

**Caltagirone Editore:
the Board of Directors approves 2017 results**

- Revenues: Euro 144.8 million (Euro 152.3 million in 2016)
- Ebitda reached Euro 122 thousand (Euro -1.9 million in 2016) as a result of non structural personnel charges. Without such charges the Ebitda would be Euro 3.4 million (Euro 2.6 million in 2016)
- Group net loss of Euro 29.6 million after Euro 35.1 million goodwill write-down (negative Euro 62.4 million in 2016 after Euro 45.4 million write-down)
- In 2016 Group's digital activities continued to grow: +26.5% sales of digital copies and subscriptions; Internet advertising revenue reached 13.7% of total advertising revenue

Rome, March 12th 2018 – The Board of Directors of Caltagirone Editore, chaired by Mr. Francesco Gianni, examined and approved the draft financial statements for the year ended December 31st, 2017.

Group Performance

Caltagirone Editore Group ended 2017 with results substantially in line with the general trend on the publishing sector, whose negative trend has been already noticed in the previous years.

Operating revenues reached Euro 144.8 million, down by 5% compared to 2016 (Euro 152.3 million).

Circulation revenues reached Euro 56.2 million and decreased by 5.3% compared to 2016. In particular, revenues from the sale of paper copies of the Group's newspapers decreased by 6.3% balanced by sales of subscriptions and multimedia copies of Group's press increased by 26.5% compared to 2016 that are 4.2% on total circulation revenues. Starting from June, the Group applied an increase in the sale price of the newspaper Il Messaggero to part of the diffusion area

The Group's advertising revenues were down by 6.2%. Advertising revenues on paper editions were down by 6.9%.

The impact of advertising sales on the internet on the overall advertising revenue has come now to 13.7%. The total Audience (PC or mobile) of the Group's web sites recorded 1.04 million unique average daily users, up 1.8% on 2016.

Ebitda reached Euro -122 thousand (Euro -1.9 million in 2016), includes non-recurring charges linked to the personnel reorganization plan in some subsidiaries. Excluding such non-recurring costs Ebitda would have reached Euro 3.4 million

(Euro 2.6 million to 2016). The personnel cost, excluding the non-recurring charges linked to the personnel reorganization, decreased by 6.8%.

Ebit recorded a loss of Euro 43.4 million (Euro -56.3 million as of December 2016) after the intangible impairment charge of Euro 35.1 million (Euro 45.4 million in 2016) amortizations of Euro 6.6 million (Euro 6.5 million of 2016) provisions of Euro 209 thousand (Euro 697 thousand of 2016) and depreciations for Euro 1.4 million (Euro 1.8 million of 2016).

Net financial result reached Euro 3.8 million (Euro -8.4 million at December 31st 2016) and includes dividends received on listed shares net of financial charges connected to operational needs.

Group net loss reached Euro 29.6 million (loss of Euro 62.4 million at December 31st 2016).

Net cash position reached Euro 128.5 million and decreased by Euro 5.9 million compared to 31st December 2016 (Euro 134.4 million), mainly as a result of financial needs connected to investments in technical assets and as result of business restructuring plans net of dividends on listed shares.

Consolidated Group Shareholders' Equity declined from Euro 472.3 million (31st December 2016) to Euro 448.8 million (31st December 2017). The reduction is due to the yearly loss and to the fair value of the financial stakes of the Company.

At December 31st 2017 the Group employed 668 people (746 at December 31st 2016).

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

The Board of Directors also resolved to convene the Extraordinary Shareholders' Meeting to amend the art. 2 of the By Law, in order to broaden the corporate purpose with the possibility of being able to take on and manage controlling and non-controlling shareholdings, as well as in the publishing, advertising, telecommunications and internet sectors, also in different sectors. The competence, discretion and responsibility for selecting the potentially profitable investment or disinvestment transactions remain assigned to the administrative body. The modification of the art. 2 of the By-Laws will determine, if approved, the emergence of the right of withdrawal by the Shareholders according to the provisions in force.

