CALTAGIRONE EDITORE

HALF-YEAR REPORT

June 30th 2013

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Corporate Boards

Board of Directors

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

Board of Statutory Auditors

Chairman	Antonio Staffa
Standing Auditors	Federico Malorni Maria Assunta Coluccia

Executive Responsible	Roberto Di Muzio
Independent Audit Firm	PricewaterhouseCoopers Spa

** Members of the Internal Control Committee*

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CONTENTS

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DIRECTORS' REPORT

Introduction

The present Report refers to the Condensed Consolidated Financial Statements at June 30th 2013, prepared in accordance with Article 154 *ter*, paragraph 3, of Legislative Decree 58/1998 as supplemented and the Consob Issuers' Regulation.

The half-year report was prepared in accordance with International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union and was drawn up according to IAS 34 – Interim financial reporting, applying the same accounting principles adopted in the preparation of the Consolidated Financial Statements at December 31st 2012, with the exception of those described in the Notes in the paragraph "New accounting principles", to which reference is made.

Operational overview

The key financial results compared to the first half of 2012 are shown below.

In Euro thousands

INCOME STATEMENT	***H1 13***	***H1 12***	***Change %***
OPERATING REVENUES	**89,353**	**101,426**	**-11.9%**
CIRCULATION REVENUES	37,259	36,468	2.2%
PROMOTION REVENUES	233	470	-50.4%
ADVERTISING REVENUES	48,628	60,216	-19.2%
OTHER INCOME AND REVENUES	3,233	4,272	-24.3%
COST OF PRODUCTION	**(91,518)**	**(108,840)**	**-15.9%**
RAW MATERIALS, SUPPLIES & CONSUMABLE STORES	(10,373)	(13,974)	-25.8%
LABOUR COSTS	(43,101)	(50,909)	-15.3%
OTHER OPERATING CHARGES	(38,044)	(43,957)	-13.5%
EBITDA	**(2,165)**	**(7,414)**	**70.8%**
AMORTISATION, DEPREC. & WRITE-DOWNS	(4,832)	(5,472)	-11.7%
EBIT	**(6,997)**	**(12,886)**	**45.7%**
SHARE OF COMPANIES VALUED AT EQUITY	**(167)**	**(1)**	**na**
FINANCIAL INCOME	4,521	3,958	14.2%
FINANCIAL CHARGES	(992)	(6,362)	-84.4%
FINANCIAL RESULT	**3,529**	**(2,404)**	**na**
LOSS BEFORE TAXES	**(3,635)**	**(15,291)**	**76.2%**
INCOME TAXES	(104)	3,728	na
NET LOSS FOR THE PERIOD	**(3,739)**	**(11,563)**	**67.7%**
MINORITY INTEREST PROFIT	*42*	*209*	*-80.4%*
GROUP NET LOSS	***(3,697)***	***(11,354)***	***67.4%***

In the first six months of 2013 Operating Revenues reduced 11.9%, principally due to the further contraction in advertising revenues (-19.2%), following the continued serious economic difficulties which resulted in significant cuts in advertising sector expenditure.

Raw material costs decreased by 25.8%, due principally to the lower quantity utilised in the production process following the reduction in consumption (approx. 24.7%) and the lower paper acquisition price (approx. 5.6%).

Labour costs, net of non-recurring charges of Euro 1.1 million (Euro 4.7 million in H1 2012) related to the reorganisation plans put in place by a number of Group companies, decreased by 9.1%; this result benefitted from corporate restructurings introduced in preceding years.

Other operating costs decreased overall by 13.5%, principally due to the reduction in copies distributed of the free newspaper Leggo and the action taken on overhead and general costs.

The Gross Operating Margin reported a loss of Euro 2.2 million (loss of Euro 7.4 million in H1 2012), improving due to the cost containment policy.

Amortisation, depreciation, write-downs and provisions includes amortisation and depreciation of Euro 4.3 million, doubtful debts of approx. Euro 416 thousand and provisions for risks related to disputes in the year of Euro 162 thousand.

The financial management result which reported a profit of Euro 3.5 million (loss of Euro 2.4 million in H1 2012) includes dividends received on listed shares of Euro 1.8 million and net financial income of Euro 1.7 million.

The Group net result reports a loss of Euro 3.7 million (loss of Euro 11.4 million in H1 2012).

The Group Net Financial Position at June 30th 2013 is as follows:

In Euro thousands

NET CASH POSITION*	***30/06/13***	***31/12/12***
CURRENT FINANCIAL ASSETS	44	1,536
CASH AND CASH EQUIVALENTS	188,309	188,902
NON-CURRENT FINANCIAL LIABILIITES	(21,204)	(23,749)
CURRENT FINANCIAL LIABILITIES	(25,213)	(12,334)
TOTAL	**141,936**	**154,355**

* The Net Cash Position in accordance with ESMA recommendation of February 10th 2005 is illustrated at paragraph 30 of the Notes to Condensed Consolidated Half-Year Financial Statements.

The net cash position decreased by approx. Euro 12.4 million, principally due to cash flow absorbed from operating activities.

The Group Consolidated shareholders' equity decreased from Euro 670.7 million at December 31st 2012 to Euro 665.1 million at June 30th 2013; the reduction is principally due to the loss in the period and the impact in the half-year of the fair value measurement of shares held by the Group.

The balance sheet ratios are provided below:

	H1 2013	31/12/2012	H1 2012
ROE[1] *(Net Result/Net Equity)*[2]	-0.56	-9.14	-1.65
ROI[1] *(EBIT/Total assets)*[2]	-0.79	-7.02	-1.38
ROS[1] *(EBIT/Operating Revenues)*[2]	-7.83	-32.1	-12.70
Equity Ratio *(Net Equity/Total assets)*[3]	0.75	0.75	0.75
Liquidity Ratio *(Current assets/Current liabilities)*[4]	2.88	3.05	3.11
Capital Invested Ratio *(Net equity/Non-current assets)*[5]	1.06	1.06	1.09

The income-based ratios (ROE, ROI and ROS), although negative, improved due to the prudent operating cost containment policy introduced by the Group and the strong financial management result.

The balance sheet ratios confirm Group financial and balance sheet equilibrium, with strong stability, a good capacity to meet short-term commitments through liquid funds and finally a good equilibrium between own funds and fixed assets.

Group operating performance

- *Publishing*

Circulation revenues of Euro 37.3 million increased by 2.2% on the same period of 2012 following the sales prices increase applied from February 1st 2013 on all Group newspapers, net of a general contraction in newspaper sales which has for some time affected the market and has been accelerated by the increase and review of subscription promotions with local newspapers (principally for "Il Messaggero"). In particular circulation revenues were affected by a number of strike days by the printing staff of "Il Messaggero".

[1] Percentage values
[2] For definitions of "Net Result", "EBIT" and "Operating Profit", reference should be made to the income statement reported in the paragraph "Operating overview".
[3] An optimal equity ratio is considered as between 0.5 and 1.
[4] The liquidity ratio is considered optimal when it is higher than 1.
[5] The capital invested ratio is considered good when it is higher than 1.

The revenues from products sold together with Group newspapers did not record significant revenues (Euro 233 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 - however increasing.

Finally, Group websites report a significant increase in average daily users, particularly for il Messaggero +22.2%[6], il Mattino +56.0%[6], Leggo +31.6%[6] and Il Gazzettino +22.2%[6].

- *Advertising*

In H1 2013, Group advertising revenues decreased by 19.2%.

The newspaper advertising sector in the first five months of 2013 reports a contraction in revenues of 23.2%[7] on the same period of 2012, following the decrease in advertising revenues from paid newspapers (-23%)[8] and from the free press (-32.7%)[9]. As highlighted by the data concerning the advertising market, also revenues from the sale of space in Group newspapers was impacted by the performance of the free newspapers (-44.8%); net of this effect the reduction of Group advertising revenues would have been 17.2%.

Advertising revenues from Group internet sites in the first half increased by 12.2% on the previous year. Sector internet advertising decreased 0.3%[10]. Although internet advertising revenues are in rapid growth, the volumes in this sector are still marginal in relation to Group overall advertising revenue.

Transactions with related parties

The transactions with "related" parties, as set out in IAS 24, including inter-company operations, are not atypical or unusual and form part of the ordinary business activities of the companies of the Group. These operations are regulated at market conditions and take account of the characteristics of the goods and services provided and in the interest of the Group.

[6] Shinystat Data June 2012 – June 2013
[7] FCP Newspaper Research Data – January – May 2013
[8] FCP Newspaper Research Data – January – May 2013
[9] FCP Newspaper Research Data – January – May 2013
[10] FCP Assointernet Research Data January - May 2013

The Parent Company in the period did not carry out significant transactions nor significant levels of ordinary transactions requiring communication to the Supervisory Authority under the Consob Regulation concerning transactions with related parties adopted with Resolution No. 17221 of March 12th 2010.

