CALTAGIRONE EDITORE

2015 ANNUAL REPORT
SIXTEENTH FISCAL YEAR

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2015 ANNUAL REPORT | SIXTEENTH FISCAL YEAR

CALTAGIRONE EDITORE SPA

Head office Via Barberini, 28 - 00187 Rome (Italy)
Share capital Euro 125,000,000
Internal Revenue Code and VAT n. 05897851001
Registered with the C.C.I.A.A. of Rome REG 935017

SHAREHOLDERS' MEETING OF APRIL 19TH 2016

AGENDA

1. Presentation of the Separate and Consolidated Financial Statements for the year ended December 31st 2015, together with the Directors' Report, Board of Statutory Auditors' Report and the Independent Auditors' Report; resolutions thereon;

2. Resolutions on the sale and purchase of treasury shares in accordance with Article 2357 of the Civil Code;

3. Remuneration Report in accordance with Article 123-*ter* paragraph 6 of Legislative Decree 58/98; resolutions thereon.

CORPORATE BOARDS

Board of Directors

CHAIRMAN

Francesco Gaetano Caltagirone

VICE CHAIRMEN

Azzurra Caltagirone
Gaetano Caltagirone

DIRECTORS

Francesco Caltagirone
Alessandro Caltagirone
Tatiana Caltagirone
Massimo Confortini */**
Mario Delfini *
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

** Members of the Independent Directors' Committee

DELEGATED POWERS

In accordance with Consob recommendation
No. 97001574 of February 20th 1997
the nature of the powers delegated
to the members of the Board of Directors
are reported below

Chairman

The Chairman was conferred all ordinary and extraordinary administrative powers with the exception of those reserved by law and the Company By-Laws to the Shareholders' Meeting and to the Board of Directors.

Vice Chairman

In the absence or impediment of the Chairman, the Vice Chairman Gaetano Caltagirone and in his absence or impediment, the Vice Chairman Azzurra Caltagirone, are conferred all ordinary and extraordinary administration powers with the exception of those reserved by law and the Company By-laws to the Shareholders' Meetings and to the Board of Directors.

CONTENTS

DIRECTOR'S REPORT ON THE GROUP RESULTS FOR THE YEAR ENDED DECEMBER 31ST 2015

INTRODUCTION

The present Directors' Report refers to the Consolidated and Separate Financial Statements of Caltagirone Editore SpA (hereafter also "the Group") at December 31st 2015, 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").
The present Report should be read together with the Consolidated and Separate Financial Statements and the relative Notes, which constitute the Annual Accounts for 2015.

MARKET OVERVIEW

Publishing has been one of the hardest hit sectors by the protracted Italian recession, resulting in a consistent decline in the two principal revenue sources of the Group: advertising and circulation.
In 2015, the overall advertising market in Italy contracted by a more contained 0.5% compared to previous years. Newspapers - and in particular daily newspapers - compared to other media have seen the poorest performances, with a drop of 6.6% on 2014. The web sector also followed the general market, with a contraction of 0.7%. (Source: Nielsen Research Institute - FCP).
The digital audience reported major growth in 2015: online penetration in Italy in 2015 reached 86.3% of the population, with 41.5 million Italians stating their ability to go online from any location or device. In December alone, 22.2 million Italians reported to having gone online at least once a day on PC or mobile, 2% more than the previous year, with a 7% increase in mobile access (smartphone and/or tablet). (Source: Audiweb Trends December 2015).
Average circulation contracted on 2014 8.1%[1], with digital copies increasing 6.6% thanks to the general expansion of the digital market. (Source: ADS December 2015).

1. ADS (Newspaper Sales Figures) - average circulation 2015/2014.

GROUP OPERATIONS

The table below illustrates the key financial results for the year 2015 compared to the previous year.

	2015	2014	% Change
Circulation revenues	64,982	70,825	-8.2%
Advertising revenues	91,271	91,502	-0.3%
Promotions revenues	632	659	-4.1%
Other operating revenues	6,148	7,159	-14.1%
TOTAL OPERATING REVENUES	**163,033**	**170,145**	**-4.2%**
Raw materials, supplies and consumable stores	(15,682)	(18,869)	-16.9%
Labour costs	(72,890)	(77,773)	-6.3%
Other operating costs	(71,327)	(73,427)	-2.9%
TOTAL OPERATING COSTS	**(159,899)**	**(170,069)**	**-6.0%**
EBITDA	**3,134**	**76**	**na**
Amortisation, depreciation, provisions & write-downs	(31,085)	(37,270)	16.6%
OPERATING LOSS	**(27,951)**	**(37,194)**	**24.9%**
Result of companies valued at equity	**-**	**127**	**na**
Financial income	10,713	6,593	62.5%
Financial charges	(2,032)	(5,178)	60.8%
Financial result	**8,681**	**1,415**	**na**
LOSS BEFORE TAXES	**(19,270)**	**(35,652)**	**45.9%**
Income taxes	(861)	(1,608)	na
NET LOSS BEFORE MINORITY SHARE	**(20,131)**	**(37,260)**	**46.0%**
Minority interest	-	66	na
GROUP NET LOSS	**(20,131)**	**(37,194)**	**46.0%**

Euro thousands

In 2015, Operating revenues reduced 4.2%, due to the decrease in both circulation revenues (-8.2%) and advertising revenues (-0.3%).
Raw material costs decreased 16.9% - partly due to the lower quantities utilised in the production process following the reduced number of copies printed and partly due to the reduced unitary cost of paper.
Labour costs, including non-recurring charges of Euro 2.6 million (Euro 2 million in 2014), mainly related to the reorganisation plans put in place by a number of Group companies, reduced 6.3% following the corporate restructurings introduced in preceding

years and the application of the Temporary Lay-off Scheme under the trade union agreements reached.
Other operating costs decreased overall by 2.9%, as a result of the action taken on overhead and general costs.
EBITDA in 2015 reported a profit of Euro 3.1 million, improving on 2014 (profit of Euro 76 thousand), as a result of reduced operating costs.
EBIT saw a loss of Euro 27.9 million (loss of Euro 37.2 million in 2014) and includes the write-down of indefinite life intangible assets, according to impairment tests, for a total of Euro 22 million (Euro 25.5 million in 2014), amortisation, depreciation and risk provisions for Euro 7.2 million and the write-down of receivables for approx. Euro 1.8 million.
The financial management result - a profit of Euro 8.7 million (profit of Euro 1.4 million in 2014) - includes principally dividends received on listed shares of Euro 4.3 million and the gain on the sale of listed shares of Euro 4.5 million.
The Group net result reports a loss of Euro 20.1 million (loss of Euro 37.2 million in 2014).

NET CASH POSITION

The Group Cash Financial Position at December 31st 2015 is as follows:

	31.12.2015	**31.12.2014**
Cash and cash equivalents	157,813	155,494
Non-current financial debt	(8,306)	(13,516)
Current financial liabilities	(26,517)	(15,789)
Net Cash Position *	**122,990**	**126,189**

Euro thousands

* *The Net Cash Position in accordance with CESR recommendation of February 10th 2005 is illustrated at Note 29 of the Notes to Consolidated Financial Statements*

The Net Cash Position decreased approx. Euro 3.2 million on December 31st 2015, principally due to the funding of the reorganisation plans, net of dividends received.

SHAREHOLDERS' EQUITY

The Group Consolidated shareholders' equity decreased from Euro 586.5 million at December 31st 2014 to Euro 559.9 million at December 31st 2015; the decrease is due to the loss in the year and the fair value measurement of shares held by the Group.

The balance sheet and income statement ratios are provided below:

	2015	2014
ROE* *(Net Result/Net Equity)***	(3.6)	(6.3)
ROI* *(EBIT/total assets)***	(3.8)	(4.8)
ROS* *(EBIT/Operating Revenues)***	(17.1)	(21.9)
Equity Ratio *(Net equity/total assets)*	0.76	0.76
Liquidity Ratio *(Current assets/Current liabilities)*	2.75	3.08
Capital Invested Ratio *(Net equity/non-current assets)*	1.08	1.06

** Percentage values*

*** For definitions of "Net Result" and "EBIT", reference should be made to the income statement attached to the present report*

The income statement indicators (ROE, ROI and ROS), although negative, improved on the previous year due to the operating and financial results and the reduced write-downs on goodwill and the newspaper titles.
The balance sheet indicators confirm the Group's financial equilibrium, with strong stability, the capacity to meet short-term commitments through liquid funds and finally equilibrium between own funds and fixed assets.

GROUP OPERATING PERFORMANCE

PUBLISHING

Circulation revenues of Euro 65 million reduced 8.2% in 2015 compared to 2014, due to the ongoing structural shifts impacting the market. Circulation revenues of paper copies totalled Euro 63.2 million (-8.5%). The latest circulation figures indicate a reduction of approx. 8.1%[2] in paper copies sold in 2015 compared to 2014.
The Caltagirone Editore network websites reported an increase from approx. 26.4 million average monthly unique users (unique browsers)[3]to approx. 35.7 million average monthly unique users[4] (+35%). In particular, Group websites reported significant user increases (unique browsers)[5]in the year: Leggo (+53%), Corriere Adriatico (+49%), Messaggero (+45%), Quotidiano di Puglia (+41%), Mattino (+33%), Gazzettino (+23%).
In relation to the sale of subscriptions and multimedia versions of Group newspapers, these were not significant and the percentage of total Group circulation revenues was still marginal and substantially in line with the previous year.
The Revenues from products sold together with Group newspapers were not significant (Euro 632 thousand), following the substantial discontinuation of these promotional activities.

2. ADS figures (Newspaper Sales Figures) Newspaper print edition sales January-February 2015/2014.

3. Shinystat figures.

4. Shinystat and Webtrekk figures.

5. Shinystat and Webtrekk figures.

ADVERTISING

Group advertising revenues reduced 0.3% in 2015, benefitting compared to the previous year from local advertising revenues on some editions of RCS daily newspapers from March 2015.

Group paper copy newspaper advertising revenues decreased 6.1%, contracting slightly less than the general market: sector figures report in fact a drop of 6.6%[6] on 2014.

Advertising revenue on internet sites in 2015 increased 9.6%, outperforming the market in general which overall reported a contraction; internet advertising in the January-December 2015 period in fact decreased 0.7%[7].

RISK MANAGEMENT

The activities of Caltagirone Editore and its subsidiaries are subject to various financial risks: market risks (raw materials prices and the movements in listed equities held in portfolio), credit risk, exchange rate risk, interest rate risk and liquidity risk. The management of financial risks 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. The Group does not have any derivative financial instruments, nor do specific financial risks exist in relation to price, credit or liquidity (other than that deriving from operating activities).

Market risk (price of raw materials - paper)

The Group is exposed to fluctuations in the price of paper - the principal raw material; this risk is managed through supply contracts with Italian and foreign companies with fixed prices and quantities for a maximum period of approximately 12 months, and through procurement from suppliers based in different geographic areas in order to avoid the risks related to an excessive concentration of suppliers and to obtain the most competitively priced supplies.

Price risk of the equity shareholdings

In relation to the risk of changes in the fair value of the equity shareholdings held as available for sale, the Group monitors the changes of share prices and for this reason constantly records the movements in the listed shares in portfolio. Based on this data, the investment and divestment policies of the Group are defined with the objective to optimise medium and long-term cash flows, also considering the distribution of dividends from the shares in portfolio. The investment and divestment strategies of the equity investments are also considered in relation to the diversification of risk.

Credit Risk

Receivables at year-end principally are of a commercial nature. In general, they are recorded net of any write-downs, calculated on the basis of the risk of non-fulfilment by the counterparty, determined considering the information available on the clients solvency and historical insolvency data in relation to the varying expiry dates of receivables. Historically, there are no significant situations which are particularly

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6. FCP newspaper research institute figures - January - December 2015 compared with 2014.

7. FCP Assointernet research institute figures - January - December 2015 compared with 2014.

problematic in relation to the solvency of the clients, as the policy of the Group is only to sell to clients after a prudent evaluation of their credit capacity and therefore within the established credit limits. Finally, no significant debtor positions were recorded which would equate to an excessive concentration of credit. On this basis, the credit risk to which the Group is exposed can be considered limited.

Currency risk

The Group had no currency risk exposure at December 31 2015 as operating only in the Eurozone.

Interest rate risk

The interest rate risk relates to an uncontrolled increase of the charges deriving from variable interest rates on medium/long-term loans of Group companies. The interest rate risk to which the Group is exposed is considered limited in that the loans undertaken are contracted in Euro, which currently presents low interest rates following the monetary policies adopted by the central banks to counter the recession.

Liquidity risk

Liquidity risk is linked to the difficulty in obtaining funds to cover commitments at a given moment. The Caltagirone Editore Group has access to its own liquidity which is in the form of short-term deposits and therefore easily accessible and highly liquid. This risk therefore is not significant for the Group.

Environment and security risk

Existing regulations and laws are rigorously applied to workplace health and security and hence govern this area of risk.

PRINCIPAL UNCERTAINTIES AND GOING CONCERN

Further to that stated in the paragraph on business risks, the current conditions in the financial markets and the real economy do not allow accurate evaluations of the short-term outlook. This situation does not cause concern in relation to the going concern principle in that the Group, as previously highlighted, relies on its own funds and no uncertainties exist that could compromise the capacity of the Group to carry out its operating activities.

OTHER INFORMATION

During the year, the Companies of the Caltagiorne Group did not carry out any research and development activity.

At December 31, 2015, there were 801 employees (843 at December 31, 2014), with an average number in 2015 of 819 (881 in 2014).

For segment information on the costs, revenues and investments, reference should be made to the Explanatory Notes to the Consolidated Financial Statements.

The reconciliation of the shareholders' equity and net profit of the Group and of the Parent Company as per Consob Communication No. 6064293 of 28/07/2006 is attached to the present report.

OUTLOOK

The Group has maintained the initiatives targeting the growth of multi-media editions and an improved internet presence in order to expand new advertising streams and acquire new readers.

Over recent years, due to the significant drop in revenues across all of the Group's publishing companies, the unsustainability of structurally separate companies became clearly apparent. The need to restructure the "functional" Group departments emerged from a precise analysis carried out with the support of outside consultants. Therefore, the Shareholders' Meetings of the subsidiaries Il Messaggero SpA, Il Mattino SpA and Il Gazzettino SpA approved spin-offs for similar areas into specific Companies. The regulatory requirements for this type of operation are currently being fulfilled. The new organisation, once fully operational, is expected to contribute to improving Group results.

The Group continued also to build the multimedia versions and improve online activities, with the Leggo and Il Mattino titles joining the Facebook Instant Articles platform in the initial months of 2016, which supports the publishing of multimedia content on mobile devices.