The Extraordinary and Ordinary Shareholders' Meeting is convened at the Company's registered office on first call, for April 23th, 2018 and on second call on

May the 8th 2018 to approve, in the extraordinary session the amendment of art. 2 of the By-Law, and to approve in the ordinary session, the financial statements at December 31st 2017, the appointment of the members of the Board of Directors and of the Board of Statutory Auditors and to approve the remuneration report in accordance with article 123 ter, paragraph 6 of D. Lgs. 58/98.

The Board of Directors has approved the Report on corporate governance pursuant to Art. 123-bis of Legislative Decree n. 58/1998 as well as the Remuneration Report pursuant to art. 123-ter of Legislative Decree n. 58/1998 and article 84-quater of the Issuers Regulation, which will be made available, together with the Annual Report 2017, in the time required by law at the registered office, on the Company website of www.caltagironeeditore.com in the Investors section, and on the storage mechanism authorized operated by Spafid Connect Spa at www.emarketstorage.com.

The Board of Directors confirmed that the Chief of Directors Francesco Gianni and the Directors Antonio Catricalà, Massimo Lapucci, Massimo Confortini, Giancarlo Cremonesi and Valeria Ninfadoro are Independent Directors, according to the provisions contained in the Legislative Decree n. 58 of 24th February, 1998 "Consolidation Act on financial intermediation".

Outlook

The negative trend in circulation and advertising revenues continues both at the market and at the company level and there are no signs of an inversion at the moment. This negative trend will probably continue in the current year.

Fabrizio Caprara, 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.

Enclosed the financial statements, 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 Euro thousands)

Non-current assets

	31.12.2017	31.12.2016
Intangible assets with definite life	457	614
Intangible assets with indefinite life	214,803	249,903
<i>Newspaper titles</i>	214,803	249,903
Property, plant and equipment	39,433	41,994
Equity investments valued at net equity	2	2
Equity investments and non-current securities	87,858	81,702
Other non-current assets	106	119
Deferred tax assets	49,014	47,364
TOTAL NON-CURRENT ASSETS	391,673	421,698

Current assets

Inventories	1,324	1,732
Trade receivables	50,779	51,556
<i>of which related parties</i>	705	699
Tax receivables	34	218
Other current assets	879	2,001
Cash and cash equivalents	136,498	151,030
<i>of which related parties</i>	718	351
TOTAL CURRENT ASSETS	189,514	206,537

TOTAL ASSETS

581,187	628,235
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SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro thousands)

	31.12.2017	31.12.2016
Shareholders' Equity		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	372,266	428,638
Profit/(loss) for the year	(29,633)	(62,439)
Group shareholders' equity	448,768	472,334
Minority interest shareholders' equity	-	-
TOTAL SHAREHOLDERS' EQUITY	448,768	472,334
LIABILITIES		
Non-current liabilities		
Employee provisions	17,353	21,393
Other non-current provisions	6,584	5,392
Non-current financial liabilities	-	3,066
Other non-current liabilities	1,583	1,558
Deferred tax liabilities	50,993	59,419
TOTAL NON-CURRENT LIABILITIES	76,513	90,828
Current liabilities		
Current provisions	4,002	6,926
Trade payables	21,472	22,106
<i>of which related parties</i>	1,076	395
Current financial liabilities	8,010	13,534
<i>of which related parties</i>	365	2,737
Other current liabilities	22,422	22,507
<i>of which related parties</i>	26	16
TOTAL CURRENT LIABILITIES	55,906	65,073
TOTAL LIABILITIES	132,419	155,901
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	581,187	628,235

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT



(in Euro thousands)