The information on transactions with related parties, including those required by Consob communication of July 28th 2006, are shown in the Notes to the Condensed Consolidated Half-Year Financial Statements.

Other information

During the period the Caltagirone Editore Group did not carry out any research and development activity.

The Parent Company is not subject to management and co-ordination pursuant to art. 2497 and subsequent of the Italian Civil Code.

At June 30th 2013, there were 935 employees (976 at December 31st 2012).

On June 3rd 2013 the merger by incorporation of the subsidiary Messaggero Partecipazioni Spa into Caltagirone Editore Spa took place; through this operation Caltagirone Editore now directly holds the entire investment in Piemme Spa Concessionaria di Pubblicità.

The merger falls within the reorganisation and restructuring programme introduced to improve operating efficiency and to restructure and improve the value of Group resources.

Risk Management

The activities of the Caltagirone Editore Group are subject to the following financial risks: market risks (raw materials prices and the movements in listed share prices), credit risk, exchange rate risk, interest rate risk and liquidity risk. The management of the financial risks of the Group is undertaken through organisational directives which govern the management of these risks and the control of all operations which have importance in the composition of the financial and/or commercial assets and liabilities.

In the first half of 2013, no market risks or uncertainties substantially differing from those evident in the 2012 annual accounts emerged and therefore the relative management strategy remains unchanged.

Principal uncertainties and going concern

Following on from that stated in the paragraph concerning management risks, the continuation of the general crisis does not however cause concern in relation to the going concern principle in that the Group relies on its own funds and no uncertainties exist that could compromise the capacity of the Group to carry out its operating activities.

Treasury shares

In execution of the Shareholders AGM resolution of April 17th 2013 which authorises the purchase and/or sale of treasury sales of the Company in accordance with Article 2357 of the Civil Code, the Board of Directors of Caltagirone Editore S.p.A implemented the treasury share buy-back program of Company shares on the MTA segment of Borsa Italiana.

At June 30th 2013 Caltagirone Editore Spa had 677,685 treasury shares in portfolio, comprising 0.54215% of the share capital for a value of Euro 641,440.

At the date of the present report treasury shares in portfolio numbered 693,277 – equal to 0.5546% of the share capital.

2013 full year outlook and events subsequent to June 30th 2013

The poor performance within the advertising sector persists and against which the Group continues to implement a close cost containment policy.

No significant events occurred after June 30th 2013.

Rome, July 24th 2013

For the Board of Directors

The Chairman

Mr. Francesco Gaetano Caltagirone

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CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2013

Consolidated Balance Sheet

Assets

(in Euro thousands)

	note	30.06.2013	31.12.2012
Non-current assets			
Intangible assets with definite life	1	1,596	1,711
Goodwill and other intangible assets with definite life	2	413,315	413,315
Property, plant and equipment	3	62,588	66,009
Equity investments valued at equity	4	722	845
Equity investments and non-current securities	5	106,260	108,975
Non-current financial assets	6	91	28
Other non-current assets	7	574	533
Deferred tax assets	8	43,612	41,224
TOTAL NON-CURRENT ASSETS		**628,758**	**632,640**
Current assets			
Inventories	9	2,854	3,316
Trade receivables	10	58,425	60,348
of which related parties		*2,080*	*1,474*
Current financial assets	11	44	1,536
of which related parties		-	*1,536*
Tax receivables	8	3,435	3,081
Other current assets	12	2,225	2,292
Cash and cash equivalents	13	188,309	188,902
of which related parties		*20,378*	*92,197*
TOTAL CURRENT ASSETS		**255,292**	**259,475**
TOTAL ASSETS		**884,050**	**892,115**

Shareholders’ Equity & Liabilities

(in Euro thousands)

	note	30.06.2013	31.12.2012
Shareholders’ equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Other provisions		562,645	625,496
Loss for the period		(3,697)	(60,978)
Group Shareholders' Equity		**665,083**	**670,653**
Minority interest shareholders' equity		128	(32)
TOTAL SHAREHOLDERS’ EQUITY	14	**665,211**	**670,621**
Liabilities			
Non-current liabilities			
Employee provisions	15	29,758	31,678
Other non-current provisions	16	6,755	7,414
Non-current financial payables	17	21,204	23,749
Other non-current liabilities	18	2,887	3,734
Deferred tax liabilities	8	69,697	69,814
TOTAL NON-CURRENT LIABILITIES		**130,301**	**136,389**
Current liabilities			
Current provisions	16	8,169	14,633
Trade payables	19	24,606	27,049
of which related parties		*1,419*	*651*
Current financial liabilities	17	25,213	12,334
of which related parties		*4,803*	*1,117*
Other current liabilities	18	30,550	31,089
of which related parties		*27*	*10*
TOTAL CURRENT LIABILITIES		**88,538**	**85,105**
TOTAL LIABILITIES		**218,839**	**221,494**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**884,050**	**892,115**

Consolidated Income Statement

(in Euro thousands)	note		H1 2013		H1 2012
Revenues					
Revenues from sales and services	20		86,120		97,154
of which related parties		*796*		*564*	
Other operating revenues	21		3,233		4,272
of which related parties		*46*		*50*	
TOTAL REVENUES			**89,353**		**101,426**
Costs					
Raw material costs	22		10,373		13,974
Labour costs	15		43,101		50,909
of which restructuring charges		*1,106*		*4,670*	
Other operating charges	23		38,044		43,957
of which related parties		*3,428*		*3,376*	
TOTAL COSTS			**91,518**		**108,840**
EBITDA			**(2,165)**		**(7,414)**
Amortisation, depreciation & write-downs	24		4,832		5,472
EBIT			**(6,997)**		**(12,886)**
Net result of the share of associates	4-25		**(167)**		**(1)**
Financial income			4,521		3,958
of which related parties		*2,526*		*1,928*	
Financial charges			(992)		(6,362)
of which related parties		(68)		(82)	
Net financial income/(charges)	25		**3,529**		**(2,404)**
LOSS BEFORE TAXES			**(3,635)**		**(15,291)**
Income taxes for the period	8		(104)		3,728
LOSS FROM CONTINUING OPERATIONS			**(3,739)**		**(11,563)**
NET LOSS FOR THE PERIOD			**(3,739)**		**(11,563)**
Group net loss			(3,697)		(11,354)
Minority interest share			(42)		(209)
Basic earnings per share	26		(0.030)		(0.091)
Diluted earnings per share	26		(0.030)		(0.091)

Consolidated Comprehensive Income Statement

(in Euro thousands)	Notes	H1 2013	H1 2012
Net loss for the period		**(3,739)**	**(11,563)**
Items which are not reclassified subsequently to profit/(loss) for the period		-	-
Items which may be reclassified subsequently to profit/(loss) for the period			
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	5	(1,470)	(4,288)
Total other items of the Comprehensive Income Statement		**(1,470)**	**(4,288)**
Comprehensive loss for the period		**(5,209)**	**(15,851)**
Attributable to:			
Parent Company shareholders		(5,167)	(15,642)
Minority interest		(42)	(209)

Statement of Changes in Consolidated Shareholders' Equity

(in Euro thousands)	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserves	Result for the period	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2012	**125,000**	**(18,865)**	**(170)**	**(21,507)**	**666,651**	**(30,737)**	**720,372**	**127**	**720,499**
Dividends distributed					(3,746)		**(3,746)**		**(3,746)**
Prior year result					(30,737)	30,737	**-**		**-**
Purchase of treasury shares			(24)				**(24)**		**(24)**
Total operations with shareholders	**125,000**	**(18,865)**	**(194)**	**(21,507)**	**632,168**	**-**	**716,602**	**127**	**716,729**
Change in fair value reserve				(4,288)			**(4,288)**		**(4,288)**
Net Profit (loss)						(11,354)	**(11,354)**	(209)	**(11,563)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(4,288)**	**-**	**(11,354)**	**(15,642)**	**(209)**	**(15,851)**
Other changes							**-**	**189**	**189**
Balance at June 30th 2012	**125,000**	**(18,865)**	**(194)**	**(25,795)**	**632,168**	**(11,354)**	**700,960**	**107**	**701,067**
Balance at January 1st 2013	**125,000**	**(18,865)**	**(440)**	**(4,554)**	**630,490**	**(60,978)**	**670,653**	**(32)**	**670,621**
Dividends distributed							**-**		**-**
Prior year result					(60,978)	60,978	**-**		**-**
Purchase of treasury shares			(201)				**(201)**		**(201)**
Change in consolidation scope					(202)		**(202)**	202	**-**
Total operations with shareholders	**-**	**-**	**(201)**	**-**	**(61,180)**	**60,978**	**(403)**	**202**	**(201)**
Change in fair value reserve				(1,470)			**(1,470)**		**(1,470)**
Net Profit (loss)						(3,697)	**(3,697)**	(42)	**(3,739)**
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,470)**	**-**	**(3,697)**	**(5,167)**	**(42)**	**(5,209)**
Balance at June 30th 2013	**125,000**	**(18,865)**	**(641)**	**(6,024)**	**569,310**	**(3,697)**	**665,083**	**128**	**665,211**

