



INTERIM REPORT

March 31st 2009

Corporate Boards

Board of Directors ¹

Francesco Gaetano Caltagirone
Gaetano Caltagirone
Azzurra Caltagirone
Francesco Caltagirone
Massimo Confortini
Mario Delfini
Franco Luciano Lenti
Albino Majore
Giampietro Nattino

Board of Statutory Auditors

Chairman

Raul Bardelli

Standing Auditors

Carlo Schiavone
Federico Malorni

Executive Responsible

Roberto Di Muzio

Independent Auditors

KPMG SpA

¹ The Board of Directors was renewed for the three year period 2009-2011 with the shareholders' meeting resolution of April 27, 2009

The present interim report at March 31st 2009 was prepared in accordance with IAS/IFRS. The report is in compliance with article 154, paragraph 3 of Legislative Decree 58/1998, as supplemented.

Highlights

Caltagirone Editore Group recorded revenues of Euro 60.02 million in the first quarter of 2009, a decrease of 20.9% on Euro 75.84 million in the same period of the previous year.

The EBITDA fell from a profit of Euro 10.96 million in the first quarter of 2008 to a loss of Euro 1.98 million in the first quarter of 2009. The significant decrease in revenues and the Ebitda is principally due to the sharp reduction in advertising revenues which followed the financial and economic crisis that hit the domestic and international markets. A corresponding reduction in operating costs was not possible to offset the contraction in advertising revenues, given the particular structure of these costs in the publishing sector, and also in consideration of the nature and suddenness of the revenue drop.

The Ebit, after amortisation/depreciation and write-downs of Euro 3.5 million, decreased from a profit of Euro 7.73 million in the first quarter of 2008 to a loss of Euro 5.46 million in the first quarter of 2009.

The key financial results compared to the first three months of 2008 are shown below.

<i>In Euro thousands</i>	Q1 2009	Q1 2008	Cge %
Circulation revenues	20,836	21,663	-3.8%
Promotions revenues	1,411	1,707	-17.3%
Advertising revenues	36,040	50,440	-28.6%
Other operating revenues	1,732	2,030	-14.7%
Total operating revenues	60,019	75,840	-20.9%
Raw material costs	(8,367)	(9,194)	-9.0%
Labour costs	(26,742)	(28,046)	-4.7%
Other operating costs	(26,896)	(27,636)	-2.7%
Total operating costs	(62,005)	(64,876)	-4.4%
EBITDA	(1,986)	10,964	n.a.
Amortisation, depreciation & provisions	(3,472)	(3,230)	7.49%

EBIT	(5,458)	7,734	n.a.
Share of income/(charge) of companies valued at equity	(9,375)	(64)	n.a.
Financial result	705	1,530	-53.9%
Profit (loss) before taxes	(14,128)	9,200	n.a.
Group net profit (loss)	(13,911)	9,213	n.a.
Minority interest share	(217)	(13)	n.a.

The reduction in operating revenues, as already stated, is principally due to the decrease in advertising revenues (-28.6%) following a further contraction in the domestic and international economy in the first three months of 2009 causing a strong slowdown in consumption. Circulation and promotions revenues also decreased, by 3.8% and 17.3% respectively.

The cost of raw materials decreased by 9% principally due to the lower quantities utilised in the production process following the fall in advertising space sold.

Labour costs decreased on the same period of the previous year by approx. 4.7% - showing the first effects of the restructuring.

The result of the companies valued at equity recorded a total loss of Euro 9.37 million due to the effect of the losses recorded by the associated company Rofin 2008 Srl which in the quarter sold on the market shares held in portfolio at December 31st 2008, recording a loss of Euro 9.3 million attributable to the share of the Caltagirone Editore Group. However, it is necessary to take account of the fact that in the first and third quarters of each year, taxes are not recorded in the financial statements and that therefore in relation to the above-mentioned loss of the associated company Rofin 2008 Srl, when the taxes are recorded, the Caltagirone Editore Group will benefit from a positive effect of Euro 2.5 million on the results deriving from the equity valuation of the associated company.

