

Caltagirone Editore: the Board of Directors approves results as of 31st of March 2015

- Revenues: Euro 38.7 million (Euro 40.1 million as of March 31st 2014);
- Ebitda: Euro -1.2 million improving from Euro -2.4 million as of March 31st 2014;
- Group pretax result: Euro -3.9 million improving from Euro -4.7 million as of March 31st 2014;
- Slowdown of Advertising Revenue decline (-0.1% vs Q1 2014), driven by internet advertising (+11.1%).

Rome, May 7th 2015 – The Board of Directors of Caltagirone Editore, chaired by Cav. Lav. Francesco Gaetano Caltagirone, approved first quarter 2015 results that show a slight improvement in main Profit and Loss figures due to the slowdown of advertising slump on one hand and the positive impact of the cost control and cost reduction programs implemented in previous years on the other.

Revenues reached euro 38.7 million down by 3.5% compared to 2014 due to the decline in circulation revenue (-7%) and advertising revenue (-0.1%).

In particular, traditional newspapers circulation revenues decline by 7.8% due to the structural reduction in the industry.

Sales of subscriptions and multimedia copies of the Group's newspapers, although not yet significant and with a marginal impact on overall circulation revenues, show a positive trend (+12.2% in January – February 2015 compared to the same period 2014 according ADS data Digital Newspapers Sales jan-feb 2015/2014).

Caltagirone Editore web sites good performance continues as they reached around 1,1 million unique daily users (Pc e mobile) in February 2015, +30.2% compared to February 2014. In February 2015 compared to February 2014 Messaggero website recorded an +23.3% increase in unique daily users, Nuovo Quotidiano di Puglia website +141%, Leggo website +36.7%, Gazzettino website +6%, Corriere Adriatico website +112.7% and Mattino website +2.2%.

Advertising revenues declined by 0,1% in Q1 2015. The slowdown was due to a decline in traditional newspapers (-2,7%) partially offset by internet advertising growth (+11,1%) allowing the Group to outperform the industry, which declined by 7% on traditional newspapers and by 2.4% on internet sites.

EBITDA was -1.2 million euro, an improvement of 49.3% compared to Q1 2014 thanks to the reduction of operating costs (-6.1%), which helped offset top line reduction. In particular labor cost has recorded a 5.7% decline as a consequence of previous restructuring programs.

Ebit, net of amortization and devaluation of euro 2.4 million, was euro -3.6 million up by +31.3% compared to Q1 2014.

Pretax is negative by euro -3.9 million, up by 18.2% compared to Q1 2014.

Net Cash Position as of March 31st 2015 reached euro 121,4 million, down from December 31st due to operating cash absorption and non-recurring charges linked to reorganization plans undertaken in previous years.

Shareholders Equity increased to euro 597.1 million (euro 586.5 million as of December 31st 2014) thanks to fair value adjustments of financial stakes net of fiscal year loss.

Current year outlook

The publishing sector is characterized by strong uncertainty due to the persistent economic crisis that hits advertising revenues. After over six years of decline, April data do not show a real inversion in the advertising expenditure trend. The Group is continuing to implement strict cost control and cost reduction policies in order to optimize multimedia versions and improve Internet activities, with the objective of attracting new advertising investment 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.

Attachment: Q1 2015 Consolidated Income Statement

CALTAGIRONE EDITORE GROUP
Consolidated Income Statement



<i>In Euro thousands</i>	Q1 2015	Q1 2014	Δ %
Circulation revenues	16,427	17,667	-7.0%
Promotions revenues	13	75	-82.7%
Advertising revenues	20,909	20,930	-0.1%
Other operating revenues	1,344	1,419	-5.3%
TOTAL OPERATING REVENUES	38,693	40,091	-3.5%
Raw materials costs	-4,021	-4,646	-13.5%
Labour costs	-18,908	-20,052	-5.7%
Other operating costs	-16,998	-17,825	-4.6%
TOTAL OPERATING COSTS	-39,927	-42,523	-6.1%
EBITDA	-1,234	-2,432	49.3%
Amortisation, depreciation & provisions	-2,381	-2,828	-15.8%
EBIT	-3,615	-5,260	31.3%
Net result of the share of associates	-	127	na
Net financial income/(charges)	-247	411	na
Profit/(Loss) before taxes	-3,862	-4,722	18.2%
Group Net Income (Loss)	-3,862	-4,690	18.2%
Minority interest share	-	-32	na