Consolidated Cash Flow Statement

in Euro thousands	NOTE	30.06.2013	30.06.2012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13	**188,902**	**230,294**
Net profit/(loss) for the period		(3,739)	(11,563)
Amortisation & Depreciation		4,254	4,317
(Revaluations) and write-downs		557	1,088
Net result of the share of associates		167	1
Net financial income/(charges)		(3,669)	2,305
(Gains)/losses on disposals		(5)	(9)
Income taxes		104	(3,728)
Changes in employee provisions		(2,240)	(1,982)
Changes in current and non-current provisions		(5,586)	2,952
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL		**(10,157)**	**(6,619)**
(Increase) Decrease in inventories		462	965
(Increase) Decrease in Trade receivables		1,507	4,397
Increase (Decrease) in Trade payables		(2,685)	(2,377)
Change in other current and non-current liabilities		(1,561)	(1,231)
Change in deferred and current income taxes		(954)	(383)
OPERATING CASH FLOW		**(13,388)**	**(5,248)**
Dividends received		1,770	1,240
Interest received		2,703	2,648
Interest paid		(453)	(707)
Other income (charges) received/paid		-	55
Income taxes paid		(899)	(1,324)
A) CASH FLOW FROM OPERATING ACTIVITIES		**(10,267)**	**(3,336)**
Investments in intangible fixed assets		(99)	(111)
Investments in tangible fixed assets		(395)	(385)
Non-current investments and securities		(6)	(21,805)
Sale of intangible and tangible assets		22	56
Sale of equity investments and non-current securities		-	5,141
(Inc.)/Dec in equity investments and current securities		-	10,649
Change in non-current financial assets		(63)	(2)
Change in current financial assets		(41)	15
B) CASH FLOW FROM INVESTING ACTIVITIES		**(582)**	**(6,442)**
Change in non-current financial liabilities		(2,545)	(2,457)
Change in current financial liabilities		12,801	5,088
Dividends Distributed		-	(3,746)
Other changes		-	165
C) CASH FLOW FROM FINANCING ACTIVITIES		**10,256**	**(950)**
D) Effect exc. diffs. on cash & cash equivalents		-	-
Change in net liquidity		**(593)**	**(10,728)**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13	**188,309**	**219,566**

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NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

June 30th 2013

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Introduction

Caltagirone Editore SpA (Parent Company) is a limited liability company, listed on the Milan Stock Exchange, operating in the publishing sector with its registered office in Rome (Italy), Via Barberini, No, 28,

At June 30th 2013, the shareholders with holdings above 2% of the share capital, as per the shareholders' register, the communications received in accordance with article 120 of Legislative Decree No. 58 of February 24th 1998, and other information available are:

- Francesco Gaetano Caltagirone: 75,955,300 shares (60.76%).
  This investment is held:
  Directly for 6,200,000 shares (4.96%)
  Indirectly through the Companies:
    - Parted 1982 SpA 44,454,550 shares (35.56%)
    - FGC finanziaria Srl 16,300,000 shares (13.04%)
    - Gamma Srl 9,000,750 shares (7.2%)
- Gaetano Caltagirone 3,000,000 shares (2.40%)
- Edizione Srl 2,799,000 shares (2.24%)

The recording of the 2012 dividend, paid in May 2013, resulted in the receipt of dividends on 3,727,591 shares, representing 2.982% of the share capital through the Credit Suisse Equity Fund.

Caltagirone Editore SpA is fully consolidated in the consolidated half-year financial statements of the Caltagirone Group.

At the date of the preparation of the present report, the ultimate holding company was FGG SpA, due to the shares held through subsidiary companies.

The consolidated condensed financial statements at June 30th 2013 include the condensed half-year financial statements of the Parent Company and its subsidiaries (together the "Group"). For the consolidation, the balance sheet and financial situations prepared by the Directors of the individual consolidated companies were used.

The present half-year report was authorised for publication by the Board of Directors on July 24th 2013.

Compliance with international accounting standards approved by the European Commission

The condensed consolidated half-year financial statements at June 30th 2013 were prepared in accordance with International Financial Reporting Standards (IFRS), International

Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC), approved by the European Commission (hereinafter "IFRS").

In particular, the Condensed Consolidated Group Half-Year Financial Statements 2013 were prepared according to the criteria set out by IAS 34 for the preparation of interim financial statements. These financial statements contain condensed information compared to the applicable accounting standards and must be read together with the consolidated annual accounts of the Group for the year ended December 31st 2012.

The financial statements conform with the Annual Accounts in application of the updated version of IAS 1 – Presentation of Financial Statements (revised in 2007).

The accounting principles adopted in the preparation of the present Condensed Consolidated Half-Year Financial Statements are the same as those utilised for the consolidated financial statements at December 31st 2012, with the exception of those described below in the notes – new accounting standards.

The 2012 consolidated financial statements are available on request from the registered offices of the company Caltagirone Editore S.p.A. via Barberini, 28 Rome or on the internet site www.caltagironeeditore.com.

Basis of presentation

The condensed consolidated half-year financial statements consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Comprehensive Consolidated Income Statement, the Statement of changes in Consolidated Shareholders' Equity, the Consolidated Cash Flow Statement and the present Notes to the financial statements.

The Balance Sheet is presented in a format which separates the current and non-current assets and liabilities, while the Consolidated Income Statement is classified on the basis of the nature of the costs and the Consolidated Cash Flow statement is presented utilising the indirect method.

The IFRS were applied in accordance with the "Framework for the preparation and presentation of financial statements" and no matters arose which required recourse to the exceptions permitted by IAS 1, paragraph 17.

It is recalled that CONSOB, resolution No, 15519 of July 27th 2006 requires that the above financial statements report, where the amounts are significant, additional sub-accounts to those already specifically required by IAS 1 and other international accounting standards in order to show the balances and transactions with related parties as well as the relative income statement accounts relating to non-recurring, unusual or atypical operations.

The Consolidated Financial Statements were presented in thousands of Euro, the functional currency of the Parent Company and all of the companies included in the present consolidated financial statements.

All amounts included in the notes are expressed in thousands of Euro, except where otherwise indicated.

The assets and liabilities are shown separately and without any offsetting.

Use of estimates

The preparation of the condensed consolidated half-year financial statements require the Directors to apply accounting principles and methods that, in some circumstances, are based on difficulties and subjective valuations and estimates based on the historical experience and assumptions which are from time to time considered reasonable and realistic based on the relative circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the financial situation and balance sheet, the income statement and the cash flow statement, and on the disclosures in the notes to the accounts. The final outcome of the accounts in the financial statements, which use the above-mentioned estimates and assumptions, may differ from those reported in the financial statements due to the uncertainty which characterises the assumptions and conditions upon which the estimates are based.

The estimates and assumptions are reviewed periodically and the effects of all variations recorded in the income statement, when they relate only to that year. When the revision relates to both current and future periods (for example the revision of the useful life of fixed assets), the changes are recorded in the period in which the revision is made and in the relative future periods.

Some valuation processes, in particular the determination of any reduction in fixed assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

Similarly, the actuarial valuations necessary for the determination of the employee benefit plans based on IAS 19 are normally calculated in the preparation of the annual accounts.

Income taxes are calculated on the basis of the best estimate of the expected tax rates at consolidated level for the entire year.

Consolidation scope

The consolidation scope includes the parent company and all of its subsidiaries, directly or indirectly held (hereinafter the “Group”).