PARENT COMPANY OVERVIEW

For 2015 Caltagirone Editore SpA reports financial income of Euro 2.9 million and financial charges of Euro 15.3 million, with a net loss of Euro 14.8 million, as shown in the following table which compares the key financial results with the previous year, reclassified in accordance with Consob Communication No. 94001437 of February 23rd 1994:

	2015	2014
Dividends from subsidiaries	143	20,966
Dividends from other companies	2,010	1,508
Other financial income	806	3,208
Revaluation of investments in subsidiaries	-	957
Total financial income	**2,959**	**26,639**
Interest and financial charges from subsidiaries	(74)	(387)
Interest and financial charges from third parties	(547)	(48)
Write-down of investments in subsidiaries	(14,669)	(61,133)
Write-down of other investments	(9)	(3,018)
Total financial charges	**(15,299)**	**(64,586)**
NET FINANCIAL INCOME/(CHARGES)	**(12,340)**	**(37,947)**
Result from operating activities	(2,192)	(2,150)
LOSS BEFORE TAXES	**(14,532)**	**(40,097)**
Income taxes	(258)	(553)
NET LOSS FOR THE YEAR	**(14,790)**	**(40,650)**

Euro thousands

The dividends from other companies relate to those received on listed shares.
Other financial income represents the interest income on bank deposits accrued during the year.
The account interest and financial charges from subsidiaries principally comprises interest on loans received from Il Messaggero SpA (Euro 51 thousand) and Quotidiano di Puglia SpA (Euro 23 thousand).
The write-downs of investments in subsidiaries concerns the companies Leggo SpA, Corriere Adriatico SpA, Quotidiano di Puglia SpA and Piemme SpA and relates to the adjustment of the book value of the investment to the Net Equity, adjusted for any write-backs emerging from the Impairment Tests.
The shareholders' equity of the Company at December 31st 2015 was Euro 508.5 million (Euro 524 million at December 31st 2014).

NET CASH POSITION

The net cash position is as follows:

	31.12.2015	31.12.2014
Current financial assets	48,374	55,389
Cash and cash equivalents	145,500	149,719
Current financial liabilities	(7,245)	(6,865)
Net Cash Position *	**186,629**	**198,243**

Euro thousands

** The Net Cash Position in accordance with CESR recommendation of February 10th 2005 is illustrated at note 20 of the Notes to Financial Statements*

The Net Cash Position decreased Euro 11.6 million, substantially due to the purchase of listed shares on the market and actions undertaken to recapitalise some of the subsidiaries, net of the receipt of dividends from listed companies.

PRINCIPAL EQUITY INVESTMENTS

The key results of the subsidiary companies are reported below.

IL MESSAGGERO SPA

The Company publishes the daily newspaper Il Messaggero, founded in 1878 and the historic daily newspaper of the Capital. Il Messaggero is the leading daily newspaper in the Central Italian Region. In May 2007, the traditional print edition was joined by ilmessaggero.it, the online version. In 2012 the newspaper was radically restyled in order to create a more modern product, increasingly user-friendly and capable of communicating on the various multi-media platforms.
The Company in 2015 reports a net loss of Euro 2.3 million (net loss of Euro 5.1 million in 2014), against Operating Revenues of Euro 66.7 million, reducing 5.6% on 2014, due to the contraction in paper and digital copy sales revenues (-7.8%, from Euro 33.1 million to Euro 30.5 million) and in advertising revenues (-2.5%). EBITDA improved from Euro 2.9 million to Euro 5 million, thanks to the containment actions on all cost accounts and the extensive reorganisation, which reduced also labour costs.

IL MATTINO SPA

The Company publishes Il Mattino, the daily newspaper of Naples and since 1892 the leading newspaper in Campania and the most popular newspaper in Southern Italy, thanks to its long tradition and extensive regional reach.
Il Mattino SpA in 2015 reported a Net Loss of Euro 2.2 million (net loss of Euro 4.4 million in 2014), against Operating Revenues of Euro 24.9 million (-6.7%), following the contraction in the number of copies sold (-9.7%) and advertising revenues (-3.2%). EBITDA improved slightly from a loss of Euro 579 thousand to a loss of Euro 310 thousand, following the reduction in operating costs.

IL GAZZETTINO SPA

The Company publishes the daily newspaper Il Gazzettino, founded in 1887 and the historic newspaper of Venice. Il Gazzettino is among the leading 10 daily newspapers in Italy in terms of circulation and by far the largest newspaper in the North-East. Entering the Caltagirone Editore Group in 2006, the newspaper in tabloid format is - as is the case for the other Group newspapers - available also in an online and digital edition.
Il Gazzettino SpA in 2015 reported a Net Loss of Euro 2.1 million (Net Loss of Euro 647 thousand in 2014), against Operating Revenues of Euro 32.2 million (-9.5% and a substantially even contraction for both circulation and advertising revenues). EBITDA improved from a loss of Euro 100 thousand in 2014 to a loss of Euro 13 thousand in 2014, recovering despite a drop in operating revenues of 9.5% thanks to a reduction in operating costs of approx. 9.7%.

LEGGO SPA

The Company publishes the free newspaper Leggo. Founded in March 2001, Leggo is the leading free newspaper in Italy. Initially distributed in 15 major Italian cities; since November 2011 Leggo joined the "Social Press", becoming more in-depth, modern and featuring improved content. Today, the traditional newspaper Leggo is exclusively present in Rome and Milan, while the online version leggo.it is available to users throughout Italy.
A net loss of Euro 1.5 million is reported in 2015 compared to a loss of Euro 813 thousand in 2014. The deterioration in the result is principally due to the impact compared to the previous year of Euro 577 thousand from taxes on fiscal losses transferred within the tax consolidation, restated according to the reduction in the IRES rate from 2017.
The Company in 2015 reported advertising revenues of Euro 4.2 million, reducing approx. 6.9% on the previous year (Euro 4.5 million). EBITDA of Euro 1 million was substantially in line with the previous year, due to the rigorous control policy and the reduction of costs, which offset the decrease in operating revenues.

CORRIERE ADRIATICO SPA

The Company publishes the newspaper Corriere Adriatico which, founded in 1860, occupies a dominant position in the Le Marche region. Il Corriere Adriatico joined the Group in 2004. Since June 2006, the newspaper has been printed entirely in colour and is also available in an online and digital edition.
Il Corriere Adriatico SpA in 2015 reported a Net Loss of Euro 1.5 million (Net Loss of Euro 814 thousand in 2014), against reduced Operating Revenues of 6.4% on 2014. The reduction in revenues is substantially due to the contraction in the number of copies sold (-7.5%) and reduced advertising revenue (-6.1%). EBITDA reported a loss of Euro 1.4 million (loss of Euro 1.1 million in 2014); the deterioration principally concerns the reduction in operating revenues, only partially absorbed by the reduction in costs.

QUOTIDIANO DI PUGLIA SPA

The Company publishes Il Nuovo Quotidiano di Puglia, founded in 1979 and the most widely read newspaper in the Ionico Salentina region. Since June 2008, the newspaper has been printed in full colour and a digital version is also available.
In 2015, Quotidiano di Puglia SpA, which publishes the newspaper of the same name in the provinces of Lecce, Brindisi and Taranto, reported a Net Profit of Euro 22 thousand (Euro 142 thousand in 2014), with Operating Revenues of Euro 6.6 million (down 6.2% on 2014).

PIEMME SPA

Piemme, founded in 1998, is the Group advertising agency with a portfolio comprising: Daily newspapers, each of which the undisputed leader in their respective regions, the Social Press, a modern social platform which everyday involves readers and web users, and online news websites. Piemme is the leader on the central-south market.
The Company in 2015 reported a net loss of Euro 5.2 million (net loss of Euro 3.3 million in 2014), due to extraordinary charges on a tax dispute still in progress.
In 2015 the company reported advertising revenues of Euro 90.2 million (Euro 90.4 million in 2014), substantially in line with 2014 and benefitting in comparison to the previous year from local advertising revenues on a number of editions of RCS newspapers from March 2015. The Company's EBITDA, although with a slight contraction in sales, improved significantly, returning to positive territory thanks to the restructuring policies implemented by the Company in recent years.

OTHER INVESTMENTS

Finced Srl, a Group finance company, reported in 2015 a Net Profit of Euro 6.9 million (Euro 1.2 million in 2014), principally due to the receipt of dividends on listed shares (Euro 1.8 million) and gains realised on listed securities.
For information relating to the market trends and performances of the principal subsidiaries and the business strategies, reference should be made to the Directors' Report accompanying the consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

For the transactions between the Companies of Caltagiorne Editore SpA and other related parties, reference should be made to the Notes to the Separate Financial Statements and the Directors' Report of the Consolidated Financial Statements.

TREASURY SHARES

In execution of the Shareholders Meeting resolution of April 22nd 2015 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 programme of Company shares on the MTA segment of Borsa Italiana.
At December 31st 2015 Caltagirone Editore SpA had 1,845,510 treasury shares in portfolio, comprising 1.476% of the share capital for a value of Euro 1,843,876.62.

OTHER INFORMATION

Caltagirone Editore SpA, in compliance with the current legislative provisions, is a handler of personal data. The Board of Directors of the Company, in the meeting of March 23rd 2004, appointed an Executive Responsible for the handling of personal data.

Caltagirone Editore SpA, as permitted by the Consolidated Finance Act, takes part in a Group tax regime called the "Tax Consolidation" as the parent company.

The Shareholders' AGM of April 22nd 2015 appointed, for the 2015-2017 three-year period, to the Board of Directors Messrs. Francesco Gaetano Caltagirone, Gaetano Caltagirone, Alessandro Caltagirone, Azzurra Caltagirone, Francesco Caltagirone, Tatiana Caltagirone, Massimo Confortini, Mario Delfini, Albino Majore and Giampietro Nattino and to the Board of Statutory Auditors Messrs. Antonio Staffa, Chairman, Maria Assunta Coluccia and Federico Malorni, Statutory Auditors.

The Board of Directors on April 29th 2015 confirmed Mr. Francesco Gaetano Caltagirone as Chairman and Messrs. Gaetano Caltagirone and Azzurra Caltagirone as Vice Chairman.

In the same meeting, after confirming requirements provided, the following were appointed to the Internal Control Committee: Messrs. Massimo Confortini (as Chairman) Mario Delfini, Albino Majore and Giampietro Nattino; the Internal Control Manager was confirmed as Mr. Fabrizio Caprara.

In the same meeting the Board of Directors confirmed to the Committee of Independent Directors, after verifying their independence, in accordance with the provisions of the regulation which governs transactions with related parties, the Directors Massimo Confortini, as Chairman and Giampietro Nattino.

The Board of Directors' meeting also confirmed for 2015 the appointment of the Executive Responsible for the preparation of the accounting and corporate documents of the company in the person of Roberto Di Muzio.

The Remuneration Report was made available at the registered offices and on the internet site of the company *www.caltagironeeditore.com/investorrelations/corporategovernance* as required by Article 123 ter of the CFA, which reports the information concerning the policy adopted by the company for the remuneration of members of the management and control boards, the remuneration paid to the members of these boards and the information on investments held by these parties.

The Parent Company did not undertake research and development activity in the year and does not have any secondary offices.

At December 31st 2015, the Company had 3 employees (3 at December 31st 2014).

The parent company is not subject to management and co-ordination pursuant to Article 2497 and subsequent of the Italian Civil Code.

CORPORATE GOVERNANCE

For further information on the Corporate Governance system of Caltagirone Editore SpA and the shareholders, pursuant to Article 123 bis of the Consolidated Finance Act, reference should be made to the "Corporate Governance Report", prepared in accordance with the indications and recommendations of Borsa Italiana SpA and published in accordance with article 89 of the Issuers' Regulations and available on the company website *www.caltagironeeditore.com/investorrelations/corporategovernance*.

PROPOSALS TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

we propose to you the approval of the Financial Statements at December 31st 2015, consisting of the Balance Sheet, Income Statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity and the Cash Flow Statement, as well as the relative attachments and the Directors' Report.

The Board of Directors proposes to carry forward the loss of the Parent Company Caltagirone Editore SpA of Euro 14,790,371.

Rome, March 11th 2016

For the Board of Directors
The Chairman
Mr. Francesco Gaetano Caltagirone

ATTACHMENTS

RECONCILIATION BETWEEN THE NET RESULT AND THE NET EQUITY OF THE PARENT COMPANY AND THE CONSOLIDATED NET RESULT AND NET EQUITY 31.12.2015

	Net Result	Net Equity
Net Result and Net Equity for the year as per financial statements of the parent company	**(14,790)**	**508,460**
Contribution of subsidiary companies	(11,779)	34,431
Effect of the equity method valuation of associated companies	-	3
Adjustment to the international accounting standards IFRS/IAS	7,199	61,459
Elimination of inter-company dividends	(724)	-
Elimination inter-company (profits) losses, net of the tax effect	(37)	(44,422)
NET RESULT AND NET EQUITY AS PER THE CONSOLIDATED FINANCIAL STATEMENTS	**(20,131)**	**559,931**

Euro thousands

LIST OF INVESTMENTS AT 31.12.2015

Company	Registered office	Share capital	Currency	Holding Direct	Holding Indirectly	*through*
Companies included in the consolidation under the line-by-line method						
Ced Digital & Servizi Srl	Rome	100,000.00	Eur	99.990%	0.010%	Finced Srl
Il Messaggero SpA	Rome	1,265,385	Eur	99.950%	0.050%	Finced Srl
Il Mattino SpA	Rome	500,000.00	Eur	99.950%	0.050%	Finced Srl
Piemme SpA	Rome	2,643,139.00	Eur	99.999%	0.001%	Finced Srl
Leggo SpA	Rome	1,000,000.00	Eur	99.950%	0.050%	Finced Srl
Finced Srl	Rome	10,000.00	Eur	99.990%	0.010%	Piemme SpA
Corriere Adriatico SpA	Ancona	890,000.00	Eur	99.950%	0.050%	Finced Srl
Quotidiano di Puglia SpA	Rome	1,020,000	Eur	99.950%	0.050%	Finced Srl
Il Gazzettino SpA	Rome	2,000,000.00	Eur	99.950%	0.050%	Finced Srl
Centro Stampa Veneto SpA	Rome	567,000.00	Eur	-	100.000%	Il Gazzettino SpA
Imprese Tipografiche Venete SpA	Rome	936,000.00	Eur	-	100.000%	Il Gazzettino SpA
P.I.M. Pubblicità Italiana Multimedia Srl	Rome	1,044,000.00	Eur	-	100.000%	Il Gazzettino SpA
Companies included in the consolidation under the equity method						
Rofin 2008 Srl	Rome	10,000.00	Eur	30.000%	-	-