	2017	2016
Revenues		
Revenues from sales and supply of services	138,467	147,022
<i>of which related parties</i>	929	894
Other operating revenues	6,305	5,325
<i>of which related parties</i>	109	14
TOTAL REVENUES	144,772	152,347
Costs		
Raw material costs	(13,548)	(14,674)
Personnel costs	(64,395)	(69,788)
<i>of which restructuring charges</i>	(3,526)	(4,492)
Other operating charges	(66,951)	(69,806)
<i>of which related parties</i>	(5,423)	(4,972)
TOTAL COSTS	(144,894)	(154,268)
EBITDA	(122)	(1,921)
Amortisation	(6,612)	(6,478)
Depreciation	(209)	(697)
Intangible assets with indefinite life depreciation	(35,100)	(45,374)
Other write-downs	(1,371)	(1,835)
EBIT	(43,414)	(56,305)
Net result of the share of associates	-	-
Financial income	4,641	5,435
<i>of which related parties</i>	4,560	4,943
Financial charges	(867)	(13,795)
<i>of which related parties</i>	(38)	(281)
Net financial result	3,774	(8,360)
PROFIT/(LOSS) BEFORE TAX	(39,640)	(64,665)
Income taxes for the period	10,007	2,226
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(29,633)	(62,439)
NET PROFIT/(LOSS) FOR THE YEAR	(29,633)	(62,439)
Group net loss	(29,633)	(62,439)
Minority interest share	-	-
Earnings per share	(0.240)	(0.506)
Diluted earnings per share	(0.240)	(0.506)

CALTAGIRONE EDITORE GROUP
Consolidated Comprehensive Income Statement



(in Euro thousands)

	2017	2016
Net loss for the year	(29,633)	(62,439)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	95	222
Items which may be reclassified subsequently to profit/(loss) for the period		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	6,113	(25,161)
Total other items of the Comprehensive Income Statement	6,208	(24,939)
Total comprehensive loss for the year	(23,425)	(87,378)
Attributable to:		
Parent Company shareholders	(23,425)	(87,378)
Minority interest	-	-



<i>(in Euro thousands)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserves	Net profit/loss	Group net equity	Minority interest net equity	Total net equity
Balance at January 1st 2016	125,000	(18,865)	(1,844)	19,708	456,063	(20,131)	559,931		559,931
Previous year result carried forward					(20,131)	20,131	-		-
Acquisition of treasury shares			(219)				(219)		(219)
Total operations with shareholders	-	-	(219)	-	(20,131)	20,131	(219)	-	(219)
Change in fair value reserve				(25,161)			(25,161)		(25,161)
Change in employment termination reserve					222		222		222
Net Result						(62,439)	(62,439)		(62,439)
Comprehensive Profit/(Loss) for the year	-	-	-	(25,161)	222	(62,439)	(87,378)	-	(87,378)
Balance at December 31st 2016	125,000	(18,865)	(2,063)	(5,453)	436,154	(62,439)	472,334	-	472,334
Balance at January 1st 2017	125,000	(18,865)	(2,063)	(5,453)	436,154	(62,439)	472,334	-	472,334
Previous year result carried forward					(62,439)	62,439	-		-
Acquisition of treasury shares			(161)				(161)		(161)
Total operations with shareholders	-	-	(161)	-	(62,439)	62,439	(161)	-	(161)
Change in fair value reserve				6,113			6,113		6,113
Change in employment termination reserve					95		95		95
Net Result						(29,633)	(29,633)		(29,633)
Comprehensive Profit/(Loss) for the year	-	-	-	6,113	95	(29,633)	(23,425)	-	(23,425)
Other Changes					20		20		20
Balance at December 31st 2017	125,000	(18,865)	(2,224)	660	373,830	(29,633)	448,768	-	448,768

Caltagirone Editore Group
Consolidated Cash Flow Statement



(in Euro thousands)