All the companies in which the Group has the power to determine, directly or indirectly, the financial and operating policies of an entity, so as to obtain benefits from its activities are considered as subsidiary companies. In the evaluation of control, consideration is also taken of the potential voting rights that are effectively exercisable or convertible.
The list of subsidiaries included in the consolidation scope is as follows:

	Registered office	**30.06.2013**	**31.12.2012**	**Activities**
Caltagirone Editore SpA	Rome	Parent Compan y	Parent Compan y	finance
Il Messaggero SpA	Rome	100%	100%	publishing
Il Mattino SpA	Rome	100%	100%	publishing
Piemme SpA	Rome	100%	100%	advertising
Leggo SpA	Rome	100%	90%	publishing
Finced Srl	Rome	100%	100%	finance
Messaggero Partecipazioni SpA	Rome	-	100%	finance
Corriere Adriatico SpA	Ancona	100%	100%	publishing
Ced digital & servizi Srl	Rome	100%	100%	publishing
Quotidiano di Puglia SpA	Rome	100%	100%	publishing
Il Gazzettino SpA	Rome	100%	100%	publishing
Centro Stampa Veneto SpA *(1)*	Rome	100%	100%	publishing
Imprese Tipografiche Venete SpA *(1)*	Rome	100%	100%	publishing
P.I.M. Srl *(1)*	Rome	100%	100%	publishing
Telefriuli SpA *(1)*	Tavagnacco (UD)	87.50%	87.50%	television

(1) Held by Il Gazzettino SpA

With merger deed of June 3rd 2013, filed at the company registration office on June 4th 2013, the company Messaggero Partecipazioni SpA was merged into Caltagirone Editore SpA. The Condensed Consolidated Half-Year Financial Statements include the Income Statement of Messaggero Partecipazioni SpA for the period from January 1st 2013 to the above-stated merger date.

Associated companies

The consolidation scope includes the following associated companies:

	Registered office	**30.06.2013**	**31.12.2012**
Rofin 2008 Srl	Rome	30.00%	30.00%
Editrice Telenuovo SpA	Verona	40.00%	40.00%
Publieditor Srl in liquidazione	Verona	40.00%	40.00%

Associated companies (companies in which the Group exercises a significant influence but does not control - or jointly controlled entities - the financial and operating policies) are measured under the equity method. The profits and losses pertaining to the Group are recognised in the consolidated income statement at the date when the significant influence begins and until the date of termination.

Standards, amendments and new interpretations on Standards effective from 2013

The following table reports a list of the international accounting standards and interpretations approved by the IASB and for adoption in Europe and applied for the first time during the period.

Description	**Date approved**	**Publication in the Official Gazette**	**Effective date as per the standard**	**Date of efficacy for Caltagirone Editore**
Updating of international accounting standards – Cycle 2009-2011	27 Mar '13	28 Mar '13	Periods which begin from or subsequent to January 1st 2013	1 Jan '13
Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards – Government loans.	4 Mar '13	5 Mar '13	Periods which begin from or subsequent to January 1st 2013	1 jJn '13
IFRS 7 Financial Instruments: Additional disclosure - Offsetting of financial assets and liabilities	13 Dec '12	29 Dec '12	Periods which begin from or subsequent to January 1st 2013	1 Jan '13
Amendments to IFRS 1 - First-time adoption of International Financial Reporting Standards – severe hyperinflation and removal of fixed dates for new users	11 Dec '12	29 Dec '12	Periods which begin from or subsequent to January 1st 2013	1 Jan '13
Amendments to IAS 12 – Income taxes – deferred taxes: recovery of underlying assets	11 Dec '12	29 Dec '12	Periods which begin from or subsequent to January 1st 2013	1 jan '13
IFRS 13 Fair value measurement	11 Dec '12	29 dec '12	Periods which begin from or subsequent to January 1st 2013	1 jan '13
IFRIC 20 Stripping costs in the Production Phase of a Surface Mine	11 Dec '12	29 Dec '12	Periods which begin from or subsequent to January 1st 2013	1 jan '13
Amendments to IAS 1 – *Presentation of financial statements – Disclosure of other components in the comprehensive income statement*	5 June '12	6 June '12	Periods which begin from or subsequent to July 1st 2012	1 jan '13
Changes to IAS 19 Employee Benefits	5 June '12	6 June '12	Periods which begin from or subsequent to January 1st 2013	1 jan '13

The adoption of these standards and interpretations did not result in, and will not result in, future material impacts on the valuation of assets, liabilities, costs and revenues of the Group and their disclosure in the financial statements. In particular:

- the adoption of the amendment to IAS 1 – Presentation of Financial Statements, which requires the grouping of items presented in Other Comprehensive Income based on whether they are potentially reclassifiable to profit or loss subsequently, did not have an impact on the valuation of the financial statement items and had limited effects on the disclosure provided in the present Report.

Standards, amendments and new interpretations on Standards effective from the periods subsequent to 2013 and not adopted in advance by the Group

- IAS 28 – Investments in associates and joint ventures, within the review process of the current standard concerning joint ventures, adopted with Regulation (EU) 1254/2012 published on December 11th 2012.
- IFRS 10 - Consolidated Financial Statements, in relation to the consolidation of financial statements of subsidiaries as part of the review of IAS 27 and of SIC 12 – Consolidation – Special purpose entities, adopted with Regulation (EU) 1254/2012 published on December 11th 2012;
- IFRS 11 - Joint arrangements, as part of the review of IAS 31 – Interests in joint ventures, adopted with Regulation (EU) 1254/2012 published on December 11th 2012;
- IFRS 12 – Disclosure of interests in other entities, adopted with Regulation (EU) 1254/2012 published on December 11th 2012.

Any effects that the newly applied accounting standards, amendments and interpretations may have on the Group financial disclosure are currently being evaluated.

ASSETS

1. Intangible assets with definite life

Historical cost	**Research & devel.**	**Patents**	**Trademarks**	**Others**	**Total**
01.01.2012	762	1,522	4,543	6,495	**13,322**
Increases		11	52	429	**492**
Decreases					**-**
Reclassifications			368	(1,384)	**(1,016)**
31.12.2012	**762**	**1,533**	**4,963**	**5,540**	**12,798**
01.01.2013	762	1,533	4,963	5,540	**12,798**
Increases			2	231	233
Decreases			(3)		(3)
Reclassifications					-
30.06.2013	**762**	**1,533**	**4,962**	**5,771**	**13,028**

Amortisation and loss in value	**Research & devel.**	**Patents**	**Trademarks**	**Others**	**Total**
01.01.2012	762	1,441	3,147	6,054	**11,404**
Increases		51	350	298	**699**
Decreases					-
Reclassifications			345	(1,361)	**(1,016)**
31.12.2012	**762**	**1,492**	**3,842**	**4,991**	**11,087**
01.01.2013	762	1,492	3,842	4,991	**11,087**
Increases		14	173	162	349
Decreases			(4)		- 4
30.06.2013	**762**	**1,506**	**4,011**	**5,153**	**11,432**
Net value					
01.01.2012	**-**	**81**	**1,396**	**441**	**1,918**
31.12.2012	**-**	**41**	**1,121**	**549**	**1,711**
30.06.2013	**-**	**27**	**951**	**618**	**1,596**

The amortisation rates used are shown below:

Category	**Average rate**
Development Costs	20.0%
Industrial patents and intel. property rights	26.5%
Trademarks, concessions and licenses	10.0%
Others	28.0%

2. Goodwill and other indefinite intangible assets

The indefinite intangible assets, comprising of goodwill and newspaper titles, are not amortised, but annually subject to verifications to determine the existence of any loss in value.

The table below shows the movements in the indefinite intangible assets:

Historical cost	Goodwill	Newspaper titles	Total
01.01.2012	**189,596**	**286,794**	**476,390**
Increases			-
Decreases			-
31.12.2012	**189,596**	**286,794**	**476,390**
01.01.2013	**189,596**	**286,794**	**476,390**
Increases			-
Decreases			-
30.06.2013	**189,596**	**286,794**	**476,390**

Write-downs	Goodwill	Newspaper titles	Total
01.01.2012	**29,075**	**-**	**29,075**
Increases	20,400	13,600	**34,000**
Decreases			-
31.12.2012	**49,475**	**13,600**	**63,075**
01.01.2013	**49,475**	**13,600**	**63,075**
Increases			-
Decreases			-
30.06.2013	**49,475**	**13,600**	**63,075**

Net value			
01.01.2012	**160,521**	**286,794**	**447,315**
31.12.2012	**140,121**	**273,194**	**413,315**
30.06.2013	**140,121**	**273,194**	**413,315**

The goodwill is allocated to the following cash-generating units:

	01.01.2012	Increases	Decreases	Write-downs	31.12.2012
Il Gazzettino SpA	71,667			(20,400)	51,267
Il Messaggero SpA	51,613				51,613
Piemme SpA	27,521				27,521
Il Mattino SpA	9,720				9,720
Total	**160,521**				**140,121**

	01.01.2013	Increases	Decreases	Write-downs	30.06.2013
Il Gazzettino SpA	51,267				51,267
Il Messaggero SpA	51,613				51,613
Piemme SpA	27,521				27,521
Il Mattino SpA	9,720				9,720
Total	**140,121**	**-**	**-**	**-**	**140,121**

The breakdown of the balance relating to the newspaper titles is shown below:

	01.01.2012	Increases	Decreases	Write-downs	31.12.2012
Il Messaggero S.p.A	90,808				90,808
Il Mattino SpA	44,496				44,496
Quotidiano di Puglia SpA	26,131			(4,100)	22,031
Corriere Adriatico SpA	24,656			(9,500)	15,156

Il Gazzettino S.p.A.	100,700				100,700
Other minor newspaper titles	3				3
Total	**286,794**	**-**	**-**	**(13,600)**	**273,194**

	01.01.2013	Increases	Decreases	Write-downs	30.06.2013
Il Messaggero S.p.A	90,808				90,808
Il Mattino SpA	44,496				44,496
Quotidiano di Puglia SpA	22,031				22,031
Corriere Adriatico SpA	15,156				15,156
Il Gazzettino S.p.A.	100,700				100,700
Other minor newspaper titles	3				3
Total	**273,194**	**-**	**-**	**-**	**273,194**

In the absence of significant (trigger) events which indicate a loss in value of the Cash Generating Units to which the values of the newspaper titles are attributed and of the goodwill, the Group did not make an estimate of the recoverable value in the period. Therefore, the last estimate remains the estimate made for the consolidated financial statements at December 31st 2012, which will be updated in the financial statements at December 31st 2013.

