CALTAGIRONE EDITORE

INTERIM REPORT

March 31st 2012

Corporate Boards

Board of Directors

Chairman	Francesco Gaetano Caltagirone
Vice Chairmen	Azzurra Caltagirone Gaetano Caltagirone
Directors	Alessandro Caltagirone Francesco Caltagirone Massimo Confortini* Mario Delfini* Massimo Garzilli* Albino Majore * Giampietro Nattino *

Board of Statutory Auditors

Chairman	Antonio Staffa
Standing Auditors	Maria Assunta Coluccia Federico Malorni

Executive Responsible	Roberto Di Muzio
Independent Audit Firm	PricewaterhouseCoopers SpA

** Members of the Internal Control Committee*

2012 FIRST QUARTER REPORT

The present interim report at March 31st 2012 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

The key financial results compared to the first quarter of 2011 are shown below:

In Euro thousands	Q1 2012	Q1 2011	Change %
Circulation revenues	18,312	18,846	-2.8%
Promotions revenues	189	137	38.0%
Advertising revenues	30,763	33,802	-9.0%
Other operating revenues	2,451	2,360	3.9%
Total operating revenues	**51,715**	**55,145**	**-6.2%**
Raw material costs	(7,053)	(6,315)	11.7%
Labour costs	(23,487)	(23,731)	-1.0%
Other operating costs	(21,621)	(23,224)	-6.9%
Total operating costs	**(52,161)**	**(53,270)**	**-2.1%**
EBITDA	**(446)**	**1,875**	**na**
Amortisation, depreciation, provisions & write-downs	(2,672)	(2,932)	-8.9%
EBIT	**(3,118)**	**(1,057)**	**na**
Share of income/(charge) of companies valued at equity	(1)	(1)	0.0%
Net financial income/(charges)	(978)	58	n.a.
Loss before taxes	**(4,097)**	**(1,000)**	**n.a**
Group net loss	(3,922)	(790)	n.a.
Minority interest share	(175)	(210)	-16.7%

In the first quarter of 2012, operating revenues reduced by 6.2% following the decrease in circulation revenues (-2.8%) and in advertising revenues (-9%).

Raw material costs rose by 11.7%, due principally to the increase in the price of paper utilised in the first quarter of 2012 compared to the same period of the previous year.

Labour costs decreased on the same period of the previous year by 1% - showing the effects of the restructuring begun in prior years.

Other operating costs decreased overall by 6.9% principally due to the reduction in copies distributed of the free newspaper Leggo.

The EBITDA reported a loss of Euro 446 thousand (profit of Euro 1.9 million in Q1 2011); the reduction is principally due to decreased revenues, particularly advertising revenues.

The EBIT, after amortisation/depreciation and write-downs of Euro 2.7 million, reported a loss of Euro 3.1 million in the first quarter of 2012 (loss of Euro 1 million in Q1 2011).

Net financial charges amounted to Euro 978 thousand (income of approx. Euro 58 thousand in Q1 2011), due principally to the losses realised on the sale on the market of listed shares for approx. Euro 1.3 million.

The Group pre-tax result was a loss of Euro 3.9 million (loss of Euro 790 thousand in Q1 2011).

Circulation revenues

Circulation revenues of Euro 18.3 million decreased by 2.8% in Q1 2012; the Group however - for the moment - has not applied the price rises implemented by almost all of its competitors.

The revenues from products sold together with Group newspapers did not record significant revenues (Euro 189 thousand) following the substantial discontinuation of these promotional activities.

In relation to the sale of subscriptions and multimedia versions, the data was not significant and the percentage of total Group circulation revenues was still negligible.

Advertising Revenues

In Q1 2012, the advertising revenues from Group newspapers decreased by 9% - from Euro 33.8 million in the first quarter of 2011 to Euro 30.8 million in Q1 2011. The newspaper advertising sector in the first quarter of 2012 reports a contraction in revenues of 8.5%[1] on the same period of 2011, following the decrease in advertising revenues from paid newspapers (-7.4%) and in the free press (-40.4%)[1]. As highlighted by the data concerning the advertising market, also revenues from the sale of space in Group newspapers was particularly impacted by the performance of the free newspapers (-39.4%); net of this effect the reduction of Group advertising revenues would have been 5.3%.

[1] FCP Press Research Institute – January – March 2012

The Group companies' internet advertising revenues grew 11.8% on the same period of the previous year. Sector internet advertising grew by 8.5%[2]. Although internet advertising revenues are growing, the volumes in this sector are still marginal in relation to Group overall advertising revenue.

The Caltagirone Editore Group Shareholders' Equity amounted to Euro 721.1 million (Euro 720.4 million at December 31st 2011); the increase is principally due to the valuation at fair value of the shareholdings held by the Group, net of the loss for the period.

The Net Cash Position at March 31st 2012 compared to December 31st 2011 is shown below:

in Euro thousands	**31/03/2012**	**31/12/2011**
Current financial assets	1,537	1,548
Cash and cash equivalents	221,812	230,294
Non-current financial liabilities	(28,453)	(28,868)
Current financial liabilities	(26,238)	(22,032)
Net Cash Position	**168,658**	**180,942**

The net cash position decreased by approx. Euro 12.3 million - substantially due to net investments in listed shares in the quarter.

Outlook for the following quarters

The continued recessionary economic environment impacts advertising expenditure in the publishing sector. The Group, although continuing to closely monitor and reduce costs, is currently developing the multimedia versions of its newspaper titles and the internet activities in order to attract new sources of advertising and new readers.

[1] FCP Press Research Institute – January – March 2012
[2] FCP Internet Research Institute – January – March 2012

Rome, May 10th 2012

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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.