	2017	2016
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	151,030	157,813
Net loss for the year	(29,633)	(62,439)
Amortisation & Depreciation	6,612	6,478
(Revaluations) and write-downs	36,471	47,209
Net financial income/(charges)	(3,774)	8,388
(Gains)/losses on disposals	-	(16)
Income taxes	(10,007)	(2,226)
Changes in employee provisions	(4,173)	(3,466)
Changes in current and non-current provisions	(1,731)	4,038
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(6,235)	(2,034)
(Increase) Decrease in inventories	408	582
(Increase) Decrease in Trade receivables	(594)	2,294
Increase (Decrease) in Trade payables	(634)	(2,471)
Change in other current and non-current liabilities	1,097	(3,415)
Change in deferred and current income taxes	108	1,175
OPERATING CASH FLOW	(5,850)	(3,869)
Dividends received	4,560	4,104
Interest received	55	411
Interest paid	(532)	(1,099)
Other incomes received/(expenses paid)	(43)	81
Income taxes paid	(74)	(1,636)
A) CASH FLOW FROM OPERATING ACTIVITIES	(1,884)	(2,008)
Investments in intangible fixed assets	(190)	(408)
Investments in tangible fixed assets	(3,916)	(2,566)
Sale of intangible and tangible assets	189	20
Sale of equity investments and non-current securities	-	16,622
B) CASH FLOW FROM INVESTING ACTIVITIES	(3,917)	13,668
Change in current fin. liabilities	(8,590)	(18,224)
Other changes	(141)	(219)
C) CASH FLOW FROM FINANCING ACTIVITIES	(8,731)	(18,443)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(14,532)	(6,783)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	136,498	151,030

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

Non-current assets

	31.12.2017	31.12.2016
Property, plant and equipment	650	1,765
Equity investments valued at cost:		
<i>subsidiary companies</i>	299,509,946	239,889,125
<i>associated companies</i>	3,000	3,000
<i>other companies</i>	10	10
Equity investments and non-current securities	50,920,000	47,302,001
Deferred tax assets	37,904,995	35,821,000
TOTAL NON-CURRENT ASSETS	388,338,601	323,016,901

Current assets

Trade receivables	1,126,507	636,431
<i>of which related parties</i>	1,122,948	622,200
Current financial assets	88,967,557	66,186,294
<i>of which related parties</i>	88,967,557	66,186,294
Tax receivables	169,009	116,888
Other current assets	3,913,071	2,778,360
<i>of which related parties</i>	3,770,254	2,776,096
Cash and cash equivalents	2,327,332	122,219,635
<i>of which related parties</i>	27,713	224,669
TOTAL CURRENT ASSETS	96,503,476	191,937,608
TOTAL ASSETS	484,842,077	514,954,509

INCOME STATEMENT

(in Euro)

	2017	2016
Other operating revenues	512,001	701,357
<i>of which related parties</i>	511,077	701,357
TOTAL REVENUES	512,001	701,357
Personnel costs	(254,841)	(227,997)
Other operating charges	(2,257,361)	(2,077,490)
<i>of which related parties</i>	(999,264)	(1,107,048)
TOTAL COSTS	(2,512,202)	(2,305,487)
EBITDA	(2,000,201)	(1,604,130)
Amortisation, depreciation and provisions	(1,115)	(1,357)
EBIT	(2,001,316)	(1,605,487)
Financial income	2,727,241	3,607,165
<i>of which related parties</i>	2,680,748	3,216,882
Financial charges	(38,110,354)	(26,850,514)
<i>of which related parties</i>	(5,944)	(59,056)
Net financial result	(35,383,113)	(23,243,349)
PROFIT/(LOSS) BEFORE TAX	(37,384,429)	(24,848,836)
Income taxes for the period	436,972	941,946
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(36,947,457)	(23,906,890)
NET PROFIT/(LOSS) FOR THE YEAR	(36,947,457)	(23,906,890)



Comprehensive Income Statement

(in Euro)

	31.12.2017	31.12.2016
Net profit/(loss) for the year	(36,947,457)	(23,906,890)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	2,430	(3,904)
Items which may be reclassified subsequently to profit/(loss)		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	3,574,584	(9,286,440)
Total other items of the Comprehensive Income Statement	3,577,014	(9,290,344)
Total comprehensive profit/(loss) for the year	(33,370,443)	(33,197,234)



