CALTAGIRONE EDITORE

INTERIM REPORT

MARCH 31st 2013

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*

INTERIM REPORT AT MARCH 31st 2013

The present interim report at March 31st 2013 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 2012 are shown below:

In thousands of Euro	**Q1 2013**	**Q1 2012**	**Change %**
Circulation revenues	18,437	18,312	0,7%
Promotions revenues	103	189	-45,5%
Advertising revenues	23,234	30,763	-24,5%
Other operating revenues	1,510	2,451	-38,4%
Total operating revenues	**43,284**	**51,715**	**-16,3%**
Raw material costs	(5,298)	(7,053)	-24,9%
Labour costs	(21,754)	(23,487)	-7,4%
Other operating costs	(18,930)	(21,621)	-12,4%
Total operating costs	**(45,982)**	**(52,161)**	**-11,8%**
EBITDA	**(2,698)**	**(446)**	**na**
Amortisation, depreciation, provisions & write-downs	(3,104)	(2,672)	16,2%
EBIT	**(5,802)**	**(3,118)**	**86,1%**
Share of income/(expense) from equity investments	(136)	(1)	na
Net financial income/(charges)	982	(978)	na
Loss before taxes	**(4,956)**	**(4,097)**	**21,0%**
Group net loss	(4,871)	(3,922)	24,2%
Minority interest share	(85)	(175)	-16,7%

In the first three months of 2013 Operating Revenues reduced 16.3%, principally due to the further contraction in advertising revenues (-24.5%), following the continued serious economic difficulties which resulted in significant cuts in advertising sector expenditure. Circulation revenues increased by 0.7% following the price increase of February 2013 for all Group newspapers, net of the expected reduction in sales due to the increase and the review of promotions with local newspapers (principally for “Il Messaggero”).

Raw material costs decreased by 24.9%, due principally to the lower quantity utilised in the production process following the reduction in consumption (approx. 23%) and the lower paper acquisition price (approx. 5%).

Labour costs decreased on the same period of the previous year by 7.4% - showing the effects of the restructuring begun in prior years.

Other operating costs reduced overall by 12.4%, principally due to the lower number of copies distributed of the free newspaper Leggo and the action taken on overhead and general costs.

The EBITDA reported a loss of Euro 2.7 million (loss of Euro 446 thousand in Q1 2012); the increased loss is principally due to the contraction in revenues, relating to advertising.

The EBIT, after amortisation/depreciation and write-downs of Euro 3.1 million, reported a loss of Euro 5.8 million in the first quarter of 2013 (loss of Euro 3.1 million in Q1 2012).

Net financial income of Euro 982 thousand was reported (charges of Euro 978 thousand in Q1 2012), principally due to financial income of Euro 1.4 million stemming from returns on liquidity invested, net of financial charges of Euro 459 thousand. The 2012 charge included the effect of the losses from the sale on the market of listed shares for approx. Euro 1.3 million.

The Group pre-tax result was a loss of Euro 4.9 million (loss of Euro 3.9 million in Q1 2012).

Circulation revenues

Newspaper sale revenues of Euro 18.4 million increased by 0.7% in the first three months of 2013 compared to the same period of 2012. It is also noted that the Group applied the sales price increase on all Group newspapers from February 1st 2013. The reduction in copies sold following the price increase was in line with expectations and with the general contraction seen following price increases applied by competitors. In particular circulation revenues were affected by a number of strike days in February 2013 by the printing staff of "Il Messaggero".

The revenues from products sold together with Group newspapers did not record significant revenues (Euro 103 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.

Advertising Revenues

In the first three months of 2013, the advertising revenues from Group newspapers decreased by 24.5% - from Euro 30.8 million in the first quarter of 2012 to Euro 23.2 million. The newspaper advertising sector in the first two months of 2013 reports a contraction in revenues of 26.3%[1] on the same period of 2012, following the decrease in advertising revenues from paid newspapers (-25.9%) and in the free press (-42.8%)[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 (-46.4%); net of this effect the reduction of Group advertising revenues would have been 22.8%.

The Group companies' internet advertising revenues grew 10.7% on the same period of the previous year. Although internet advertising revenues are growing, the volumes in this sector are still marginal in relation to Group overall advertising revenue.

Shareholders' equity

The Caltagirone Editore Group Shareholders' Equity amounted to Euro 653.7 million (Euro 670.6 million at December 31st 2012); the decrease is principally due to the valuation at fair value of the shareholdings held by the Group and the loss for the period.

Net Cash Position

The Net Cash Position at March 31st 2013 compared to December 31st 2012 is shown below:

in Euro thousands	31/03/2013	31/12/2012
Current financial assets	1,564	1,536
Cash and cash equivalents	190,142	188,902
Non-current financial payables	(23,332)	(23,749)
Current financial liabilities	(22,518)	(12,334)

[1] FCP Newspaper Research Data – January – February 2013

Net Cash Position	**145,856**	**154,355**

The net cash position decreased by approx. Euro 8.5 million due to cash flow absorbed from operating activities.

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 developing the multimedia versions of its newspaper titles and improving its internet presence in order to attract new sources of advertising and new readers.

Rome, May 14th 2013

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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.