CALTAGIRONE EDITORE

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31ST 2015

CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET

ASSETS	Note	31.12.2015	31.12.2014
Non-current assets			
Intangible assets with definite life	1	396	314
Intangible assets with indefinite life	2	295,277	317,277
Goodwill		*45,374*	*66,374*
Newspaper titles		*249,903*	*250,903*
Property, plant and equipment	3	45,706	51,586
Equity investments valued at equity	4	3	3
Equity investments and non-current securities	5	135,272	136,171
Non-current financial assets	6	42	39
Other non-current assets	7	76	127
Deferred tax assets	8	43,225	47,751
TOTAL NON-CURRENT ASSETS		**519,997**	**553,268**
Current assets			
Inventories	9	2,314	2,345
Trade receivables	10	55,616	56,652
of which related parties		*558*	*745*
Tax receivables	8	1,440	4,685
Other current assets	11	2,468	1,802
Cash and cash equivalents	12	157,813	155,494
of which related parties		*172*	*214*
TOTAL CURRENT ASSETS		**219,651**	**220,978**
TOTAL ASSETS		**739,648**	**774,246**

Euro thousands

CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET

SHAREHOLDERS' EQUITY & LIABILITIES	Note	31.12.2015	31.12.2014
Shareholders' Equity			
Share capital		125,000	125,000
Share capital issue costs		(18,865)	(18,865)
Reserves		473,927	517,602
Loss for the year		(20,131)	(37,194)
Group shareholders' equity		**559,931**	**586,543**
Minority interest shareholders' equity		-	-
TOTAL SHAREHOLDERS' EQUITY	**13**	**559,931**	**586,543**
LIABILITIES			
Non-current liabilities			
Employee provisions	14	24,745	28,011
Other non-current provisions	15	5,634	5,642
Non-current financial liabilities	16	8,306	13,516
Other non-current liabilities	17	1,732	2,403
Deferred tax liabilities	8	59,354	66,282
TOTAL NON-CURRENT LIABILITIES		**99,771**	**115,854**
Current liabilities			
Current provisions	15	2,646	3,271
Trade payables	18	24,578	22,455
of which related parties		*2,103*	*888*
Current financial liabilities	16	26,517	15,789
of which related parties		*5,337*	*3,556*
Other current liabilities	17	26,205	30,334
of which related parties		*29*	*11*
TOTAL CURRENT LIABILITIES		**79,946**	**71,849**
TOTAL LIABILITIES		**179,717**	**187,703**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**739,648**	**774,246**

Euro thousands

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT

	Note	2015	2014
Revenues			
Revenues from sales and services	19	156,885	162,986
of which related parties		*796*	*1,297*
Other operating revenues	20	6,148	7,159
of which related parties		*98*	*79*
TOTAL REVENUES		**163,033**	**170,145**
Costs			
Raw material costs	21	(15,682)	(18,869)
Labour costs	14	(72,890)	(77,773)
of which restructuring charges		*(1,537)*	*(1,800)*
Other operating charges	22	(71,327)	(73,427)
of which related parties		*(6,418)*	*(6,805)*
TOTAL COSTS		**(159,899)**	**(170,069)**
EBITDA		**3,134**	**76**
Amortisation & Depreciation	23	(6,689)	(7,986)
Provisions	23	(549)	(1,088)
Write-down of intangible assets with definite life	1-23	-	(547)
Write-down of intangible assets with indefinite life	2-23	(22,000)	(25,458)
Doubtful debt provision	23	(1,847)	(2,191)
EBIT		**(27,951)**	**(37,194)**
Result of companies valued at equity	**4-24**	**-**	**127**
Financial income		10,713	6,593
of which related parties		*4,283*	*3,264*
Financial charges		(2,032)	(5,178)
of which related parties		*(258)*	*(297)*
Net financial income/(charges)	**24**	**8,681**	**1,415**
LOSS BEFORE TAXES		**(19,270)**	**(35,652)**
Income taxes	8	(861)	(1,608)
LOSS FROM CONTINUING OPERATIONS		**(20,131)**	**(37,260)**
NET LOSS FOR THE YEAR		**(20,131)**	**(37,260)**
Group Net Loss		(20,131)	(37,194)
Minority interest share		-	(66)

In Euro thousands

	Note	2015	2014
Basic loss per share	25	(0.163)	(0.300)
Diluted loss per share	25	(0.163)	(0.300)

CALTAGIRONE EDITORE GROUP
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	Note	2015	2014
Net loss for the year		**(20,131)**	**(37,260)**
Items which are not reclassified subsequently to profit/(loss) for the year			
Effect of actuarial gains/(losses), net of tax effect	14	461	(445)
Items which may be reclassified subsequently to profit/(loss) for the year			
Profit/(loss) from recalculation of AFS assets, net of fiscal effect	5	(6,432)	(956)
TOTAL OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT		**(5,971)**	**(1,401)**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**(26,102)**	**(38,661)**
Attributable to:			
- Parent Company shareholders		(26,102)	(38,595)
- Minority interest		-	(66)

Euro thousands

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY 2014

	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Net Profit/(loss)	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2014	**125,000**	**(18,865)**	**(833)**	**27,096**	**568,672**	**(75,431)**	**625,639**	**68**	**625,707**
Dividends distributed	-	-	-	-	-	-	-	-	-
Prior year result carried forward	-	-	-	-	(75,431)	75,431	-	-	-
Acquisition of treasury shares	-	-	(501)	-	-	-	**(501)**	-	**(501)**
Total operations with shareholders	**-**	**-**	**(501)**	**-**	**(75,431)**	**75,431**	**(501)**	**-**	**(501)**
Change in fair value reserve	-	-	-	(956)	-	-	**(956)**	-	**(956)**
Change in employment termination reserve	-	-	-	-	(445)	-	**(445)**	-	**(445)**
Net Result	-	-	-	-	-	(37,194)	**(37,194)**	(66)	**(37,260)**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(956)**	**(445)**	**(37,194)**	**(38,595)**	**(66)**	**(38,661)**
Other changes	-	-	-	-	-	-	-	(2)	**(2)**
Balance at December 31st 2014	**125,000**	**(18,865)**	**(1,334)**	**26,140**	**492,796**	**(37,194)**	**586,543**	**-**	**586,543**

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STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY 2015

	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Net Profit/(loss)	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2015	**125,000**	**(18,865)**	**(1,334)**	**26,140**	**492,796**	**(37,194)**	**586,543**	**-**	**586,543**
Prior year result carried forward	-	-	-	-	(37,194)	37,194	**-**	-	**-**
Acquisition of treasury shares	-	-	(510)	-	-	-	**(510)**	-	**(510)**
Total operations with shareholders	**-**	**-**	**(510)**	**-**	**(37,194)**	**37,194**	**(510)**	**-**	**(510)**
Change in fair value reserve	-	-	-	(6,432)	-	-	**(6,432)**	-	**(6,432)**
Change in employment termination reserve	-	-	-	-	461	-	**461**	-	**461**
Net Result	-	-	-	-	-	(20,131)	**(20,131)**	-	**(20,131)**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(6,432)**	**461**	**(20,131)**	**(26,102)**	**-**	**(26,102)**
Other changes	-	-	-	-	-	-	**-**	-	**-**
Balance at December 31st 2015	**125,000**	**(18,865)**	**(1,844)**	**19,708**	**456,063**	**(20,131)**	**559,931**	**-**	**559,931**

Euro thousands

CALTAGIRONE EDITORE GROUP
CONSOLIDATED CASH FLOW STATEMENT

	Note	31.12.2015	31.12.2014
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	**12**	**155,494**	**186,633**
Net loss for the year		(20,131)	(37,260)
Amortisation & Depreciation		6,689	7,986
(Revaluations) and write-downs		23,908	31,215
Result of companies valued at equity		-	(127)
Net financial income/(charges)		(4,199)	(4,425)
(Gains)/losses on disposals		(4,543)	(15)
Income taxes		861	1,608
Changes in employee provisions		(3,109)	(2,878)
Changes in current and non-current provisions		(633)	(3,633)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		**(1,157)**	**(7,529)**
(Increase)/Decrease in inventories		30	(28)
(Increase)/Decrease in Trade receivables		(811)	641
Increase/(Decrease) in Trade payables		2,123	(2,121)
Change in other current and non-current liabilities		(5,410)	(1,904)
Change in deferred and current income taxes		730	1,031
OPERATING CASH FLOW		**(4,495)**	**(9,910)**
Dividends received		3,420	2,565
Interest received		897	3,322
Interest paid		(1,231)	(1,229)
Income taxes paid		(761)	(6,277)

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CALTAGIRONE EDITORE GROUP
CONSOLIDATED CASH FLOW STATEMENT

continued from previous page	Note	31.12.2015	31.12.2014
A) CASH FLOW FROM OPERATING ACTIVITIES		**(2,170)**	**(11,529)**
Investments in intangible fixed assets		(350)	(210)
Investments in tangible fixed assets		(544)	(193)
Non-current investments and securities		(12,242)	-
Sale of intangible and tangible assets		-	22
Sale of equity investments and non-current securities		11,943	1,155
Change in non-current financial assets		(3)	4
Change in current financial assets		-	3
Other changes		678	-
B) CASH FLOW FROM INVESTING ACTIVITIES		**(518)**	**781**
Change in current financial liabilities		5,517	(19,890)
Other changes		(510)	(501)
C) CASH FLOW FROM FINANCING ACTIVITIES		**5,007**	**(20,391)**
D) EFFECT EXCHANGE DIFFERENCES ON CASH & CASH EQUIVALENTS		**-**	**-**
Change in net liquidity		2,319	(31,139)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**12**	**157,813**	**155,494**

Euro thousands

CALTAGIRONE EDITORE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31ST 2015

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 the date of the preparation of the present explanatory notes, 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 2,700,000 shares (2.160%)
- Indirectly through the Companies:
  - Parted 1982 SpA 44,454,550 shares (35.56%)
  - Gamma Srl 9,000,750 shares (7.20%)
  - FGC Finanziaria Srl 19,800,000 shares (15.84%)

Gaetano Caltagirone 3,000,000 shares (2.40%).

Edizione Srl 2,799,000 shares (2.24%).

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

The consolidated financial statements at December 31st 2015 include the financial statements of the Parent Company and its subsidiaries (together the "Group"). The financial statements prepared by the Directors of the individual companies for approval by the respective shareholders' meetings, were utilised for the consolidation.

These consolidated financial statements were authorised for publication by the Directors on March 11th 2016.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS APPROVED BY THE EUROPEAN COMMISSION

The consolidated financial statements at December 31st 2015 are prepared on the going concern basis of the Parent Company and the subsidiaries and in accordance with Articles 2 and 3 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the balance sheet date, in addition to the preceding International Accounting Standards (IAS). For simplicity, all the standards and interpretations are hereafter stated simply as "IFRS".

All of the financial statements of the companies consolidated fully are prepared at the same date as the consolidated financial statements and, with the exception of those of the Parent Company which are prepared according to IFRS, were prepared according to Italian GAAP, to which the necessary adjustments were made in order to render them uniform with the Parent Company principles.

The Group did not opt for the advance adoption of the standards, interpretations and updates already approved, which are applicable after the date of the accounts.

The Group evaluated the possible effects related to the application of the new standards/changes to accounting standards already in force listed below in the present notes; based on a preliminary evaluation, significant effects did not emerge in the consolidated financial statements and the parent company financial statements.

BASIS OF PRESENTATION

The Consolidated Financial Statements consist of the Balance Sheet, the Consolidated Income Statement, the Comprehensive Consolidated Income Statement, the Consolidated Cash Flow Statement, the Statement of changes in Shareholders' Equity, an outline of the accounting principles adopted 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 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 19.

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 or unusual operations.

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

The Consolidated Financial Statements are presented in Euro, the functional currency of the Parent Company, and the amounts shown in the notes to the financial statements are shown in thousands, except where indicated otherwise.

The operational and presentation currency of the Group is the Euro, which is also the operational currency of all of the companies included in the present financial statements.

The 2015 financial statements of the Parent Company Caltagirone Editore SpA are also prepared in accordance with IFRS as defined above.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Accounting standards and amendments to standards adopted by the Group:

From January 1st 2015 the Group adopted the following new accounting standards:

- IFRIC 21 - *"Levies"*, an interpretation of IAS 37 - *"Provisions, Contingent Liabilities and Contingent Assets"*. IFRIC 21 provides clarification on when an entity should recognise a liability for the payment of State taxes, with the exception of those already governed by other standards (e.g. IAS 12 - "*Income taxes*"). IAS 37 establishes the criteria for the recognition of a liability, one of which is the existence of a present obligation on the entity arising from a past event (known as an obligating event). The interpretation clarifies that the obligating event, which gives rise to a liability for the payment of the tax, is described in the applicable regulation from which the payment arises.
- *Defined Benefit Plans:* Employee Contributions (Amendments to IAS 19 Employee Benefits)" were approved. The amendments made to IAS 19 permit (but do not render compulsory) the deduction from the current service cost of the period the contributions paid by the employees and by third parties, which are not related to the number of years of service, in place of the allocation of these contributions over the service period.
- *Annual Improvements to IFRSs - 2010–2012 Cycle.* These amendments mainly refer to:
  - IFRS 2, amended the definition of the vesting condition;
  - IFRS 3, clarifying that a potential payment classified as an asset or liability must be valued at fair value at each reporting date;
  - IFRS 8, principally requiring disclosure concerning the criteria and evaluation factors

considered in determining the level of aggregation of the operating segments within the financial statements;
- the Basis of Conclusions of IFRS 13, confirming the possibility to recognise short-term receivables and payables which do not explicitly state the implicit interest rate therein, at their face value, if the effect from not discounting is not significant;
- IAS 16 and IAS 38, clarifying the manner to determine the gross book value of the assets, in the case of revaluation consequent of the application of the model of the re-determined value;
- IAS 24, specifying that an entity is related to a reporting entity if the entity (or a member of the group to which it belongs) provides to the reporting entity (or its parent company) key management personnel services.

• *Annual Improvements to IFRSs - 2011–2013 Cycle*. These amendments mainly refer to:
  - the Basis of Conclusion of IFRS 1, clarifying the definition of IFRS "in force" for the First-time adopters;
  - IFRS 3, clarifying the exclusion from the application of joint control agreements in the financial statements of the joint control agreements themselves;
  - IFRS 13, clarifying that the application of the exception as per paragraph 48 of the standard is extended to all contracts within the application of IAS 39, independent of the fact of whether they are within the definition of financial assets or financial liabilities as per IAS 32;
  - IAS 40, clarifying the interrelation between IFRS 3 and the standard.