3. Property, plant and equipment

Historical cost	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01.01.2012	8,606	51,525	99,212	1,041	21,452	62	**181,898**
Increases			313	100	694	281	**1,388**
Decreases			(188)		(366)	(114)	**(668)**
Reclassifications		17	213	(3)	10	(227)	**10**
31.12.2012	**8,606**	**51,542**	**99,550**	**1,138**	**21,790**	**2**	**182,628**
01.01.2013	8,606	51,542	99,550	1,138	21,790	2	**182,628**
Increases			200	7	292	5	504
Decreases					(57)		(57)
Reclassifications							0
30.06.2013	**8,606**	**51,542**	**99,750**	**1,145**	**22,025**	**7**	**183,075**

Depreciation and loss in value	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01.01.2012	-	17,819	70,847	1,011	19,144	-	**108,821**
Increases		1,643	5,652	25	838		**8,158**
Decreases			(103)		(267)		**(370)**
Reclassifications		17	1	(3)	(5)		**10**
31.12.2012	**-**	**19,479**	**76,397**	**1,033**	**19,710**	**-**	**116,619**
01.01.2013	-	19,479	76,397	1,033	19,710	-	**116,619**
Increases		801	2,700	17	387		3,905
Decreases					(37)		(37)
Reclassifications							0
30.06.2013	**-**	**20,280**	**79,097**	**1,050**	**20,060**	**-**	**120,487**
Net value							
01.01.2012	**8,606**	**33,706**	**28,365**	**30**	**2,308**	**62**	**73,077**
31.12.2012	**8,606**	**32,063**	**23,153**	**105**	**2,080**	**2**	**66,009**
30.06.2013	**8,606**	**31,262**	**20,653**	**95**	**1,965**	**7**	**62,588**

4. Equity investments valued at equity

	01.01.2012	Reclassifications	Increases (Decreases) to Income Statement	Reval (WD)	Other changes	31.12.2012
Editrice telenuovo SpA	845					**845**
Pubbliedditor Srl in liquidazione	-					**-**
Rofin 2008 S.r.l.	13			(13)		**-**
Total	**858**	**-**	**-**	**(13)**	**-**	**845**

	01.01.2013	Reclassifications	Increases (Decreases) to Income Statement	Reval (WD)	Other changes	30.06.2013
Editrice telenuovo SpA	845		(123)			**722**
Pubbliedditor Srl in liquidazione	-		(13)		13	**-**
Rofin 2008 S.r.l.	-		(30)		30	**-**
Total	**845**	**-**	**(166)**	**-**	**43**	**722**

The investments in the associated companies Rofin 2008 Srl and Pubbliedditor Srl in liquidation were entirely written-down and, to ensure the going concern of the companies, a provision covering the Group liabilities was set-up totaling Euro 31 thousand.

5. Equity investments and non-current and current securities

Equity investments and non-current securities	**01.01.2012**	**Increases (Decreases)**	**Write-downs**	**Fair value change**	**31.12.2012**
Investments in other companies valued at cost	4,502	310	(97)		4,715
Investments in other companies available-for-sale	72,106	13,333		18,821	104,260
Total	**76,608**	**13,643**	**(97)**	**18,821**	**108,975**

Equity investments and non-current securities	**01.01.2013**	**Increases (Decreases)**	**Write-downs**	**Fair value change**	**30.06.2013**
Investments in other companies valued at cost	4,715	6	(141)		4,580
Investments in other companies available-for-sale	104,260			(2,580)	101,680
Total	**108,975**	**6**	**(141)**	**(2,580)**	**106,260**

The breakdown of the account investments in other companies is as follows:

Equity investments in other companies	**Registered office**	**%**	**01.01.2012**	**Increases (Decreases)**	**Write-downs**	**31.12.2012**
Euroqube		14.82	549		(97)	452
Ansa		6.71	1,166			1,166
E-Care		14.99	2,745	300		3,045
Other minor			42	10		52
Total			**4,502**	**310**	**(97)**	**4,715**

Equity investments in other companies			**01.01.2013**	**Increases (Decreases)**	**Write-downs**	**30.06.2013**
Euroqube		14.82	452		(141)	311
Ansa		6.71	1,166			1,166
E-Care		14.99	3,045			3,045

Other minor	52	6		58
Total	**4,715**	**6**	**(141)**	**4,580**

The investments in other companies are valued at fair value or, where not available, at cost (adjusted for any impairments).

The breakdown of the account Investments in other companies AFS is as follows:

AFS Investments	**01.01.2012**	**Share capital increase**	**Increases (Decreases)**	**Fair value change**	**31.12.2012**
Assicurazioni Generali SpA	72,106		(8,397)	14,609	78,318
Unicredit SpA	-		21,730	4,212	25,942
Total	**72,106**	**-**	**13,333**	**18,821**	**104,260**

	01.01.2013	**Share capital increase**	**Increases (Decreases)**	**Fair value change**	**30.06.2013**
Assicurazioni Generali SpA	78,318			(1,824)	76,494
Unicredit SpA	25,942			(756)	25,186
Total	**104,260**	**-**	**-**	**(2,580)**	**101,680**

Number

	01.01.2012	**Share capital increase**	**Increases**	**Decreases**	**31.12.2012**
Assicurazioni Generali SpA	6,200,000			(500,000)	5,700,000
Unicredit SpA	-	6,500,000	500,000		7,000,000

	01.01.2013	**Share capital increase**	**Increases**	**Decreases**	**30.06.2013**
Assicurazioni Generali SpA	5,700,000				5,700,000
Unicredit SpA	7,000,000				7,000,000

The valuation at fair value of these investments at June 30th 2013 was recorded to the Comprehensive Income Statement in the Shareholders' Equity reserve for Euro 2.6 million, excluding the tax effect of Euro 1.1 million.

Fair value reserve

	01.01.2012	**Increases**	**Decreases**	**Release to the income statement**	**31.12.2012**
Fair Value reserve	(22,217)	18,821			(3,396)
Tax effect	710		(1,868)		(1,158)
Fair value reserve, net of tax effect	**(21,507)**	**18,821**	**(1,868)**	**-**	**(4,554)**

Changes in the period	**16,953**

	01.01.2013	**Increases**	**Decreases**	**Release to the income statement**	**30.06.2013**
Fair Value reserve	(3,396)	(2,580)			(5,976)
Tax effect	(1,158)	(48)	1,158		(48)

Fair value reserve, net of tax effect	**(4,554)**	**(2,628)**	**1,158**	**-**	**(6,024)**
Changes in the period					**(1,470)**

In relation to the disclosure required by IFRS 7, concerning the so-called "hierarchy of fair value", the shares available for sale belong to level one, as defined by paragraph 27 A (IFRS 7) concerning financial instruments listed on an active market.

6. Non-current financial assets

The account, amounting to Euro 91 thousand, principally relates to receivables for deposits due within five years.

7. Other non-current assets

The account, totaling Euro 574 thousand, is composed principally of the receivable of Telefriuli SpA from the Communication Ministry for grants to local television providers under Ministerial Decree No. 378/1999.