Net financial income amounted to approx. Euro 705 thousand (Euro 1.53 million in the first quarter of 2008). In the comparison with the first quarter result of 2008, it is necessary to consider that this latter included a loss of Euro 1.8 million from the sale of listed shares;

however the first quarter of 2009 reports a decrease in income from liquidity held due to the reduction in market interest rates which affected the financial management result.

The Caltagirone Editore Group Shareholders' Equity amounted to Euro 781.39 million (Euro 822.1 million at December 31st 2008); the decrease is principally due to the loss in the quarter and the valuation at fair value of the shareholdings held by the Group.

The Net Cash Position at March 31st 2009 compared to December 31st 2008 is shown below:

Net Cash Position

<i>In Euro thousands</i>	31/03/09	31/12/08
Current financial assets	3,265	29,711
Cash and cash equivalents	306,804	308,349
Non-current financial liabilities	(48,713)	(49,061)
Current financial liabilities	(26,930)	(26,446)
Total	234,426	262,553

The net cash position decreased by approx. Euro 28 million due to the investments in listed shares for approx. Euro 19 million and the write-down of the financial receivable following the equity valuation of the associated company Rofin 2008 Srl.

OPERATIONAL PERFORMANCE

Circulation Revenues

<i>In Euro thousands</i>	Q1 2009	Q1 2008	Cge %
Newspaper sales	20,836	21,663	-3.8%
Promotions revenues	1,411	1,707	-17.3%
Total	22,247	23,370	-4.8%

In Italy, as in the other principal western economies, the newspaper market is affected by the general decrease in consumption following the severe international economic crisis.

Circulation revenues in the first quarter of 2009 amounted to Euro 20.84 million, a decrease of 3.8%. The reduction is in line with the national newspaper market.

The revenues from products sold together with the Group's newspapers decreased by 17.3% due to the sharp drop in consumption and the progressive saturation of this market.

Advertising Revenues

<i>In Euro thousands</i>	Q1 2009	Q1 2008	Cge. %
Advertising			
• Il Messaggero	16,279	23,814	-31.6%
• Il Mattino	6,109	8,577	-28.8%
• Il Gazzettino	5,448	7,320	-25.6%
• Leggo	4,949	6,731	-26.5%
• Quotidiano di Puglia	1,413	1,781	-20.7%
• Corriere Adriatico	1,179	1,541	-23.5%
Total newspapers	35,377	49,764	-28.9%
• Others	663	676	-1.9%
Total	36,040	50,440	-28.6%

In the first three months of 2009, the advertising revenues from Group newspapers decreased by 28.6% - from Euro 50.4 million in the first quarter of 2008 to Euro 36.0 million in the same period of 2009. This significant reduction is due to the widespread and generalised drop in advertising investments. The data published by Nielsen Media Research shows that the entire advertising market reduced by 19.5% in the first half of 2009 on 2008, with newspaper advertising particularly affected, decreasing by 26.4%.

Other revenues principally derive from advertising on the Telefriuli television network and on specialised Internet sites and Group newspapers and decreased in line with the market.

Other activities

<i>In Euro thousands</i>	Q1 2009	Q1 2008	Cge. %
Other revenues	1,732	2,030	-14.7%

Other revenues derive from the recharging of costs, prior year income and other minor income.

Outlook for the following quarters

The performance in the first three months and the data for the month of April confirms the significant drop in advertising investments and there are currently no signs of recovery within a greatly uncertain marketplace.

To counter this situation in the advertising and publishing market, the Group has begun cost containment measures which, from the first quarter, partially offset the reduction in advertising.

Other reduction and cost rationalisation measures are being reviewed also in consideration of the very poor performance in the first months of 2009.

Rome, May 12th 2009

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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 Consolidated Finance Act, that the accounting information contained in the present report corresponds to the underlying accounting documents, records and accounting entries.