Accounting Standards and interpretations on Standards effective from the periods subsequent to 2015 and not adopted in advance by the Group:

• On August 12th 2014, the IASB published the document Equity Method in Separate Financial Statements (Amendments to IAS 27)". This document was adopted by the European Union under Regulation No. 2441 of December 18th 2015. The amendments will allow entities to use the equity method to measure investments in subsidiaries, joint ventures and associates in the separate financial statements. These amendments are applicable from January 1st 2016.

• On December 18th 2014, the IASB published a number of amendments to IAS 1 *"Presentation of Financial Statements"*, in order to clarify some disclosure related aspects. These amendments were adopted by the European Union under Regulation No. 2441 of December 18th 2015. The initiative is part of the Disclosure Initiative project to improve the presentation and communication of financial information in financial reports and to resolve a number of issues highlighted by operators. These amendments are applicable from January 1, 2016.

• On September 25, 2014, the IASB published the *"Annual Improvements to IFRS: 2012-2014 Cycle".* This document was adopted by the European Union under Regulation No. 2343 of December 15th 2015. The amendments introduced concern the following standards: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments:* Disclosure, IAS 19 Employee Benefits, IAS 34 Interim Financial Reporting. These amendments are applicable from January 1st 2016.

• On May 12th 2014, the IASB published a document "Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)" in order to clarify that a depreciation and amortisation method based on the revenues generated by an asset (revenue-based method) is not considered appropriate as exclusively reflecting the revenue streams generated from the assets and not, in fact, the manner of consumption of the economic benefits of the asset. This document was adopted by the European Union under Regulation No. 2331 of December 2nd 2015. These clarifications are effective from periods beginning on or subsequent to January 1st 2016.

- On May 6th 2014, the IASB issued the *"Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 Joint Arrangements)"* document. This document was adopted by the European Union under Regulation No. 2173 of November 24th 2015. The amendments to IFRS 11, applied from periods beginning or subsequent to January 1st 2016, clarify the method for recognition of holdings acquired in a joint operation.
- On June 30th 2014, the IASB published a number of amendments to IAS 16 and IAS 41 concerning Bearer Plants. According to these amendments, cultivation may be recorded at cost instead of at fair value. Otherwise, the amount continues to be recognised at fair value. These amendments are applicable from January 1st 2016.

The Group did not opt for the advance adoption of the standards, interpretations and updates already approved, which are applicable after the date of the accounts.

The Group is evaluating the possible effects related to the application of these new standards/changes to accounting standards; based on a preliminary evaluation, significant effects are not expected on the consolidated financial statements.

New accounting standards and interpretations:

At the date of the approval of the present Consolidated Financial Statements, the IASB had issued (however not yet approved by the European Union) a number of accounting standards, interpretations and amendments - some still in the consultation phase - among which we highlight:

- On July 24th 2014, the IASB published IFRS 9 - *"Financial instruments"*. The document incorporates the results of the classification and measurement, derecognition, impairment and hedge accounting phases of the IASB project to replace IAS 39. The new standard replaces the previous versions of IFRS 9. As noted, the IASB in 2008 initiated a phased project for the replacement of IFRS 9. In 2009, they published the first version of IFRS 9 which considers the measurement and classification of financial assets; subsequently, in 2010 the rules concerning financial liabilities and derecognition were published (this latter issue was entirely incorporated by IAS 39). In 2013, IFRS 9 was amended to include the general model of hedge accounting. In September 2015, EFRAG completed its due process for the issue of the endorsement advice, which was thereafter presented to the European Commission. The endorsement advice recommends that all companies apply IFRS 9 from 2018, with optional application for the insurance sector.
- On January 30th 2014, the IASB published IFRIC 14 - *"Regulatory Deferral Accounts"*. The standard establishes the option for first-time adopters operating in a regulated tariff sector to continue to recognise in the first and subsequent IFRS financial statements - with certain limited changes - the "regulatory assets and liabilities" under the previous local GAAP; in addition, the assets and liabilities from regulatory activities and their movements are presented separately in the balance sheet, in the income statement and in the comprehensive income statement and specific disclosure must be provided in the explanatory notes. The European Commission has currently suspended the Endorsement Process ahead of the issue of the definitive accounting standard by the IASB.
- On May 28th 2014, the IASB published "IFRS 15 - *Revenue from Contracts with Customers*". The standard is a single and complete framework for the recognition of

revenues and sets the rules to be applied to all contracts with customers (with the exception of contracts which fall within the scope of the standards on leasing, on insurance contracts and on financial instruments). IFRS 15 replaces the previous standards on revenues: IAS 18 Revenue and IAS 11 Construction Contracts, in addition to the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The standard establishes the criteria for the recognition of revenues from the sale of products or the supply of services through the introduction of the so-called five-step model framework; in addition, specific information concerning the nature, the amount, the timing and the uncertainties relating to revenues and cash flows deriving from the underlying contracts with clients must be provided in the explanatory notes. On September 11th 2015, the IASB published the Amendments to IFRS 15, which postponed the entry into force of the standard by one year to January 1st 2018. Earlier application is however permitted. Approval by the EU is expected in the second quarter of 2016.
- On January 13th 2016, the IASB published the new standard IFRS 16 Leases, which replaces IAS 17. IFRS 16 is applicable from January 1st 2019. The new standard eliminates the difference in the calculation of operating and finance leases, while also presenting elements which simplify application. Advance application is permitted for entities applying also IFRS 15 Revenues from Contracts with Customers. The conclusion of EFRAG's due process is expected in the second half of 2016.
- On September 11th 2014, the IASB published the document *"Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)"*, in order to resolve a conflict between IAS 28 and IFRS 10. According to IAS 28, the profit or loss from the sale or conferment of a non-monetary asset to a joint venture or associate in exchange for a share of the capital of this latter is limited to the share held by external investors to the transaction. On the other hand, IFRS 10 provides for the recognition of the entire profit or loss in the case of loss of control, also if the entity continues to hold a non-controlling holding, including also upon the sale or conferment of a subsidiary to a joint venture or associate. The amendments introduced provide that for the disposal/conferment of an asset or a subsidiary to a joint venture or associated company, the measurement of the profit or the loss to be recognised to the financial statements of the disposing company/conferring company depends on whether the asset or the subsidiary disposed of/conferred is a business as defined by IFRS 3. In the case in which the assets or the subsidiary disposed of/conferred are considered a business, the entity must recognise the profit of the loss on the entire share previously held; while in the contrary case, the share of profit or loss concerning the stake still held by the entity must be eliminated. In December 2015, the IASB published the Amendment which defers for an unspecified period of time the entry into force of the amendments to IFRS 10 and IAS 28.
- On December 18th 2014, the IASB published the document *"Investment Entities: Applying the Consolidation Exception* (*Amendments to* IFRS 10, IFRS 12 and IAS 28)". The amendment clarifies three issues concerning the consolidation of an investment entity. In July 2015, EFRAG completed its due process for the issue of the endorsement advice.
- On January 19th 2016, the IASB published amendments to IAS 12 Income Tax. The document "Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)" clarifies the calculation of deferred tax assets on debt instruments measured

at fair value. The changes are applied from January 1st 2017. Earlier application is permitted. Approval by the EU is expected at the end of 2016.

- On January 29th 2016, the IASB published amendments to IAS 7 Statement of cash flows. The Disclosure Initiative document (Amendments to IAS 7) seeks to improve the presentation and communication of financial information in financial reports and to resolve a number of issues highlighted by operators. The changes are applied from January 1st 2017. Approval by the EU is expected at the end of 2016.

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

BASIS OF CONSOLIDATION

CONSOLIDATION SCOPE

The consolidation scope includes the Parent Company and all of its subsidiaries, directly or indirectly held (hereinafter the "Group").

The list of subsidiaries included in the consolidation scope is as follows:

	Registered office	2015	2014	Activities
Non-current assets				
Caltagirone Editore SpA	Rome	Parent Com.	Parent Com.	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%	100%	publishing
Finced Srl	Rome	100%	100%	finance
Ced Digital & Servizi Srl	Rome	100%	100%	publishing
Corriere Adriatico SpA	Ancona	100%	100%	publishing
Quotidiano di Puglia SpA	Rome	100%	100%	publishing
Il Gazzettino SpA	Rome	100%	100%	publishing
Centro Stampa Veneto SpA*	Rome	100%	100%	printing
Imprese Tipografiche Venete SpA*	Rome	100%	100%	printing
P.I.M. Srl*	Rome	100%	100%	advertising

** Held by Il Gazzettino SpA*

SUBSIDIARIES

Subsidiary companies are all companies in which the Group directly or indirectly exercises control. Control is exercised either due to directly or indirectly holding a majority of the voting rights, or through the exercise of a dominant influence which is expressed by the power to determine, including indirectly based on contractual or legal agreements, the financial and operating choices of the company and thus obtaining the relative benefits, without reference to the actual holding in the company.

In particular, according to IFRS 10 control over an entity exists when an investor has the ability to utilise their power to influence the results of the entity, and when having the right to variable returns from their connection with the entity invested in.

Subsidiaries are consolidated from the date in which control occurs until the moment in which this control terminates.

The financial statements used for the consolidation were prepared at December 31st and are normally those prepared and approved by the Board of Directors of the individual companies, appropriately adjusted, where necessary, in accordance with the accounting principles of the Parent Company.

For the list of companies included in the consolidation scope, reference should be made to the table as per Article 38 of Legislative Decree No. 127/1991 attached to the present report.

ASSOCIATED COMPANY

	Registered office	2015	2014
Shareholders' Equity			
Rofin 2008 Srl	Rome	30.00%	30.00%

Associated companies are companies in which the Group has a significant influence, which is presumed to exist when the percentage held is between 20% and 50% of the voting rights.

Companies under joint control are subject to a contractual agreement between the participants which establish the control of the business operations of the company.

The investments in associated companies and the companies subject to joint control are valued under the equity method and are initially recorded at cost.

The equity method is as described below:

- the book value of these investments are in line with the net equity and includes the recording of the higher value attributed to the assets and liabilities and to any goodwill identified at the moment of the acquisition;
- the Group gains and losses are recorded at the date in which the significant influence begins and until the significant influence terminates; in the case where, due to losses, the Company valued under this method indicates a negative net equity, the carrying value of the investment is written down and any excess pertaining to the Group, where this latter is committed to comply with legal or implicit obligations of the investee, or in any case to cover the losses, is recorded in a specific provision; the equity changes of the companies valued under the equity method not recorded through the income statement are recorded directly as an adjustment to equity reserves;

- the significant gains and losses not realised generated on operations between the Parent Company and subsidiary companies and investments valued under the equity method are eliminated based on the share pertaining to the Group in the investee; the losses not realised are eliminated, except when they represent a reduction in value.

The list of the associated companies is provided in the notes.
The condensed financial information required by IAS 12 is provided in the notes.

CONSOLIDATION PROCEDURES

The subsidiary companies are consolidated using the line-by-line method. The criteria adopted for the line-by-line consolidation were as follows:

- the assets and liabilities and the charges and income of the companies fully consolidated are recorded line-by-line, attributing to the minority shareholders, where applicable, the share of net equity and net result for the period pertaining to them; this share is recorded separately in the net equity and in the consolidated income statement;
- the business combinations, in which the control of an entity is acquired, are recorded applying the "Acquisition method". The acquisition cost is represented by the fair value, at the purchase date, of assets sold, of liabilities incurred and of capital instruments issued. The assets, liabilities and contingent liabilities are recognised at their fair value at the purchase date. The difference between the purchase cost and the fair value of the assets and liabilities transferred, if positive, is recorded under intangible assets as goodwill, and if negative is recorded directly in the income statement, as income;
- the inter-group balances and transactions, including any unrealised gains with third parties, are eliminated net of the fiscal effect, if significant. The unrealised losses are not eliminated, where the transaction indicates a reduction in value of the activity transferred;
- the gains and losses deriving from the sale of an investment in a consolidated company are recorded to Group net equity as a transaction with shareholders for the amount corresponding to the difference between the sales price and the corresponding share of the consolidated net equity sold. In the case in which the sale results in the loss of control and therefore the deconsolidation of the investment, the difference between the sales price and the corresponding share of consolidated net equity sold must be recorded as a profit or loss to the income statement.

FOREIGN CURRENCY TRANSACTIONS

All transactions in currencies other than the Euro are recognised at the exchange rate at the date of the transaction. The assets and liabilities denominated in foreign currencies other than the operational currencies are subsequently adjusted to the exchange rate at the end of the reporting period. The positive or negative differences between the values translated at the period end exchange rate and the original exchange rate are recognised in the income statement.
The non-monetary assets and liabilities denominated in foreign currencies and recorded at historical cost are translated utilising the exchange rate at the initial date of recording of the operation.
The non-monetary assets and liabilities recognised at fair value are translated using the exchange rate at the transaction date.

BUSINESS COMBINATIONS

Business combinations are recognised according to the acquisition method. According to this method:

i. the amount transferred in a business combination is valued at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the company acquired. Accessory charges to the transaction are recorded to the income statement at the moment in which they are incurred;
ii. at the acquisition date, the identifiable assets acquired and the liabilities assumed are recorded at fair value at the acquisition date; an exception are the deferred tax assets and liabilities, employee benefit assets and liabilities, liabilities or equity instruments relating to share-based payments of the entity acquired or share-based payments relating to the Group, issued in replacement of the contracts of the entity acquired, and the assets (or group of assets and liabilities) held-for-sale, which are instead valued according to the applicable standard;
iii. goodwill is calculated as the excess of the amounts transferred in the business combination, of the value of minority interests' net equity and the fair value of any holding previously held in the acquired company compared to the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of amounts transferred, of the value of minority interest net equity and the fair value of any holding previously held in the acquired company, this excess is immediately recorded to the income statement as income deriving from the transaction concluded;
iv. any amount subject to conditions established by the business combination contract are valued at fair value at the acquisition date and included in the value of the amounts transferred in the business combination for the determination of goodwill.

In the case of business combinations undertaken in a series of phases, the holding previously held in the acquired entity is revalued at fair value at the acquisition of control date and any profit or loss is recorded to the income statement.
If the initial values of a business combination are incomplete at the period-end in which the business combination took place, the Group reports in its consolidated financial statements the provisional values of the items for which the final calculations could not be made. These provisional values are adjusted in the measurement period to take account of the new information obtained on the facts and circumstances existing at the acquisition date which, if known, would have had effects on the value of assets and liabilities recognised at this date.
On passage to IFRS, the Group decided to restate only the business combinations taking place after January 1st 2004. For the acquisitions before this date, goodwill is the amount recorded in accordance with Italian GAAP.