8. Deferred taxes, receivables for current taxes and income taxes for the period

The movements are shown below of the deferred tax assets and liabilities:

	01.01.2012	Provisions	Utilisations	Other changes	31.12.2012
Deferred tax assets	29,087	16,655	(3,877)	(641)	41,224
Deferred tax liabilities	68,383	2,247	(1,398)	582	69,814
Net deferred tax liabilities	**(39,296)**	**14,408**	**(2,479)**	**(1,223)**	**(28,590)**

	01.01.2013	Provisions	Utilisations	Other changes	30.06.2013
Deferred tax assets	41,224	3,430	(1,015)	(27)	43,612
Deferred tax liabilities	69,814	1,572	(578)	(1,111)	69,697
Net deferred tax liabilities	**(28,590)**	**1,858**	**(437)**	**1,084**	**(26,085)**

The change in net deferred taxes on the previous period is principally due to the recording of deferred tax assets on tax losses in the half-year and those recognised following the regulations introduced by Legislative Decree 201 of 2011 which established the so called "Ace" tax benefit (Economic growth aid) relating to the capitalisation of businesses.

The deferred taxes principally refer to temporary differences between the values recorded in the financial statements and the corresponding values recognised for tax purposes.

The other changes in the deferred taxes include the estimates of the tax effects on the fair value of the investments recorded directly to the Comprehensive Income Statement.

The net position for income taxes, represented by the payments on account and other tax credits, net of income taxes payable, is calculated as follows:

in thousands of Euro	**30.06.2013**	**31.12.2012**
Receivables for direct taxes	493	2,877
Reimbursement request of direct taxes	1,458	1,458
Other receivables	2,171	1,790
Payables for IRES/IRAP/substitute taxes	(687)	(3,044)
Total	**3,435**	**3,081**

The income taxes for the year consist of:

	30.06.2013	**30.06.2012**
Current income taxes	1,525	1,579
Current income taxes	**1,525**	**1,579**
Provision for deferred tax liabilities	1,572	1,152
Utilisation of deferred tax liabilities	(578)	(432)
Deferred tax charge	**994**	**720**
Recording of deferred tax assets	(3,430)	(7,855)
Utilisation of deferred tax assets	1,015	1,828
Deferred tax income	**(2,415)**	**(6,027)**
Total income taxes	**104**	**(3,728)**
Current and deferred Ires tax	(1,585)	(5,171)
Current and deferred Irap tax	1,689	1,443
Total income taxes	**104**	**(3,728)**

The current income taxes comprise only IRAP taxes.

9. Inventories

Inventories at June 30th 2013 amount to Euro 2.85 million (Euro 3.32 million at December 31st 2012) and consist exclusively of raw materials (principally paper and ink), ancillary and consumables. The change of inventory recorded in the income statement amounts to a decrease of Euro 462 thousand and is included in the account Raw material costs (see Note 22).

Inventories are measured at the lower of the purchase price, calculated using the weighed average cost method, and the realisable value.

There is no inventory provided as a guarantee on liabilities.

10. Trade receivables

The breakdown is as follows:

	30.06.2013	31.12.2012
Trade receivables	67,990	70,946
Provisions for doubtful debts	(12,264)	(12,704)
Trade receivables	**55,726**	**58,242**
Receivables from related parties	2,080	1,474
Advances to suppliers	14	27
Trade receivables beyond 12 months	1,901	1,901
Provisions for doubtful debts beyond 12 months	(1,296)	(1,296)
Total trade receivables	**58,425**	**60,348**

Trade receivables principally relate to the Group advertising revenues of the agency Piemme SpA.

The value of trade receivables, adjusted by the relative doubtful debt provision, approximates their fair value.

11. Current financial assets

The breakdown is as follows:

	30.06.2013	31.12.2012
Financial assets from associated companies	-	1,536
Accrued interest	44	-
Total current financial assets	**44**	**1,536**
of which related parties	-	1,536

The decrease of Euro 1.5 million entirely concerns the waiver from repayment of shareholder loans, non-interest bearing, granted to the associated Rofin 2008 Srl for the coverage of the 2012 loss, against which a risks provision was set-up at December 31st 2012.

The accrued interest refers to the interest income matured on long-term bank deposits.

12. Other current assets

The breakdown is as follows:

	30.06.2013	31.12.2012
Employee receivables	117	111
VAT receivables	-	607
Other receivables	872	942
Prepaid expenses	1,236	632
Total other current assets	**2,225**	**2,292**

13. Cash and cash equivalents

The breakdown is as follows:

	30.06.2013	31.12.2012
Bank and post office deposits	167,788	96,618
Bank and postal deposits with related parties	20,378	92,197
Cash and cash equivalents on hand	143	87
Total cash and cash equivalents	**188,309**	**188,902**

SHAREHOLDERS' EQUITY & LIABILITIES

14. Shareholders' Equity

	30.06.2013	31.12.2012
Share Capital	125,000	125,000
Quotation charges	(18,865)	(18,865)
Treasury shares	(641)	(440)
Reserve for treasury shares	641	440
Fair Value reserve	(6,024)	(4,554)
Other reserves	568,669	630,051
Net loss	(3,697)	(60,979)
Group net equity	**665,083**	**670,653**
Minority interest N.E.	128	(32)
Total net equity	**665,211**	**670,621**

The Share capital amounts to Euro 125 million, consisting of 125 million ordinary shares at a nominal value of euro 1 each.

All of the ordinary shares issued are fully paid-in. There are no shares subject to guarantees or restrictions on the distribution of dividends. At June 30th 2013 Caltagirone Editore SpA had 677,685 treasury shares in portfolio, comprising 0.5421% of the share capital for a value of Euro 641,441.

The fair value reserve, negative for Euro 6.02 million, which includes the net change for the period – an increase of Euro 1.47 million - to adjust the market value of the investments in other companies available-for-sale;

The Other Reserves include:

- Share premium reserve of Euro 482.1 million;
- Legal reserve of the Parent Company of Euro 25 million, set up pursuant to Article 2430 of the Civil Code;
- Consolidation reserves, consisting of the higher value of the Group's share of net equity compared to the cost of some equity investments and retained earnings for a total amount of Euro 45.2 million.
- The actuarial losses reserve relating to the application of IAS 19 for post-employment benefits, negative for Euro 1.7 million, net of the relative tax effect.
- Reserves relating to the application of IAS standards of Euro 16.9 million.
- Other reserves of the Parent Company of Euro 1.2 million.

15. Personnel

Employee benefit plans

The movements in the Employee benefits provision were as follows:

	30.06.2013	31.12.2012
Net liability at January 1st	31,678	32,627
Current cost in the period (Service Costs)	175	303
Interest charge (interest cost)	320	1,461
Actuarial profits/(losses)	-	2,235
(Services paid)	(2,415)	(4,948)
Net liabilities at the end of the period	**29,758**	**31,678**

The employee benefit provision includes the Senior Management Indemnity Provision as this provision has similar characteristics to the employee leaving indemnity provision as set out in the civil code.

Employee numbers and cost

	H1 2013	H1 2012
Wages and salaries	28,842	31,833
Social security expenses	10,049	11,026
Employee leaving indemnity	175	212
Employee leaving indemnity to Complementary Fund	1,598	2,322
Other costs	2,437	5,516
Total personnel costs	**43,101**	**50,909**

The "Other costs" include restructuring charges of Euro 1.1 million (Euro 4.7 million in H1 2012, considering also leaving incentives) concerning the reorganisation and restructuring processes described in the Directors' Report, to which reference should be made.

The following table shows the average number of employees by category:

	30.06.2013	31.12.2012	Average H1 2013	Average 2012
Executives	25	23	25	25
Managers & white collar	309	339	315	364
Journalists	473	483	469	491
Print workers	128	131	130	143
Total	**935**	**976**	**939**	**1,023**

16. Provisions for risks and charges

	Legal disputes	Agents' indemnity	Other risks	Total
Balance at January 1st 2012	10,798	370	1,680	**12,848**
Provisions	1,085	268	10,094	**11,447**
Utilisations	(1,156)	(27)	(1,065)	**(2,248)**
Balance at December 31st 2012	**10,727**	**611**	**10,709**	**22,047**
of which:				
Current portion	3,868	268	10,497	**14,633**
Non-current portion	6,859	343	212	**7,414**
Total	**10,727**	**611**	**10,709**	**22,047**
Balance at January 1st 2013	10,727	611	10,709	**22,047**
Provisions	209		115	**324**
Utilisations	(890)	(370)	(6,187)	**(7,447)**
Balance at June 30th 2013	**10,046**	**241**	**4,637**	**14,924**
of which:				
Current portion	3,698		4,471	**8,169**
Non-current portion	6,348	241	166	**6,755**
Total	**10,046**	**241**	**4,637**	**14,924**

The provision for legal disputes refers principally to the provisions made by the companies Il Messaggero SpA, Il Mattino SpA and Il Gazzettino SpA against liabilities deriving from damages requested for slander and from employees. The provision was estimated taking into consideration the nature of the business, based on experience in similar cases and of all the information available at the date of the preparation of the consolidated financial statements, considering the difficulty in estimating charges and the timing connected to each single case.

