

Caltagirone Editore: the Board of Directors approves the results for first half of 2017

- Revenues: 71.3 million euro (76.1 million euro for first half of 2016)
- Ebitda: -1.5 million euro (-1.6 million euro for first half of 2016)
- Growth in Digital Activities of the Group: +17.8% sales of digital copies and subscriptions; Internet advertising revenue reached 14.1% of total advertising revenue

Rome, July 26th, 2017- The Board of Directors of Caltagirone Editore, chaired by Avv. Francesco Gianni, approved the results of the first half of 2017.

Caltagirone Editore Group closes the first half of 2017 with results that continue to be affected by the negative effects of the contraction in advertising revenue and diffusion revenues due to the economic downturn persisting now for years.

Revenues totaled Euro 71.3 million, down 6.2% compared to the same period of 2016.

In particular, total revenues from the sale of newspapers amounted to Euro 28.1 million, down 3.6% compared to the corresponding period of 2016, better than the market trend which, during the period January to May 2017, recorded a 10.5% drop in paper and digital diffusion (ADS data processing). Revenues from sales of paper editions of the Group's newspapers decreased by 4.4% during the period. Sales of digital copies and digital subscriptions continued to grow, although with a marginal impact on revenues, with an increase by +17.8% compared to the same period of the previous year. Starting from June, the Group applied an increase in the sale price of the newspaper *Il Messaggero* to part of the diffusion area.

Group advertising revenue declined by 7.8%. Advertising revenues on paper prints alone, including advertising on behalf of third parties, fell by 9.2% in line with the market trend; advertising revenue on the internet was stable, which, also taking into account collections made on behalf of third parties, increased by 0.1%. The incidence of the internet area on overall advertising revenue has now reached 14.1%. The total Audience (PC or mobile) of the Group's web sites recorded 1.06 million unique average daily users, up 8.2% on the first half of 2016.

EBITDA was negative for Euro 1.5 million (negative for Euro 1.6 million at 30 June 2016). The decrease in operating costs, due to the effects of the actions undertaken in the Group reorganization process in functional areas, must be underlined. In particular, labor costs decreased by 5.2% compared to the first half of 2016, despite the presence of non-structural costs of Euro 1.6 million

related to the reorganization plans put in place by some of the Group's companies (Euro 570 thousand at 30 June 2016) . Without taking into account such extraordinary costs, labor costs decreased by about 8.2% as a result of the restructuring measures defined in previous years.

EBIT, after amortization and write-downs of Euro 3.7 million, recorded a negative balance of Euro 5.2 million (Euro -6 million in the first half of 2016).

Net income from financial operations was positive for Euro 4.1 million (Euro 4.4 million in the corresponding period 2016), mainly affected by dividends received on listed shares.

Pre-tax profit was negative for Euro 1.1 million (Euro -1.7 million at 30 June 2016).

Group net profit was positive for Euro 6 thousand (Euro -270 thousand in the corresponding period 2016).

The net financial position amounted to Euro 135.5 million, up by about 1.1 Euro million compared to 31 December 2016, mainly as a result of dividends on listed shares net of investments in technical assets and operational financial requirements.

Shareholders' equity was Euro 473.8 million (Euro 472.3 million at 31 December 2016). The increase is attributable to the positive effect achieved during the half-year in the fair value measurement of equity investments held by the Group.

Forecasts for the current year and subsequent events

The reorganization activities for the functional areas of the Group will continue during the year as well as the initiatives aimed at enhancing multimedia versions and improving the Internet activities of the newspapers.

In July, the information document on the Voluntary Takeover Bid on ordinary shares of Caltagirone Editore S.p.A. was published. Such an operation was promoted by Chiara Finanziaria S.r.l., a subsidiary indirectly owned by the referring shareholder.

The Takeover Bid is for maximum no. 33.876.862 ordinary shares of Caltagirone Editore S.p.A., equal to approximately 27,101% of the share capital. The bidder will recognize each participant a cash consideration for each participating action equal to Euro 1.00. Acceptance period commenced on July 24th, 2017 and will end, except for extensions, on September 8th, 2017.

The Board of Directors, on July 20th, 2017, considering the opinions drawn up by Independent Directors and by the independent expert appointed by the Board

itself, expressed its positive assessment about the fairness, from a financial point of view, of the Offer and, as a consequence, of the compensation, although the application of the method of sum of the parts is higher (with particular reference to the estimate based on a valuation of the editorial business carried out using the financial method) compared to the compensation offered.

The Executive responsible for the preparation of the corporate accounting documents, Fabrizio Caprara, 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

Attached the statutory balance sheets and income statement currently under review of the Board of Statutory Auditors and the Independent Auditors.