INTANGIBLE ASSETS WITH DEFINITE LIFE

An intangible asset is a non-monetary asset, clearly identifiable and without physical substance, controllable and capable of generating future economic benefits.
The Intangible assets with a definite life, which include patents, concessions, licences, trademarks and similar rights and software, are recorded at cost, including direct accessory costs necessary in order to render the asset available for use. For each

intangible asset, on initial recognition the useful life is determined and re-examined annually and any changes are made in accordance with future estimates.
Intangible assets with definite useful lives are recognised net of the relative accumulated amortisation and any impairment in accordance with the procedures described below. Amortisation begins when the asset is available for use and is recognised on a systematic basis in relation to the residual use and thus over the useful life of the asset. In the first year of use the amortisation takes into account the period of its use in the year. Considering the uniformity of the assets contained in the individual categories, it is considered, with the exception of specific cases, that the useful life of these assets is approximately 3-5 years. At the moment of sale or when no expected future economic benefits exist from the use of an intangible asset, it is eliminated from the financial statements and any loss or gain (calculated as the difference between the sales value and the net book value) is recorded in the income statement in the year of the above mentioned elimination.

INTANGIBLE ASSETS WITH INDEFINITE LIFE

GOODWILL

The goodwill deriving from business combinations is allocated to the cash generating unit which will benefit from these operations. The goodwill relating to investments in associated companies is included in the carrying value of these companies.
After the initial recording, goodwill is not amortised but is adjusted for any loss in value, determined in accordance with the procedures described below (see note 2). Any write-downs may not be subsequently re-stated.

PUBLISHING TITLES

Intangible assets with indefinite useful lives are those assets for which, on the basis of an analysis of all of the relevant factors, there is no foreseeable limit to the period in which the cash flow generated is limited for the Group. The newspaper titles are considered assets with indefinite useful lives.
The intangible assets with an indefinite life are initially recorded at purchase cost, determined in accordance with the same procedures indicated for intangible assets with a definite life, but are not amortised subsequently. The recoverability of their value was verified as reported below (see note 2). Any write-downs are reinstated if the reasons for their write down no longer exist.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost, including directly allocated accessory costs and those necessary for the asset being in the condition for which it was acquired, and increased, in the presence of current obligations, by the current value of the estimated cost for the disposal of the asset.
The financial charges directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset itself until the moment in which the asset is ready for expected use or sale.
The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement in the year in which they are

incurred. The capitalisation of the costs relating to the expansion, modernisation or improvement of owned tangible assets or of those held in leasing, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach.
Property, plant and equipment is recorded net of the relative accumulated depreciation and any loss in value determined in accordance with the procedures described below. Depreciation is calculated on a straight-line basis according to the estimated useful life of the asset; useful life is reviewed annually and any changes, where necessary, are made on the basis of the new estimate.
The property, plant and equipment acquired through finance lease contracts, where the majority of the risks and rewards relating to the ownership of an asset have been transferred to the Group, are recognised as assets of the Group at their fair value or, if lower, at the current value of the minimum lease payments, including any redemption amounts to be paid. The corresponding liability due to the lessor is recorded under financial payables. The leased assets are amortised based on the useful life of the asset. When there is no reasonable certainty that the Group will acquire ownership at the end of the lease, the asset is amortised over the shorter period of the duration of the lease and the useful life of the asset. The leased assets where the lessor bears the majority of the risks and rewards relating to an asset are recorded as operating leases. The costs relating to operating leases are recorded on a straight-line basis in the income statement over the duration of the lease contract.
The principal depreciation rates applied are as follows:

	Useful life	Economic/technical rate
Industrial buildings	30 years	3.33%
Light structures	10 years	10%
Non automated machines and general plant	10 years	10%
Rotating press for paper in rolls	15 years	6.67%
Various equipment	4 years	25%
Office furniture and equipment	8 years	12.5%
Transport vehicles	5 years	20%
Motor vehicles and similar	4 years	25%

Land, both constructible and relating to civil and industrial buildings, is not depreciated as it has an unlimited useful life.
When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the component approach principle.
At the moment of sale or when there are no expected future economic benefits from the use of property, plant and equipment, they are eliminated from the financial statements and any loss or gain (calculated as the difference between the sales value and the book value) is recorded in the Income Statement in the year of the above-mentioned elimination.

IMPAIRMENT LOSSES

Periodically, property, plant and machinery and intangible assets with definite useful life

are examined for the existence of events or changes which would indicate that the book value may not be recovered. If an indication of this type exists, the recoverable amount must be determined and, in the case in which the book value exceeds the recoverable amount, these assets are written down to reflect their recoverable amount.
The recoverable amount of the intangible and tangible assets is the higher value between the present value, net of the disposal costs and their value of use. The value in use refers to the present value of estimated future cash flows of the asset or, for assets that do not independently generate sufficient cash flows, of the group of assets that comprise the cash generating unit to which the asset belongs.
In defining the value of use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the activity.
A reduction in value is recognised in the income statement when the carrying value of the asset, or of the relative cash-generating unit to which it is allocated, is higher than the recoverable amount: the losses in value of cash-generating units are firstly attributed to the reduction in the carrying value of any goodwill allocated and, thereafter, to a reduction of other assets, in proportion to their carrying value. When the reasons for a write-down no longer exist on tangible and intangible assets other than goodwill, the book value of the asset is restated through the income statement, up to the value at which the asset would be recognised if no write-down had taken place and amortisation had been recognised.
When the reduction in value deriving from the test is higher than the value of the asset subject to the test allocated to the cash generating unit to which it belongs, the residual amount is allocated to the assets included in the cash-generating unit in proportion to their carrying value. This allocation has as its minimum limit, the highest value between:
• the relative fair value of the asset less disposal costs;
• the relative value in use, as defined above;
• zero.
The impairments are recognised in the income statement under the account amortisation, depreciation and write down costs.

INVESTMENTS IN COMPANIES VALUED UNDER THE EQUITY METHOD

Associated companies are companies in which the Group exercises a significant influence but does not exercise control of the financial and operating policies, as defined by IAS 28 - Investments in associates. The consolidated financial statements include the quota attributable to the Group of the results of associated companies recorded under the equity method, from the date in which the significant influence commences until the date in which the significant influence ceases.
Where the share of losses pertaining to the Group in the associated company exceeds the carrying value of the investment, the value of the investment is written down and the share of further losses is not recorded, with the exception that the Group has the obligation to cover such losses.

INVESTMENTS VALUED AT COST

These concern investments for which the fair value cannot be reliably determined, these investments are valued at cost adjusted for reductions in value and the effects are recognised in the income statement.

INVENTORIES

Raw materials, semi-finished and finished products are recognised at cost and measured at the lower of cost and the market value. The cost is calculated on the basis of the weighted average cost method, which includes related accessory costs.
In order to establish the net realisable value, the value of any obsolete or slow-moving inventory is written-down based on the expected future utilisation/realisable value through the creation of a relative fund for the reduction in value of the inventory.

FINANCIAL ASSETS

The financial assets are classified, on initial recognition, in one of the following categories and measured as follows:

- *available-for-sale financial assets:* the available-for-sale assets are non-derivative financial instruments explicitly designated in this category and are classified under non-current assets unless management has the intention to sell them within 12 months from the balance sheet date. These financial assets are valued at fair value and the valuation gains or losses are allocated to net equity and the Comprehensive Income Statement. They are recognised in the income statement only when the financial asset is sold, or, in the case of negative cumulative changes, when it is considered that the reduction in value already recorded under equity may not be recovered and when a long-term loss in value is established.
  The Group, taking account of the types of shares held, established that the quantitative limits utilised to identify the necessity for an impairment procedure are for a decrease in the fair value of above 50% compared to the original book value or a decrease in the fair value below the initial recording for 60 consecutive months.
  Financial assets are derecognised from the balance sheet when the right to receive the cash flows from the instrument ceases and the Group has transferred all the risks and rewards relating to the instrument and the relative control. When the fair value cannot be determined reliably, the cost value is maintained, adjusted for any losses in value. These losses for reduction in value may not be restated;
- *loans and receivables*: they are financial instruments, principally relating to loans and trade receivables, non-derivative, not listed on an active market, from which fixed or determinable payments are expected. They are stated as current assets except for amounts due beyond 12 months from the balance sheet date, which are classified as non-current. These assets are measured at amortised cost, on the basis of the effective interest rate (identified as their nominal value). When there is an indication of a reduction in value, the asset is reduced to the value of the discounted future cash flows obtainable. The losses in value are recorded in the income statement. When, in subsequent periods, the reasons for the write-down no longer exist, the value of the assets is restated up to the value deriving from the application of the amortised cost where no write-down had been applied.
  Financial assets are eliminated from the balance sheet when the right to receive the cash flows from the instrument ceases and the Group has transferred all the risks and rewards relating to the instrument and the relative control.
  In accordance with IAS 39.38 financial assets are measured at the trading date.

FINANCIAL LIABILITIES

Financial liabilities relate to loans, trade payables and other commitments to be paid,

and are initially valued at fair value, net of directly allocated accessory costs, and subsequently at amortised cost, using the effective interest rate. When there is a change in the expected cash flows and it is possible to estimate them reliably, the values of liabilities are recalculated to reflect this change based on the new current value of the expected cash flows and of the internal yield initially determined.
The financial liabilities are classified under current liabilities, except when the Group has an unconditional right to defer their payment for at least 12 months after the balance sheet date.
Financial liabilities are eliminated from the balance sheet when they expire and the Group has transferred all the risks and rewards relating to the instrument.

FAIR VALUE HIERARCHY LEVELS

In relation to the financial assets and liabilities recorded in the balance sheet at Fair Value, IFRS 13 requires that these values are classified based on a hierarchy of levels which reflects the degree of input utilised in the determination of the Fair Value. The following levels are used:

level 1: determination of fair value based on prices listed on active markets for identical assets or liabilities which the entity can access at the valuation date;

level 2: determination of fair value based on other inputs than the listed prices included in "Level 1" but which are directly (prices) or indirectly (derivatives of prices) observable for the assets or liabilities;

level 3: determination of the fair value based on valuation models whose input is not observable for the assets or liabilities.

For information on the Fair Value hierarchy level, reference should be made to Note 32.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are accounted at fair value and include bank deposits and cash in hand, or rather those values that are available on demand at short notice, certain in nature and with no payment expenses.
Cash and cash equivalents in foreign currencies are valued at the year-end exchange rate.

SHAREHOLDERS' EQUITY

TREASURY SHARES

The costs incurred for the purchase of treasury shares are recorded as a reduction of shareholders' equity. The gains or losses deriving from a subsequent sale are recorded as net equity movements.

COSTS FOR SHARE CAPITAL INCREASES

The costs incurred for the stock exchange listing of the Parent Company Caltagirone Editore SpA, net of the relative tax effect, are recorded as a reduction of the shareholders' equity in a separate negative reserve.

EMPLOYEE BENEFITS

The liabilities relating to the benefits recognised to employees and paid on or after the

employment period and relating to defined benefit plans (Employee Leaving Indemnity), net of any assets serving the plan, are determined on the basis of actuarial assumptions estimating the amount of the future benefits that the employees have matured at the balance sheet date. The liability is recognised on an accruals basis over the maturity period of the right.
In relation to the Employee leaving indemnity, following the amendments to Law No.296 of December 27th 2006 and subsequent Decrees and Regulations ("Pension Reform") issued in the first months of 2007, it is noted that:

- the employee leaving indemnity matured at December 31st 2006 continues to be considered as a defined benefit plan.
- the employee leaving indemnity matured from January 1st 2007, for Italian companies with a number of employees above 50, is considered a defined contribution plan.

The determination of the current value of the Group commitments is made by an independent expert using the projected unit credit method. Under this method, a future projection is made of the liability to determine the probable amount to be paid on the termination of employment and then discounted, to take into account the period of time which will pass before the actual payment. The calculation takes into account the employee leaving indemnity matured and is based on actuarial assumptions which principally relate to the interest rate, which reflects the market return of primary securities with maturities similar to those for bonds and the turnover of employees.
For the quota of the employee leaving indemnity allocated to the integrated pension or rather the INPS fund from the date of the option exercised by the employee, the Group is not a debtor of the employee indemnity provision matured after December 31st 2006, and therefore the actuarial calculation of the employee leaving indemnity excludes the component relating to future salary changes.
The actuarial gains and losses, defined as the differences between the carrying value of the liabilities and the current value of the Group commitments at the end of the period, due to changes in the actuarial parameters described above, are directly recorded to the Comprehensive Income Statement. The financial component is however recorded in the Income Statement, in the account financial charges.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised in respect of certain or probable losses or liabilities, the amount or due date of which could not be determined at year-end.
The Provisions for risks and charges are recorded when a legal or implicit obligation exists towards a third party that derives from a past event, and a payment of resources is probable in order to satisfy the obligation and this amount can be reliably estimated. When the financial effect of the time value of money is significant and the payment dates of the obligations can be estimated reliably, the provision is discounted using the estimated future cash flows at a pre-tax rate that reflects the current market assessment of the cost of money and, if appropriate, the specific risks of the obligation; the increase of the liability due to the passing of time is recorded as a financial charge.
In particular, the provisions for risks and charges relating to employee restructuring plans are recognised when at the balance sheet date the event which gives rise to the obligation is 'binding' as the Company, through the drawing up of a formal restructuring programme, has generated within interested third parties the valid expectations that the entity will implement the afore-mentioned programme.

GRANTS

The grants and contributions, from public entities and private third parties, are recognised at fair value when there is reasonable certainty that they will be received and that they will satisfy the conditions for their attainment. The grants received against specific expenses are recognised under other liabilities and credited to the Income Statement in the period in which the related costs mature.

The grants received against specific assets whose value is recorded under fixed assets are recorded under other liabilities and credited to the Income Statement in relation to the depreciation period to which the asset refers.

Operating grants are fully recognised to the Income Statement at the moment in which they satisfy the conditions for their recognition.

REVENUES

Revenues are recognised in accordance with the probability that the Group will receive economic benefits and the amount can be determined reliably. The revenues are recognised at the fair value of the amount received less returns, premiums and discounts. The revenues from the sale of goods are recognised when the significant risks and benefits of the ownership of the assets are transferred to the purchaser. In particular, the circulation revenues are recognised in relation to the number of copies issued by the balance sheet date, appropriately adjusted at the year-end to take into account returns based on historical data.

Revenues for services are recognised when the services are provided, with reference to the progress of completion of the activities. The advertising revenues are recognised based on the completion of the advertisement by the end of the year.