The agent's indemnity provision, which reflects the prudent increase in the risk connected to the termination of the mandate conferred to agents in accordance with law, refers to the company Piemme SpA, advertising agency.

The provision for other risks principally includes charges relating to the restructuring plans of Il Messaggero SpA, Il Mattino SpA and Centro Stampa Veneto SpA in 2012. In the first half of 2013, this provision decreased principally due to the coverage of charges relating to the restructuring plans for Euro 2.4 million and for the coverage of the 2012 loss of the associated company Rofin 2008 Srl of Euro 3.2 million.

17. Financial liabilities

	30.06.2013	31.12.2012
Bank payables	21,204	23,749
Non-current financial payables	**21,204**	**23,749**
Bank payables	15,342	6,159
Payables to related companies	4,803	1,117
Short-term portion of non-current loans	5,068	5,032
Payables for assets in leasing	-	26
Current financial liabilities	**25,213**	**12,334**

The non-current financial liabilities to banks are represented by a loan to finance the construction in 2005 of a printing centre located at TorreSpaccata in Rome. The loan is at a variable interest rate (Euribor at 6 months + spread 0.5%) amounting to Euro 60 million, granted by Intesa Sanpaolo SpA to the company S.E.M. SpA, incorporated in 2006 into Il Messaggero SpA. The first capital repayment was made in December 2005 while the final repayment is due in June 2018. In addition, a special privileged guarantee was given on the factory assets amounting to Euro 60 million, in addition to a bank surety of the Parent Company of Euro 37.9 million.

In relation to the variable rate of financial liabilities, an annual interest rate increase of 1%, at like-for-like terms, would have a negative impact on the net profit of approx. Euro 464 thousand. A decrease in interest rates of the same level would have a corresponding positive impact.

Bank payables increased by Euro 9.2 million due principally to the operating cash requirements.

The value of the financial liabilities approximates their fair value.

18. Other Liabilities

	30.06.2013	31.12.2012
Other non-current liabilities		
Other payables	120	120
Deferred income	2,767	3,614
Total	**2,887**	**3,734**

Other current liabilities

Social security institution payables	5,241	7,820
Employee payables	10,809	7,931
VAT payables	1,278	525
Withholding taxes	2,766	4,477
Other payables	10,197	10,023
Payables to related companies	27	10
Deferred income	232	303
Total	**30,550**	**31,089**

Other payables include Euro 4.9 million as the amount available to the Board of Directors in accordance with Article 25 of the by-laws which establishes the allocation to this account of 2% of net profit.

19. Trade payables

	30.06.2013	31.12.2012
Supplier payables	23,187	26,356
Payables to related companies	1,419	693
	24,606	**27,049**

Trade payables principally refer to operating subsidiaries in the publishing sector and relate to the purchase of raw materials, services and capital expenditures. The book value of the trade payables reported above approximates their fair value.

There are no payables due over 12 months.

INCOME STATEMENT

20. Revenues from sales and services

	H1 2013	H1 2012
Circulation revenues	37,259	36,468
Promotions	233	470
Advertising	48,628	60,216
Total revenues from sales and services	**86,120**	**97,154**
of which related parties	796	564

Sales and advertising revenues of the principal newspaper titles, both entirely realised in Italy, were affected by the economic-financial crisis of recent years. The performances are commented upon in detail in the Directors' Report to which reference is made.

21. Other operating revenues

	H1 2013	H1 2012
Operating grants	105	632
Recovery of expenses from third parties	982	1,065
Capital grant contributions	189	542
Prior year income	122	265
Other revenues	1,835	1,768
Total other operating revenues	**3,233**	**4,272**
of which related parties	46	50

22. Raw material costs

	H1 2013	H1 2012
Paper	8,105	11,051
Other publishing materials	1,805	1,957
Other	1	1
Change in inventory of raw materials and goods	462	965
Total raw materials costs	**10,373**	**13,974**

The decrease in paper costs is related to the change in the unitary prices in H1 2013. For further information, reference should be made to the Directors' Report.

23. Other operating costs

	H1 2013	H1 2012
Editorial services	7,440	8,147
Transport and delivery	5,308	6,678
Outside contractors	3,251	4,734
Advertising & promotions	888	1,059
Commissions and agent costs	3,460	4,770
Utilities and power	1,393	1,419
Maintenance and repair costs	1,537	1,979
Consulting	3,054	2,872
Purchase of advertising space third parties	91	160
Directors and statutory auditors fees	935	1,065
Insurance, postal and telephone	729	911
Other expenses	4,491	4,581
Total service costs	**32,577**	**38,375**
Rental	3,283	3,289
Hire	486	561
Total rent, lease and hire costs	**3,769**	**3,850**
Other operating charges	1,576	1,602
Others	122	130
Total other costs	**1,698**	**1,732**
Total other operating costs	**38,044**	**43,957**
of which related parties	3,428	3,376

24. Amortisation, depreciation, provisions & write-downs

	H1 2013	H1 2012
Amortisation of intangible assets	349	257
Depreciation of tangible assets	3,905	4,059
Provision for risks and charges	162	165
Doubtful debt provision	416	991
Total deprec., amortisation, provisions & write-downs	**4,832**	**5,472**

The depreciation of tangible fixed assets principally relates to the depreciation on printing and rotary plant.

25. Net financial result and share of investments valued under the equity method

Valuation of investments at Equity	H1 2013	H1 2012
Editrice Telenuovo SpA	(123)	-
Pubblieditor Srl in liquidazione	(13)	-
Rofin 2008 Srl	(30)	(1)
Total valuation of investments at Equity	**(166)**	**(1)**

Financial income		
Dividends	1,770	1,240
Bank deposit interest	2,699	1,726
Revaluations of investments		
Exchange gains	-	938
Other financial income	52	54
Total	**4,521**	**3,958**
of which related parties		1,928
Financial charges		
Loss on sale of investments	-	4,569
Write-down of investments	141	97
Loan interest	134	393
Interest on bank accounts	267	339
Interest on leaving indemnity	320	669
Banking commissions and charges	90	121
Exchange losses	-	133
Other financial expenses	40	41
Total	**992**	**6,362**
of which related parties		82
Financial result	**3,529**	**(2,404)**

The dividends included in financial income relates to the shareholding in Assicurazioni Generali SpA for Euro 1.14 million and Unicredit SpA for Euro 0.63 million.

26. Earnings per share

The basic earnings (loss) per share is calculated by dividing the Group net result for the period by the weighted average number of ordinary shares outstanding in the period.

	H1 2013	H1 2012
Net Result	(3,697)	(11,354)
Number of ordinary shares outstanding (000)	124,322	124,805
Basic earnings (loss) per share	**(0.030)**	**(0.091)**

The diluted loss per share is identical to the basic result per share as at the date of the present financial statements there were no securities which may be converted into shares.
In 2013 no dividends were distributed.

27. Other components of the comprehensive income statement

The breakdown of the other comprehensive income statement items, excluding the tax effects, is reported below:

	H1 2013			H1 2012		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Financial instruments	(2,580)	1,110	(1,470)	(3,817)	(471)	(4,288)

28. Transactions with related parties

Transactions with companies under common control

The transactions of Group companies with related parties generally relate to normal operations and are regulated at market conditions. They principally relate to the exchange of goods, the provision of services, and the provision and use of financial resources by associated companies and subsidiaries excluded from the consolidation scope, as well as with other companies belonging to the Caltagirone Group or under common control.

There are no atypical or unusual transactions which are not within the normal business operations. The following tables report the values.

31.12.2012 (euro '000)	Parent Company	Associated companies	Companies under common control	Other related parties	Total related parties	Total financial statement accounts	% on total account items
Balance Sheet transactions							
Trade receivables		840	290	344	**1,474**	**60,348**	2.44%
Current financial assets		1,536			**1,536**	**1,536**	100.00%
Cash and cash equivalents				92,197	**92,197**	**188,902**	48.81%
Trade payables	605			46	**651**	**27,049**	2.41%
Current financial liabilities				1,117	**1,117**	**12,334**	9.06%
Other current liabilities			10		**10**	**31,090**	0.03%
Income Statement transactions							
Revenues			267	347	**614**	**97,154**	0.63%
Other operating revenues				50	**50**	**4,272**	1.17%
Other operating costs	500		2,499	377	**3,376**	**43,957**	7.68%
Financial income				1,928	**1,928**	**3,958**	48.71%
Financial charges				82	**82**	**6,362**	1.29%

30.06.2013 (euro '000)	Parent Company	Associated companies	Companies under common control	Other related parties	Total related parties	Total financial statement accounts	% on total account items
Balance Sheet							

transactions							
Trade receivables		840	800	440	**2,080**	**58,425**	3.56%
Cash and cash equivalents				20,378	**20,378**	**188,309**	10.82%
Trade payables	1,210		162	46	**1,418**	**24,606**	5.76%
Current financial liabilities				4,803	**4,803**	**25,213**	19.05%
Other current liabilities			27		**27**	**30,550**	0.09%
Income Statement transactions							
Revenues	17		53	726	**796**	**86,120**	0.92%
Other operating revenues			41	5	**46**	**3,233**	1.42%
Other operating costs	507		2,740	181	**3,428**	**38,044**	9.01%
Financial income				2,526	**2,526**	**4,521**	55.87%
Financial charges				68	**68**	**992**	6.85%

Trade receivables from associated companies principally relate to the subsidiary Gazzettino SpA and the associated company Pubblieditor Srl in liquidation. Receivables from Companies under common control concern those with the advertising agency Piemme SpA.