<i>(in Euro)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserve	Net Profit/Loss	Net equity
Balance at January 1st 2016	125,000,000	(18,864,965)	(1,843,878)	10,119,350	408,839,375	(14,790,371)	508,459,511
Previous year result carried forward					(14,790,371)	14,790,371	-
Acquisition of treasury shares			(219,132)				(219,132)
Total operations with shareholders	125,000,000	(18,864,965)	(2,063,010)	10,119,350	394,049,004	-	508,240,379
Change in fair value reserve				(9,286,440)			(9,286,440)
Change in employment termination reserve					(3,904)		(3,904)
Net Result						(23,906,890)	(23,906,890)
Comprehensive Profit/(Loss) for the year	-	-	-	(9,286,440)	(3,904)	(23,906,890)	(33,197,234)
Other Changes					(5)		(5)
Balance at December 31st 2016	125,000,000	(18,864,965)	(2,063,010)	832,910	394,045,095	(23,906,890)	475,043,140
Balance at January 1st 2017	125,000,000	(18,864,965)	(2,063,010)	832,910	394,045,095	(23,906,890)	475,043,140
Previous year result carried forward					(23,906,890)	23,906,890	-
Acquisition of treasury shares			(161,165)		16,653		(144,512)
Total operations with shareholders	125,000,000	(18,864,965)	(2,224,175)	832,910	370,154,858	-	474,898,628
Change in fair value reserve				3,574,584			3,574,584
Change in employment termination reserve					2,430		2,430
Net Result						(36,947,457)	(36,947,457)
Comprehensive Profit/(Loss) for the year	-	-	-	3,574,584	2,430	(36,947,457)	(33,370,443)
Other Changes					(1)		(1)
Balance at December 31st 2017	125,000,000	(18,864,965)	(2,224,175)	4,407,494	370,157,287	(36,947,457)	441,528,184

Caltagirone Editore SpA
Cash Flow Statement



(in Euro)

	31.12.2017	31.12.2016
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	122,219,635	145,500,321
Net loss for the year	(36,947,457)	(23,906,890)
Amortisation & Depreciation	1,115	1,357
(Revaluations) and write-downs	38,061,866	23,834,266
Net financial income/(charges)	(2,678,753)	(590,917)
<i>of which related parties</i>	(2,679,571)	(3,157,826)
Income taxes	(436,972)	(941,946)
Changes in employee provisions	(24,388)	9,433
Changes in current and non-current provisions	(49,485)	(257,279)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(2,074,074)	(1,851,976)
(Increase) Decrease in Trade receivables	(489,328)	(234,275)
Increase (Decrease) in Trade payables	675,950	(1,604,898)
Change in other current and non-current liabilities	1,393,666	2,603,224
Change in deferred and current income taxes	(1,689,661)	(2,252,596)
OPERATING CASH FLOW	(2,183,447)	(3,340,521)
Dividends received	2,680,000	2,601,931
<i>of which related parties</i>	2,680,000	2,601,931
Interest received	46,493	390,283
<i>of which related parties</i>	748	-
Interest paid	(36,806)	(49,675)
<i>of which related parties</i>	(1,177)	(44,593)
A) CASH FLOW FROM OPERATING ACTIVITIES	506,240	(397,982)
Non-current investments and securities	(90,092,149)	(2,070,970)
Sale of equity investments and non-current securities	-	2,297,604
Change in current fin. assets	(30,161,882)	(18,894,049)
B) CASH FLOW FROM INVESTING ACTIVITIES	(120,254,031)	(18,667,415)
Change in current fin. liabilities	-	(3,996,157)
Other changes	(144,512)	(219,132)
C) CASH FLOW FROM FINANCING ACTIVITIES	(144,512)	(4,215,289)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(119,892,303)	(23,280,686)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,327,332	122,219,635