FINANCIAL INCOME AND EXPENSES

Financial income and charges are recognised in accordance with the accruals concept on the basis of the interest matured on the net value of the relative financial assets and liabilities utilising the effective interest rate, therefore utilising the rate which is financially equivalent to all the cash inflows and outflows which comprise an operation.

DIVIDENDS

The dividends are recorded when the right of the shareholders to receive the payment arises. The dividends and dividend payments on account payable to third parties are recorded as changes in shareholders' equity at the date in which the Shareholders Meetings approves them.

INCOME TAXES

Current Income taxes for the period are determined on the basis of the taxable assessable income and in accordance with current fiscal law; in addition, the effects deriving from the implementation of the Group's national fiscal consolidation is applied. Deferred tax assets and liabilities are calculated on temporary differences between the balance sheet values and the corresponding values recognised for tax purposes, applying the expected tax when the differences are reversed, determined on the basis of the

current tax rates in force and in consideration of any expected changes relating to future years.
The recognition of deferred tax assets is made when their recovery is probable - that is when it is expected that there will be future assessable fiscal income sufficient to recover the asset, while deferred tax liabilities are recorded in every case.
The recovery of the deferred tax asset is reviewed at each balance sheet date.

EARNINGS/(LOSS) PER SHARE

BASIC

The basic earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.

DILUTED

The diluted earnings per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted assuming the conversion of all shares with potential dilution effect. The diluted earnings per share is not calculated in the case of losses, as the dilution effect would result in an improvement in the earnings per share.

RISK MANAGEMENT

The activities of Caltagirone Editore and its subsidiaries are subject to various 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. The Group does not have any derivative financial instruments, nor do specific financial risks exist in relation to price, credit or liquidity (other than that deriving from operating activities).

Market risk (price of raw materials - paper)

The Group is exposed to fluctuations in the price of paper - the principal raw material; this risk is managed through supply contracts with Italian and foreign companies with fixed prices and quantities for a maximum period of approximately 12 months, and through procurement from suppliers based in different geographic areas in order to avoid the risks related to an excessive concentration of suppliers and to obtain the most competitively priced supplies.

Price risk of the equity shareholdings

In relation to the risk of changes in the fair value of the equity shareholdings held and classified as available-for-sale, the Group monitors the changes of share prices and for this reason constantly records the movements in the listed shares in portfolio. Based on this data, the investment and divestment policies of the Group are defined with the objective to optimise medium and long-term cash flows, also considering the distribution of dividends from the shares in portfolio. The investment and divestment strategies of the equity investments are also considered in relation to the diversification of risk.

Credit risk

The receivables at the end of the year are prevalently of a commercial nature and relate principally to publishing activities (circulation), which based on the nature of the business have reduced average realisation times, and to Advertising, as indicated in the notes to the balance sheet of the consolidated and separate financial statements, to which reference is made. In general, they are recorded net of any write-downs, calculated on the basis of the risk of non-fulfilment by the counterparty, determined considering the information available on the clients solvency and historical insolvency data in relation to the varying expiry dates of receivables. Historically, there are no significant situations which are particularly problematic in relation to the solvency of the clients, as the policy of the Group is only to sell to clients after a prudent evaluation of their credit capacity and therefore within the established credit limits. Finally, no significant debtor positions were recorded which would equate to an excessive concentration of credit. On this basis, the credit risk to which the Group is exposed can be considered limited.

Currency risk

The Group at the balance sheet date has no currency risk exposure as it currently operates only in the Eurozone.

Interest rate risk

The interest rate risk relates to an uncontrolled increase of the charges deriving from variable interest rates on medium/long-term loans of Group companies. The interest rate risk to which the Group is exposed is considered limited in that the loans undertaken are contracted in Euro, which currently presents low interest rates following the monetary policies adopted by the central banks to counter the recession.

Liquidity risk

Liquidity risk is linked to the difficulty in obtaining funds to cover commitments at a given moment. The Caltagirone Editore Group has access to its own liquidity which is in the form of short-term deposits and therefore easily accessible and highly liquid. This risk therefore is not significant for the Group.

Environment and security risk

Existing regulations and laws are rigorously applied to workplace health and security and hence govern this area of risk.

USE OF ESTIMATES

The preparation of the Consolidated 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 balance sheet, the consolidated income statement and the consolidated 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 accounting principles and accounts in the financial statements which require greater subjectivity in the preparation of the estimates and for which a change in the underlying conditions of the assumptions used may have a significant impact on the consolidated financial statements of the Group are as follows:

- Goodwill and other indefinite intangible assets
- Write-down of fixed assets
- Depreciation of tangible fixed assets
- Deferred taxes
- Provisions for risks and charges
- Allowance for doubtful accounts
- Other write-down provisions
- Employee benefits

The estimates and assumptions are reviewed periodically and the effects of all variations recorded in the Income Statement or the Comprehensive 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.

CHANGE OF ACCOUNTING PRINCIPLES, ERRORS AND CHANGE OF ESTIMATES

The accounting principles adopted are amended from one period to another only if the change is required by a standard and if this contributes to providing more reliable information on the effects of the operations on the balance sheet, income statement and cash flows of the enterprise.
The changes to the accounting standards are recorded retrospectively with the recording of the effect to net equity for the more remote periods reported. The other comparative amounts indicated for each period are adjusted as if the new standard had always been applied. The prospective approach is made only when it is impractical to reconstruct the comparative information.
The application of a new or amended accounting standard is accounted for in accordance with the requirements of the standard. If the standard does not permit a transition period, the change is accounted in accordance with the retrospective method, or if impractical, with the prospective method.
In the case of significant errors, the same method that is used for changes in accounting standards illustrated previously is applied.In the case of non-significant errors, these are accounted for in the income statement in the period in which they are noted.
Changes in estimates are accounted in accordance with the prospective method in the Income Statement in the period in which the change occurs only if impacting upon this latter or in the period in which the change occurs, and subsequent periods if the change also impacts upon future periods.

VALUE OF THE GROUP

The Stock Market capitalisation of Caltagirone Editore is currently lower than the net equity of the Group (Stock Market capitalisation at December 31, 2015 of Euro 125.0 million compared to a Group net equity of Euro 559.9 million). The share price was

affected by the generally weak and highly volatile financial market conditions, which significantly differ from an assessment based on the Group's underlying fundamentals expressed by the value in use. While considering the complex economic environment, reflected also in the cash flow estimate and discounting rate estimate, the impairment test should consider the capacity to generate cash flows or the determination of specific fair values, rather than stock market values which also reflect developments not strictly related to the Group, with a particular short-term focus.
It should however be considered that the total value of cash and cash equivalents, of available-for-sale financial assets and the Newspaper Titles account for 97% of the Consolidated Net Equity. On measuring the Newspaper Titles at fair value less disposal costs, further gains emerged which exceed the value of Net Equity.

ASSETS

1. INTANGIBLE ASSETS WITH DEFINITE LIFE

Historical cost	Research & development	Patents	Trademarks and Concessions	Others	Total
01.01.2014	**762**	**1,533**	**4,982**	**5,853**	**13,130**
Increases	-	-	40	171	**211**
Decreases	-	-	(250)	(336)	**(586)**
Change in consolidation scope	-	-	(3,100)	-	**(3,100)**
31.12.2014	**762**	**1,533**	**1,672**	**5,688**	**9,655**
01.01.2015	**762**	**1,533**	**1,675**	**6,035**	**10,005**
Increases	-	-	3	347	**350**
Decreases	-	-	-	-	**-**
31.12.2015	**762**	**1,533**	**1,675**	**6,035**	**10,005**

Amortisation and loss in value	Research & development	Patents	Trademarks and Concessions	Others	Total
01.01.2014	**762**	**1,520**	**4,194**	**5,369**	**11,845**
Increases	-	11	17	376	**404**
Decreases	-	-	(247)	(336)	**(583)**
Change in consolidation scope	-	-	(2,325)	-	**(2,325)**
31.12.2014	**762**	**1,531**	**1,639**	**5,409**	**9,341**
01.01.2015	**762**	**1,531**	**1,639**	**5,409**	**9,341**
Increases	-	2	8	258	**268**
Decreases	-	-	-	-	**-**
31.12.2015	**762**	**1,533**	**1,647**	**5,667**	**9,609**

Net value					
01.01.2014	**-**	**13**	**788**	**484**	**1,285**
31.12.2014	**-**	**2**	**33**	**279**	**314**
31.12.2015	**-**	**-**	**28**	**368**	**396**

Euro thousands

At December 31st 2015, no Companies of the Group recorded the existence of inactive intangible assets or completely amortised still in use of significant value.
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. INTANGIBLE ASSETS WITH INDEFINITE LIFE

The intangible assets with indefinite life, comprising of goodwill and newspaper titles, are not amortised, but annually subject to verifications to determine the existence of any loss in value (impairment test).
The table below shows the movements in the intangible assets with indefinite life:

Historical cost	Goodwill	Newspaper titles	Total
01.01.2014	**189,596**	**286,794**	**476,390**
Increases	-	-	**-**
Decreases	-	-	**-**
31.12.2014	**189,596**	**286,794**	**476,390**
01.01.2015	**189,596**	**286,794**	**476,390**
Increases	-	-	**-**
Decreases	-	-	**-**
31.12.2015	**189,596**	**286,794**	**476,390**
Write-downs	**Goodwill**	**Newspaper titles**	**Total**
01.01.2014	**100,742**	**32,913**	**133,655**
Increases	22,480	2,978	**25,458**
Decreases	-	-	**-**
31.12.2014	**123,222**	**35,891**	**159,113**
01.01.2015	**123,222**	**35,891**	**159,113**
Increases	21,000	1,000	**22,000**
Decreases	-	-	**-**
31.12.2015	**144,222**	**36,891**	**181,113**
Net value			
01.01.2014	**88,854**	**253,881**	**342,735**
31.12.2014	**66,374**	**250,903**	**317,277**
31.12.2015	**45,374**	**249,903**	**295,277**

Euro thousands

The goodwill, as described in detail below, is allocated to each CGU of the Newspaper Titles and the advertising agency.
The breakdown of the balance relating to the newspaper titles is shown below:

	01.01.2014	Increases	Decreases	Write-downs	31.12.2014
Il Messaggero SpA	90,808	-	-	-	90,808
Il Mattino SpA	44,496	-	-	-	44,496
Quotidiano di Puglia SpA	16,031	-	-	-	16,031
Corriere Adriatico SpA	15,156	-	-	(2,978)	12,178
Il Gazzettino SpA	87,387	-	-	-	87,387
Other minor newspaper titles	3	-	-	-	3
Total	**253,881**	**-**	**-**	**(2,978)**	**250,903**

	01.01.2015	Increases	Decreases	Write-downs	31.12.2015
Il Messaggero SpA	90,808	-	-	-	90,808
Il Mattino SpA	44,496	-	-	-	44,496
Quotidiano di Puglia SpA	16,031	-	-	(400)	15,631
Corriere Adriatico SpA	12,178	-	-	(600)	11,578
Il Gazzettino SpA *	87,387	-	-	-	87,387
Other minor newspaper titles	3	-	-	-	3
Total	**250,903**	**-**	**-**	**(1,000)**	**249,903**

Euro thousands

** In relation to Il Gazzettino, the value of the Publishing Title, net of the theoretical tax effect on gains allocated on setting the acquisition price, appropriately adjusted following write-downs, is Euro 69.4 million*

In 2013, the Caltagirone Editore Group completed a number of corporate restructuring actions ("transfer" of the advertising agency Piemme SpA under the direct control of the Parent Company Caltagirone Editore) as part of a process which has been under development for some time and involving the relative centralisation of a number of operating and strategic decisions concerning the respective areas of Group activity. These operations principally concerned the daily newspaper advertising agency activities, the distribution method of a number of local Group newspapers - in part the manner of content organization - the development and management of the digital business of all Group newspaper titles within a special purpose entity, in addition to the centralisation of a number of functions (purchase of assets and services, technologies and software development). These developments relate also to the operating decisions taken by the Group in response to the challenging marketplace which has emerged in recent years.
Close interdependencies were therefore generated, which were further strengthened in 2014 and 2015, between the various Group legal entities based on existing synergies, which can be fully traced through the adoption of a single aggregate financial statement which, among other issues, enables a single "reading" of the figures according to the effective operating manner of the newspaper titles and the dedicated advertising agency.
In relation to the valuation model utilized in 2014 to establish the recoverability of the

newspaper titles and goodwill, firstly a verification was carried out of the recoverability of the value of the individual Newspaper Titles in accordance with the combined provisions of IAS 36 par. 10(b) and IAS 38 par. 108. Secondly, the recoverability of the goodwill of the CGU was verified based on a comparison between the Enterprise Value of the CGU and the Net Capital Employed, including the Newspaper Titles and Goodwill, and the CGU itself, in accordance with IAS 36 par. 10(a).

The impairment test on the individual Newspaper Titles was carried out on the basis of the recoverable value on the individual Newspapers calculated using a model in line with that used to calculate the third level fair value of IFRS 13 "Fair Value Measurement" ("IFRS 13"). For the establishment of the recoverable value of the Newspaper Titles, it was not possible to refer to the two fair value levels, as market prices or other directly or indirectly observable measures of these assets were not available.

The recoverable value of the Newspaper Titles was established through application of a method based on empirical multipliers. This method is one of the most widely used comparative methods in common practice for the calculation of the value of specific categories of intangible assets.

The model applied refers to, for the estimated recoverable value of the Newspaper Titles, revenue multipliers (separate for circulation and advertising revenue) and a corrective factor based on a multiple of the negative EBITDA values which may be generated by the Newspaper Title. The multiplier ratios of the revenue variables are calibrated on the basis of a "balance scorecard" which allocates a score for a series of qualitative factors contributing to the value of the newspaper titles (age, competition, circulation, price, editing, advertising attractiveness, future potential, advertising catchment area and profitability), based on an analysis of the general publishing sector performance and the competitive position of each newspaper title on its market, in addition to historical experience and managerial assessments of the qualitative profiles of each of the publishing titles. The determination of the revenue ratios based on the overall score from the balance scorecard, for each Newspaper Title, is based on an objective criteria on the basis of which, for all ratios, the allocation of a minimum score for all qualitative factors corresponds to the extreme low-end of the parametric range and the maximum score to the extreme upper range.

The underlying table reports the book values of the Newspaper Titles following the impairment tests on the Newspaper Titles.