Cash and cash equivalents and current financial liabilities and financial charges concern the operations in place at June 30th 2013 with the credit institutions Unicredit SpA and Banca Finnat Euramerica SpA.

Trade payables to Parent Companies refer to the invoices received from Caltagirone SpA for services performed during the period.

Operating revenues principally concern the advertising carried out with Group newspapers by companies under common control.

Other costs also include rental costs by the Parent Company and Il Messaggero SpA for their respective head offices from companies under common control.

The account financial income concerns dividends received from Unicredit SpA and Assicurazioni Generali SpA and interest income on bank deposits at UniCredit SpA.

29. Business segment information

The disclosures required in accordance with IFRS 8 on the segment information are provided below. The Caltagirone Editore Group has adopted the sector of operating activity as the primary disclosure of information, defined as a separate and distinctly identifiable part of the Group, which provides related products and services and that is subject to risks and benefits different than those of the other sectors of activity of the Group. This break-down is used by Management to carry out an analysis of operational performance and for the specific management of risks related to each sector. The Group operates exclusively in Italy and bases sector performance on turnover volumes and EBITDA from ordinary operations.

in thousands of Euro	***Newspapers***	***Advertising revenues***	***Other activities***	***Consol. Adjustments***	***Consolidated pre-segment eliminations***	***Segment eliminations***	***Consolidated***
30.06.2012							
Sector revenues – third parties	39,877	60,969	505		101,351	-	101,351
Inter-segment revenues	46,991	510	1070	(75)	48,496	(48,496)	-
Segment revenues	**86,868**	**61,479**	**1,575**	**(75)**	**149,847**	**(48,496)**	**101,351**
Segment Ebitda	(5,568)	(591)	(1,255)		(7,414)		**(7,414)**
Depreciation, amortisation, provisions & write-downs	4,163	1,087	222		5,472		5,472
Ebit	**(9,731)**	**(1,678)**	**(1,477)**	**-**	**(12,886)**	**-**	**(12,886)**
Results of the financial management							(2,404)
Net result of the share of associates							(1)
Loss before taxes							**(15,291)**
Income taxes							3,728
Net loss							**(11,563)**

	Newspapers	***Advertising revenues***	***Other activities***	***Consol. Adjustments***	***Consolidated pre-segment eliminations***	***Segment eliminations***	***Consolidated***
Segment assets	542,246	70,413	293,887	25,563	932,109		932,109
Segment liabilities	204,127	19,770	8,952	(1,807)	231,042		231,042
Equity investments valued at net equity	845		12		857		857
Investments in intangible and tangible fixed assets	650	40	61		751		751

in thousands of Euro	***Newspapers***	***Advertising revenues***	***Other activities***	***Consol. Adjustments***	***Consolidated pre-segment eliminations***	***Segment eliminations***	***Consolidated***
30.06.2013							
Sector revenues – third parties	38,832	49,471	1,062		89,365	-	89,365
Inter-segment revenues	38,338	491	747	12	39,588	(39,588)	-
Segment revenues	**77,170**	**49,962**	**1,809**	**12**	**128,953**	**(39,588)**	**89,365**
Segment Ebitda	357	(1,411)	(1,111)		(2,165)		**(2,165)**
Depreciation, amortisation, provisions & write-downs	4,073	516	243		4,832		4,832
Ebit	**(3,716)**	**(1,927)**	**(1,354)**	**-**	**(6,997)**	**-**	**(6,997)**
Results of the financial management							3,529
Net result of the share of associates							(167)
Loss before taxes							**(3,635)**
Income taxes							(104)
Net loss							**(3,739)**

	Newspapers	***Advertising revenues***	***Other activities***	***Consol. Adjustments***	***Consolidated pre-segment eliminations***	***Segment eliminations***	***Consolidated***
Segment assets	416,483	65,974	378,885	22,708	884,050		884,050
Segment liabilities	193,597	16,679	9,353	(608)	219,021		219,021
Equity investments valued at net equity	528		(18)	212	722		722
Investments in intangible and tangible fixed assets	357	355	25		737		737

30. Net Cash Position

The Net Cash Position, as required by CONSOB Communication DEM 6064291 of July 28th 2006 is as follows:

in thousands of Euro	**30.06.2013**	**31.12.2012**	**30.06.2012**
A. Cash	143	87	96
B. Bank deposits	188,166	188,815	219,470
D. Liquidity (A)+(B)	**188,309**	**188,902**	**219,566**
E. Current financial receivables	**44**	**1,536**	**1,561**
F. Bank payables – current portion	20,145	7,276	22,502
G. Current portion of long-term loans	5,068	5,032	4,819
H. Current payables to other lenders	-	26	124
I. Current debt (F)+(G)+(H)	**25,213**	**12,334**	**27,445**
J. Net current cash position (I)-(E)-(D)	**(163,140)**	**(178,104)**	**(193,682)**
K. Non-current bank payables	21,204	23,749	26,411
L. Non-current payables to other lenders	-	-	-
M. Non-current financial debt (K)+(L)	**21,204**	**23,749**	**26,411**
N. Net Cash Position (J)+(M)	**(141,936)**	**(154,355)**	**(167,271)**

31. Hierarchy of Fair Value according to IFRS 7

In relation to financial instruments recorded at Fair Value, IFRS 7 requires that these values are classified based on a hierarchy of levels which reflects the sources of the input utilised in the determination of the Fair Value. Therefore the following hierarchy levels are established:

- Level 1: determination of fair value based on prices listed in active markets by class of asset or liability subject to valuation;

- Level 2: determination of Fair Value based on input other than the listed prices included at "Level 1" but which are directly observable (prices) and indirectly (derivatives from prices) on the market; instruments not characterised by sufficient level of liquidity or which do not express in a continuous manner a "binding" market listing are included in this category;

- Level 3: determination of the Fair Value based on valuation models whose input is not based on observable market data.

The following table shows the hierarchy level for the assets and liabilities which are valued at Fair Value:

(euro ‘000) June 30th 2013	Note	Level 1	Level 2	Level 3	Total
AFS Financial assets valued at fair value	7	101,680			**101,680**
Total Assets		**101,680**	**-**	**-**	**101,680**

(euro ‘000) December 31st 2012	Note	Level 1	Level 2	Level 3	Total
AFS Financial assets valued at fair value	7	104,260			**104,260**
Total Assets		**104,260**	**-**	**-**	**104,260**

In the first half of 2013 there were no transfers between the various levels.

DECLARATION OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

CALTAGIRONE EDITORE

Declaration on the Condensed Consolidated Half-Year Financial Statements as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

1. The undersigned Francesco Gaetano Caltagirone, as Chairman of the Board of Directors, and Roberto Di Muzio, executive responsible for the preparation of the corporate accounting documents of Caltagirone Editore S.p.A., affirm, and also in consideration of article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24th 1998:

   - the accuracy of the information on company operations and
   - the effective application,

   of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements for the first half-year of 2013.

2. The activity was undertaken evaluating the organisational structure and the execution, control and monitoring processes of the business activities necessary for the preparation of the condensed consolidated half-year financial statements.

   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the condensed consolidated half-year financial statements:

a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19th 2002;

b) corresponds to the underlying accounting documents and records;

c) provide a true and correct representation of the economic, balance sheet and financial situation of the issuer and of the companies included in the consolidation.

3.2 the Interim Directors' Report on operations includes an analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. The interim directors' report also includes a reliable analysis of the information on transactions with related parties.

Rome, July 24th 2013

The Chairman	**The Executive Responsible**
Mr. Francesco Gaetano Caltagirone	Mr. Roberto Di Muzio

Registered in Rome – 00195 Via Barberini, 28 – tel.06/45412200 - Telefax 06/45412299
R.I.Roma 15311/00 – C.C.I.A.A. Roma 935017 – Cod.Fisc. – Part. I.V.A. 05897851001

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