrop is characterized by continued uncertainty which the Group is tackling through a rigorous costs-control effort and a strategy of promoting its multimedia capabilities in order to increase advertising revenue and readership.

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.

Consolidated Profit and Loss attached

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CALTAGIRONE EDITORE GROUP
Consolidated Income Statement



<i>In Euro thousands</i>	Jan-Sept 2014	Jan-Sept 2013	Δ %	Q3 2014	Q3 2013	Δ %
Circulation revenues	54,180	57,956	(6.5%)	19,354	20,697	(6.5%)
Promotions revenues	330	267	23.6%	26	34	(23.5%)
Advertising revenues	63,782	68,728	(7.2%)	18,452	20,100	(8.2%)
Other operating revenues	4,281	4,934	(13.2%)	1,396	1,701	(17.9%)
TOTAL OPERATING REVENUES	122,573	131,885	(7.1%)	39,228	42,532	(7.8%)
Raw materials costs	(14,250)	(15,668)	(9.1%)	(4,810)	(5,295)	(9.2%)
Labour costs	(57,500)	(60,847)	(5.5%)	(17,050)	(17,746)	(3.9%)
Other operating costs	(53,944)	(57,331)	(5.9%)	(17,629)	(19,287)	(8.6%)
TOTAL OPERATING COSTS	(125,694)	(133,846)	(6.1%)	(39,489)	(42,328)	(6.7%)
EBITDA	(3,121)	(1,961)	(59.2%)	(261)	204	na
Amortisation,depreciation & provisions	(8,076)	(7,495)	7.8%	(3,164)	(2,663)	18.8%
EBIT	(11,197)	(9,456)	(18.4%)	(3,425)	(2,459)	(39.3%)
Net result of the share of associates	127	(115)	na	-	52	na
Net financial income/(charges)	4,598	4,100	12.1%	370	571	(35.2%)
Profit/(Loss) before taxes	(6,472)	(5,471)	(18.3%)	(3,055)	(1,836)	(66.4%)
Group Income (Loss)	(6,406)	(5,389)	(18.9%)	(3,015)	(1,813)	(66.3%)
Minority interest share	(66)	(82)	19.5%	(40)	(23)	(73.9%)