Description	**Newspaper titles ***		
	2015	**2014**	**Write-downs**
Il Gazzettino SpA	69,399	69,399	-
Il Messaggero SpA	90,808	90,808	-
Il Mattino SpA	44,496	44,496	-
Quotidiano di Puglia SpA	15,631	16,031	(400)
Corriere Adriatico SpA	11,578	12,178	(600)

Euro thousands

** Newspapers are recognised net of the theoretical tax effect on gains allocated on setting of the acquisition price, appropriately adjusted for write-downs*

The results of the valuation method adopted to calculate an estimate of the value of the Newspaper Titles depends on the values allocated to the revenue and EBITDA variables, in addition to the values allocated to model ratios; therefore, changes in the values allocated to these totals have effects, possibly significant, on the value of the Publishing Titles.
In order to verify the recoverability of the CGU's goodwill, an economic and financial plan of the Caltagirone Editore Group was prepared using the financial statement accounts of the CGU comprising the publishing and advertising activities.
The estimate of the recoverable value of goodwill was carried out according to IAS 36. The value in use in 2015 was determined through the Discounted Cash Flow method, which is the discounting of the future operating cash flows generated by the CGU. In particular, the cash flows were estimated for a period of 5 years and then discounted based on the cost of capital of the CGU (WACC). A terminal value representing the projections of the CGU's revenue capacity, calculated under the perpetual return model, was added to this value. A growth rate of zero was applied for the calculation of the terminal value. The impairment test also took account of the 2016 forecasted performance. In addition, for subsequent years, specific performance estimates were drawn up, taking account of the general and market environment as impacted by the current crisis, in addition to the resultant changed operating conditions. In this regard, the forecasts made in the previous year were reviewed also on the basis of the 2015 figures.
The expected cash flows utilised in the model were calculated based on the 2016 budget and the 2017-2020 planning data and represent the best estimate of the amounts and timing for which the future cash flows are expected to occur based on the long-term plan which was reviewed and updated in 2015 to take account also of differences between the previous plan and the 2015 results. The expected sales growth is based on management plans and forecasts. In particular, a progressive recovery of the advertising revenue component is expected, both on the basis of a market recovery and the growth of advertising revenues on the websites of the Newspapers; the circulation revenue component benefits, amid continued sales number weakness, from pricing strategies. The operating costs considered in the expected cash flows were also determined based on management estimates for the coming five years and take account of the positive effects of the restructuring plan already in place. The projection of cash flows was estimated through extrapolation of the five-year projections formulated by Management and approved by the Board of Directors on March 11th 2016. The sensitivity of estimates made to expected revenue volumes from the forecasts made should be noted.
The estimates and the budget data used in the application of the above indicated parameters were determined by Group management based on past experience and forecasts relating to the development of the relative markets. The internal and external factors which may lead to the verification of a loss in value will be constantly monitored by the Group.
The underlying table reports the principal parameters used in the goodwill impairment test and the results of the sensitivity analyses.
In accordance with IAS 36, an impairment test was carried out on the carrying value of goodwill and the newspaper titles according to the methods described previously. The result, also confirmed by valuations made by an independent expert, was a total impairment of Euro 22 million, of which Euro 21 million concerning the write-down

Description	Goodwill			Tax rate		WACC*		G-rate**		Explicit period cash flows
	2015	2014	Write-downs	2015	2014	2015	2014	2015	2014	
Value	45,374	66,374	-21,000	32.38%	32.38%	6.70%	7.30%	-	-	5 years

Euro thousands

** The WACC represents the average weighted cost of capital of the entity taking into account the specific risks relating to the operating sectors considered. This parameter is considered net of fiscal effect and takes account of interest rate movements. The WACC which would cancel the entire goodwill (Euro 66.4 million) is 7.7%*

*** The g-rate concerns the expected growth rate in order to calculate the "Terminal Value" The g-rate which would cancel the entire goodwill (Euro 66.4 million) is -1.4%*

The percentage decrease on all expected EBITDA cash flows from 2015 to produce a cancellation of the entire goodwill (Euro 66.4 million) is 9.9%

of the CGU's goodwill, Euro 600 thousand the write-down of the Corriere Adriatico newspaper title and Euro 400 thousand concerning the Quotidiano di Puglia newspaper title.
Further to the impairment models utilised in valuing goodwill, for the estimate of the newspaper assets which are considered as intangible, elements which lie outside the typical economic considerations are also considered and which relate to the number of readers and the circulation on the market, issues which determine the effective value of the newspaper and the price.

3. PROPERTY, PLANT AND EQUIPMENT

Historical cost	Land	Buildings	Plant and machinery	Commercial and industrial equipment	Other assets	Assets in progress	Total
01.01.2014	**8,606**	**51,548**	**99,627**	**1,152**	**22,019**	**6**	**182,958**
Increases	-	7	70	-	335	46	**458**
Decreases	-	-	(13)	-	(195)	(1)	**(209)**
Change in consolidation scope	-	-	(1,997)	(292)	(147)	-	**(2,436)**
Reclassifications	232	(232)	-	-	-	(51)	**(51)**
31.12.2014	**8,838**	**51,323**	**97,687**	**860**	**22,012**	**0**	**180,720**
01.01.2015	**8,838**	**51,323**	**97,687**	**860**	**22,012**	**-**	**180,720**
Increases	-	3	75	3	447	16	**544**
Decreases	-	-	(142)	(4)	(160)	-	**(306)**
31.12.2015	**8,838**	**51,326**	**97,620**	**859**	**22,299**	**16**	**180,958**
Depreciation and loss in value	**Land**	**Buildings**	**Plant and machinery**	**Commercial and industrial equipment**	**Other assets**	**Assets in progress**	**Total**
01.01.2014	**-**	**21,081**	**81,655**	**1,068**	**20,341**	**-**	**124,145**
Increases	-	1,578	5,284	33	687	-	**7,582**
Decreases	-	(164)	(13)	(292)	(174)	-	**(643)**
Change in consolidation scope	-	-	(1,816)	-	(134)	-	**(1,950)**
31.12.2014	**-**	**22,495**	**85,110**	**809**	**20,720**	**-**	**129,134**
01.01.2015	**-**	**22,495**	**85,110**	**809**	**20,720**	**-**	**129,134**
Increases	-	1,562	4,199	32	628	-	**6,421**
Decreases	-	-	(142)	(4)	(157)	-	**(303)**
31.12.2015	**-**	**24,057**	**89,167**	**837**	**21,191**	**-**	**135,252**
Net value							
01.01.2014	**8,606**	**30,467**	**17,972**	**84**	**1,678**	**6**	**58,813**
31.12.2014	**8,838**	**28,828**	**12,577**	**51**	**1,292**	**0**	**51,586**
31.12.2015	**8,838**	**27,269**	**8,453**	**22**	**1,108**	**16**	**45,706**

Euro thousands

The account "Plant and machinery" is substantially composed of the presses belonging to Group publishing Companies.

The account "Other assets" includes, in addition to computers, servers and network appliances, leasehold improvements and restructuring relating to rented offices. Depreciation is calculated based on the duration of the contract, which is lower than the useful life of the asset.

The assets mentioned above are assets not of significant value and are still in use due to the ordinary maintenance carried out in the course of the year and previous years. No financial expenses were capitalised.

The book value of plant and machinery provided as guarantees on liabilities amounts to Euro 5.6 million. For further information, reference should be made to Note 16.

4. EQUITY INVESTMENTS VALUED AT EQUITY

	01.01.2014	Increases/(Decreases) to Income Statement	Revaluations/ Write-downs	Increases/ (Decreases)	Other changes	31.12.2014
Editrice Telenuovo SpA	777	127	-	(904)	-	-
Rofin 2008 Srl	-	-	3	-	-	3
Total	**777**	**127**	**3**	**(904)**	**-**	**3**

	01.01.2015	Increases/(Decreases) to Income Statement	Revaluations/ Write-downs	Increases/ (Decreases)	Other changes	31.12.2015
Rofin 2008 Srl	3	-	-	-	-	3
Total	**3**	**-**	**-**	**-**	**-**	**3**

Euro thousands

The latest key balance sheet data relating to this investment is summarised below:

Investments in associated companies	Registered office	Share capital	Assets	Liabilities	Revenues	Shareholders' Equity	Result	% held
Rofin 2008 Srl	Rome	10	9	1	-	9	(1)	30.00%

Euro thousands

5. EQUITY INVESTMENTS AND NON-CURRENT SECURITIES

Equity investments and non-current securities	01.01.2014	Increases/ (Decreases)	Write-downs	Fair value change	31.12.2014
Investments in other companies valued at cost	4,574	(250)	(3,021)		1,303
Investments in other companies available-for-sale	135,130	697		(959)	134,868
Total	**139,704**	**447**	**(3,021)**	**(959)**	**136,171**

Equity investments and non-current securities	01.01.2015	Increases/ (Decreases)	Write-downs	Fair value change	31.12.2015
Investments in other companies valued at cost	1,303	100	(61)		1,342
Investments in other companies available-for-sale	134,868	5,605		(6,543)	133,930
Total	**136,171**	**5,705**	**(61)**	**(6,543)**	**135,272**

Euro thousands

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

Investments in other companies	%	01.01.2014	Increases/ (Decreases)	Write-downs	31.12.2014
Euroqube SA in liquidation	14.82	305	(250)	(3)	52
Ansa Scarl	6.71	1,166	-	-	1,166
E-Care SpA	0.59	3,045	-	(3,018)	27
Other minor	-	58	-	-	58
Total	**-**	**4,574**	**(250)**	**(3,021)**	**1,303**

Investments in other companies	%	01.01.2015	Increases/ (Decreases)	Write-downs	31.12.2015
Euroqube SA in liquidation	14.82	52	-	(52)	-
Ansa Scarl	6.71	1,166	-	-	1,166
E-Care SpA	0.59	27	-	(9)	18
Other minor	-	58	100	-	158
Total	**-**	**1,303**	**100**	**(61)**	**1,342**

Euro thousands

The company ANSA is the leading news agency in Italy and a leader worldwide; ANSA is a cooperative of 34 members, including the leading publishers of national newspapers, created with a mission to publish and circulate news.
The investments in other companies are valued at fair value or, where the development plans are not available, at cost, adjusting for impairments where present.
During the year, no impairment indicators were identified and therefore no impairment test was carried out.
According to the information held by the Group therefore, no indications exist that the cost differs significantly from the fair value.
The breakdown of the account Investments in other companies AFS is as follows:

AFS Investments	01.01.2014	Increases	Decreases	Share capital increases	Fair value change	31.12.2014
Assicurazioni Generali SpA	97,470	-	-	-	(570)	96,900
UniCredit SpA	37,660	-	-	697	(389)	37,968
Total	**135,130**	**-**	**-**	**697**	**(959)**	**134,868**

AFS Investments	01.01.2015	Increases	Decreases	Share capital increases	Fair value change	31.12.2015
Assicurazioni Generali SpA	96,900	-	-	-	(456)	96,444
UniCredit SpA	37,968	12,142	(7,400)	863	(6,087)	37,486
Total	**134,868**	**12,142**	**(7,400)**	**863**	**(6,543)**	**133,930**

Euro thousands

Number	01.01.2014	Increases	Decreases	Share capital increases	31.12.2014
Assicurazioni Generali SpA	5,700,000	-	-	-	5,700,000
UniCredit SpA	7,000,000	-	-	116,666	7,116,666

	01.01.2015	Increases	Decreases	Share capital increases	31.12.2015
Assicurazioni Generali SpA	5,700,000	-	-	-	5,700,000
UniCredit SpA	7,116,666	2,183,334	(2,146,000)	146,000	7,300,000

In the year, UniCredit SpA distributed a dividend through the allocation of 146,000 newly-issued shares (as an alternative to cash distribution), for a value of Euro 863 thousand. In addition, 2,146,000 UniCredit SpA shares were sold on the market for Euro 11.9 million, with a gain of Euro 4.5 million.

The valuation at fair value of these investments at December 31st 2015 was recorded to the Comprehensive Income Statement in the Shareholders' Equity reserve for Euro 6.5 million (excluding the tax effect).

The changes in the fair value reserve are reported below:

	01.01.2014	Increases	Decreases	31.12.2014
Fair Value reserve	27,474	-	(959)	26,515
Tax effect	(378)	7	(4)	(375)
Fair value reserve, net of tax effect	**27,096**	**7**	**(963)**	**26,140**
Changes in the year				**(956)**

	01.01.2015	Increases	Decreases	31.12.2015
Fair Value reserve	26,515	-	(6,542)	19,973
Tax effect	(375)	110	-	(265)
Fair value reserve, net of tax effect	**26,140**	**110**	**(6,542)**	**19,708**
Changes in the year				**(6,432)**

Euro thousands

In relation to the disclosure required by IFRS 13, concerning the so-called "hierarchy of fair value", the shares available for sale belong to level one, as concerning financial instruments listed on an active market.

6. NON-CURRENT FINANCIAL ASSETS

The account, amounting to Euro 42 thousand, principally relates to receivables for deposits due within five years.

7. OTHER NON-CURRENT ASSETS

The account, totalling Euro 76 thousand, principally concerns deposits.

8. DEFERRED AND CURRENT INCOME TAXES

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

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

Deferred tax assets	01.01.2014	Provisions	Utilisations	Change Consol. scope	Reclassifications	Other changes	31.12.2014
Tax losses carried forward	35,695	4,342	(504)	-	-	-	39,533
Provision for risks and charges	3,469	357	(1,261)	-	(4)	-	2,561
Doubtful debt provision	2,718	517	(211)	-	-	-	3,024
Other	1,579	1,026	(127)	-	4	151	2,633
Total	**43,461**	**6,242**	**(2,103)**	**-**	**-**	**151**	**47,751**

Deferred tax liabilities	01.01.2014	Provisions	Utilisations	Change Consol. scope	Reclassifications	Other changes	31.12.2014
Fair value intangible & tangible assets	24,002	-	(143)	(245)	-	-	23,614
Diff. accounting & tax depreciation	41,072	2,291	(1,078)	-	-	-	42,285
Other	406	2	(12)	-	-	(13)	383
Total	**65,480**	**2,293**	**(1,233)**	**(245)**	**-**	**(13)**	**66,282**
Net deferred tax liability	**(22,019)**	**3,949**	**(870)**	**245**	**-**	**164**	**(18,531)**

Deferred tax assets	01.01.2015	Provisions	Utilisations	Change in tax rate	Reclassifications	Other changes	31.12.2015
Tax losses carried forward	39,533	2,366	(530)	(4,842)	-	-	36,527
Provision for risks and charges	2,561	274	(750)	(169)	-	-	1,916
Doubtful debt provision	3,024	425	(646)	(304)	-	-	2,499
Other	2,633	189	(146)	(273)	-	(120)	2,283
Total	**47,751**	**3,254**	**(2,072)**	**(5,588)**	**-**	**(120)**	**43,225**

Deferred tax liabilities	01.01.2015	Provisions	Utilisations	Change in tax rate	Reclassifications	Other changes	31.12.2015
Fair value intangible & tangible assets	23,614	-	(127)	(2,632)	-	-	20,855
Diff. accounting & tax depreciation rates	42,285	2,059	(1,781)	(4,340)	-	-	38,223
Other	383	1	(1)	-	-	(107)	276
Total	**66,282**	**2,060**	**(1,909)**	**(6,972)**	**-**	**(107)**	**59,354**
Net deferred tax liability	**(18,531)**	**1,194**	**(163)**	**1,384**	**-**	**(13)**	**(16,129)**

Euro thousands

The increase of the deferred tax assets is principally due to the tax losses in the year. Based on forecasts, it is considered that the Group will have, in the coming years, sufficient assessable income to recover the deferred tax assets recorded in the financial statements at December 31st 2015, taking account also deferred tax assets on assessable temporary differences to partially cover tax losses.

The deferred tax liability relates to temporary timing differences on amortisation and depreciation.
The calculation of deferred tax assets and liabilities took account of the reduction in the IRES rate from 27.5% to 24% from the tax period subsequent to December 31, 2016, under the 2016 Stability Law (Law No. 208 of December 28, 2015).
The other changes in the deferred tax assets and liabilities include the tax effects on the fair value of the investments and the actuarial losses 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:

	31.12.2015	31.12.2014
Receivables for direct taxes	1,912	5,069
Reimbursement request of direct taxes	38	-
Payables for IRES/IRAP/substitute taxes	(510)	(384)
Total	**1,440**	**4,685**

Euro thousands

The income taxes for the year are as follows:

	2015	2014
Current income tax	248	2,057
Income taxes of prior years	3,028	2,630
Current income taxes	**3,276**	**4,687**
Provision for deferred tax liabilities	2,060	2,293
Utilisation of deferred tax liabilities	(1,909)	(1,233)
Change in tax rate	(6,972)	-
Deferred tax charge	**(6,821)**	**1,060**
Recording of deferred tax assets	(3,254)	(6,242)
Utilisation of deferred tax assets	2,072	2,103
Change in tax rate	5,588	-
Deferred tax income	**4,406**	**(4,139)**
Total income taxes	**861**	**1,608**
Current and deferred IRES tax	(2,868)	(2,761)
Current and deferred IRAP tax	701	1,739
Income taxes of prior years	3,028	2,630
Total income taxes	**861**	**1,608**

Euro thousands

The current income taxes comprise only IRAP taxes.
The analysis of the difference between the theoretical IRES and actual tax rates are as follows:

2014	Assessable	Amount	Effective rate
Profit/(loss) before taxes	**(35,652)**	**(9,804)**	**27.5%**
Permanent differences increase (decrease):			
Dividends		(862)	
Write-down of investments		831	
Non-deductible costs		1,177	
Rate adjustment		-	
Write-down of intangible assets with an indefinite life		7,001	
Share of expenses/income from equity investments		(35)	
Other permanent differences		(1,068)	
Current and deferred IRES tax		**(2,761)**	**7.7%**

2015	Assessable	Amount	Effective rate
Profit/(loss) before taxes	**(19,270)**	**790**	**27.5%**
Permanent differences increase (decrease):			
Dividends		(1,119)	
Write-down of investments		17	
Non-deductible costs		395	
Rate adjustment		(1,384)	
Write-down of intangible assets with an indefinite life		6,050	
Share of expenses/income from equity investments		-	
Other permanent differences		(1,527)	
Current and deferred IRES tax		**(2,868)**	**14.9%**

Euro thousands

9. INVENTORIES

Inventories at December 31st 2015 amount to Euro 2.3 million (Euro 2.3 million at December 31st 2014) 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 30 thousand and is included in the account Raw material costs (see Note 21).
Inventories are measured at the lower of the purchase price, calculated using the weighed average cost method, and the realisable value. The net realisable value of inventories is in line with that recognised in the financial statements.
There is no inventory provided as a guarantee on liabilities.

10. TRADE RECEIVABLES

The breakdown is as follows:

	31.12.2015	31.12.2014
Trade receivables	65,404	67,619
Doubtful debt provision	(10,774)	(12,095)
Trade receivables	**54,630**	**55,524**
Receivables from related parties	558	745
Advances to suppliers	49	11
Trade receivables beyond 12 months	1,959	1,959
Doubtful debt provision beyond 12 months	(1,580)	(1,587)
Total trade receivables	**55,616**	**56,652**

Euro thousands

Trade receivables principally relate to Group advertising revenues from the advertising agency Piemme SpA (Euro 49.6 million).
The doubtful debt provision was utilised in the year for Euro 3.1 million and increased by Euro 1.8 million for the provisions made in the period.
The general valuation criteria of receivables, considered financial assets within the scope of IAS 39, are illustrated in the accounting policies.
In particular, receivables, as considered financial assets, are measured at amortised cost, on the basis of the effective interest rate (identified as their nominal value).
When there is an indication of a reduction in value, the asset is reduced to the value of the discounted future cash flows obtainable. Impairments are recognized to the income statement.
When, in subsequent periods, the reasons for the write-down no longer exist, the value of the assets is restated up to the value deriving from the application of the amortised cost where no write-down had been applied.
The value of trade receivables, adjusted by the relative doubtful debt provision, approximates their fair value.
The estimate of the Doubtful debt provision is made, in consideration of the highly fragmented nature of the debt positions, through an assessment of the maturity of receivables by similar type, referring to historical-statistical analysis on the probability of recovery. The write-down process requires however that individual commercial positions of significant amounts and for which an objective solvency condition is apparent are subject to individual write-downs.
The estimate of the Doubtful debt provision of Piemme SpA and of the Caltagirone Editore Group, although mainly concerning overdue receivables, was made on a reasonably conservative basis, covering also any potential losses on receivables not in dispute.
The table below shows the ageing of the trade receivables at December 31st 2014 and at December 31st 2015.

	31.12.2015	31.12.2014
Not yet due	**28,441**	**33,017**
1-30 days	5,608	3,931
30-60 days	4,001	3,379
60-90 days	1,953	1,807
Over 90 days	25,401	25,485
Overdue	**36,963**	**34,602**
Total Gross Value	**65,404**	**67,619**
Doubtful debt provision	(10,774)	(12,095)
Trade receivables	**54,630**	**55,524**

Euro thousands

11. OTHER CURRENT ASSETS

The breakdown is as follows:

	31.12.2015	31.12.2014
Employee receivables	426	125
VAT receivables	48	-
Other receivables	1,516	1,236
Prepaid expenses	478	441
Total other current assets	**2,468**	**1,802**

Euro thousands

12. CASH AND CASH EQUIVALENTS

The breakdown is as follows:

	31.12.2015	31.12.2014
Bank and postal deposits	157,603	155,220
Bank and postal deposits with related parties	172	214
Cash in hand and similar	38	60
Total cash and cash equivalents	**157,813**	**155,494**

Euro thousands

The increase in cash and cash equivalents at December 31, 2015 essentially relates to the receipt of dividends on listed companies, net of cash flows from investing activities.
The average interest rate on the bank deposits in Euro was 0.6% (1.9% in 2014).
In relation to the variable rate of liquidity, an annual interest rate increase of 1%, at like-for-like terms, would have a positive impact on the net profit of approx. Euro 1.6 million. A decrease in interest rates of the same level would have a corresponding negative impact.
Bank and postal deposits with related parties refer principally to the positions with UniCredit SpA.

SHAREHOLDERS' EQUITY & LIABILITIES

13. SHAREHOLDERS' EQUITY

	31.12.2015	31.12.2014
Share Capital	125,000	125,000
Listing charges	(18,865)	(18,865)
Treasury shares	(1,844)	(1,334)
Fair Value reserve	19,708	26,140
Other Reserves	456,063	492,796
Net loss	(20,131)	(37,194)
Group net equity	**559,931**	**586,543**
Minority interest N.E.	-	-
Total net equity	**559,931**	**586,543**

Euro thousands

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 December 31st 2015 Caltagirone Editore SpA had 1,845,510 treasury shares in portfolio, comprising 1.476% of the share capital, for a value of Euro 1,843,877.

The fair value reserve (for greater details reference should be made to Note 5) of Euro 19.7 million, includes the net decrease in the year of Euro 6.6 million, concerning the market value adjustments of available-for-sale investments.

The Other Reserves include:

- Share premium reserve of Euro 480.9 million;
- Legal reserve of the Parent Company of Euro 25 million, set up pursuant to Article 2430 of the Civil Code;
- Treasury Shares reserve of Euro 1.8 million;
- 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 negative amount of Euro 67.5 million.
- The actuarial losses reserve relating to the application of IAS 19 for post-employment benefits, negative for Euro 2.3 million, net of the relative tax effect. The increase in the year of Euro 0.5 million is essentially due to the change in the discount rate utilised in the valuation of the provision;
- Reserves relating to first-time application of IAS/IFRS of Euro 16.9 million.
- Other reserves of the Parent Company of Euro 1.2 million.

14. PERSONNEL

Post-employment benefits and employee provisions

Post-employment benefits in the Group companies with less than 50 employees represents a liability relating to the benefits recognised to employees and paid either on termination or after employment service. This liability, together with the senior management indemnity provision, is a defined benefit plan and therefore is determined applying the actuarial method.

In the Group companies with over 50 employees, in accordance with the pension reform, the employee leaving indemnity matured at December 31st 2006 represents the payable matured by the company to be paid at the end of the employment service. This payable is valued applying actuarial and financial techniques without however considering the future salaries of the employee. The assumptions relating to the determination of the plan are summarised in the table below:

	31.12.2015	31.12.2014
Annual technical discounting rate (Post. Em. Ben.)	2.00%	1.60%
Annual technical discounting rate (FID)	1.40%	1.00%
Annual inflation rate	1.50%	1.50%
Annual increase in employee leaving indemnity	2.62%	2.62%
Annual increase in salaries	3.00%	3.00%
Annual increase in salaries (FID)	3.50%	3.50%

Values in %

The movements in the year are as follows:

	2015	2014
Net liability at January 1st	**28,011**	**29,410**
Current cost in the period (service costs)	138	323
Interest charge (interest cost)	428	865
Actuarial gains (losses)	(585)	614
(Services paid)	(3,217)	(2,806)
Change to consolidation scope	-	(374)
Other changes	(30)	(21)
Net liability at December 31st	**24,745**	**28,011**

Euro thousands

The actuarial loss relates mainly to the change in the technical annual discounting rate. In relation to the sensitivity analyses, an increase of 0.5% to the discount rate utilised may prompt a reduction in the net liabilities of the provision of Euro 810 thousand; a similar decrease in the rate may result in an increased net liability of Euro 863 thousand.

The comparison between the employee benefit provision and the liability in accordance with Italian regulations is as follows:

	01.01.2014	31.12.2014	31.12.2015
Nominal value of the provision	28,130	26,029	23,126
Actuarial adjustment	1,280	1,982	1,619
Total DBO	**29,410**	**28,011**	**24,745**

Euro thousands

As illustrated by the movement, the change between the liability determined in accordance with Italian regulations and IFRS is essentially due to the change in the discount rate utilised.

Employee numbers and cost

	2015	2014
Wages and salaries	48,322	52,212
Social security	17,321	18,415
Post-employment benefit provision	138	323
Post-employment benefit to Complementary Fund	3,451	3,591
Other costs	3,658	3,232
Total labour costs	**72,890**	**77,773**

Euro thousands

The account wages and salaries and social charges reflects the benefits of the restructuring and reorganisation plans undertaken in previous years, under which the workforce was re-sized (see also the average workforce reported below).
Other costs include charges concerning labour disputes, leaving incentives and the social security institution contributions from the restructuring in the year of approx. Euro 2.6 million.
The following table shows the average number of employees by category:

	31.12.2015	31.12.2014	Average 2015	Average 2014
Executives	22	23	22	24
Managers & white collar	238	249	243	276
Journalists	431	451	438	456
Print workers	110	120	116	125
Total	**801**	**843**	**819**	**881**

15. PROVISIONS FOR RISKS AND CHARGES

	Legal disputes	Agents' indemnity	Other risks	Total
Balance at January 1st 2014	**9,227**	**173**	**3,146**	**12,546**
Provisions	278	140	814	**1,232**
Utilisations	(1,935)	(131)	(2,799)	**(4,865)**
Balance at December 31th 2014	**7,570**	**182**	**1,161**	**8,913**
of which:				
current portion	*2,110*	*-*	*1,161*	***3,271***
non-current portion	*5,460*	*182*	*-*	***5,642***
Total	**7,570**	**182**	**1,161**	**8,913**
Balance at January 1st 2015	**7,570**	**182**	**1,161**	**8,913**
Provisions	452	187	37	**676**
Utilisations	(381)	(182)	(746)	**(1,309)**
Balance at December 31st 2015	**7,641**	**187**	**452**	**8,280**
of which:				
quota corrente	*2,194*	*-*	*452*	***2,646***
quota non corrente	*5,447*	*187*	*-*	***5,634***
Total	**7,641**	**187**	**452**	**8,280**

Euro thousands

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 decrease in the provision for other risks principally concerns the payment of charges on the restructuring plans, accrued in previous years, of Il Messaggero SpA.

16. FINANCIAL LIABILITIES

	31.12.2015	31.12.2014
Bank payables	8,306	13,516
Non-current financial payables	**8,306**	**13,516**
Bank payables	15,985	7,093
Payables to related companies	5,337	3,556
Short-term portion of non-current loans	5,195	5,140
Current financial liabilities	**26,517**	**15,789**

Euro thousands

The due dates of the financial liabilities are as follows:

	31.12.2015	31.12.2014
Within 3 months	21,322	10,649
Between 3 months & 1 year	5,195	5,140
Current financial liabilities	**26,517**	**15,789**
Between 1 and 2 years	5,235	5,192
Between 2 and 5 years	3,071	8,324
due beyond 5 years	-	-
Non-current financial payables	**8,306**	**13,516**
Total financial payables	**34,823**	**29,305**

Euro thousands

The interest rates at the balance sheet date on the financial liabilities are as follows:

	2015	2014
Non-current financial payables		
Bank payables	0.5	0.8
Current financial liabilities		
Bank payables	3.4	3.4
Short-term portion of non-current loans	0.5	0.8

Values in %

The non-current financial liabilities to banks are represented by a loan to finance the construction in 2005 of a printing centre located at Torre Spaccata 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 348 thousand. A decrease in interest rates of the same level would have a corresponding positive impact.
The value of the financial liabilities approximates their fair value.

17. OTHER LIABILITIES

	31.12.2015	31.12.2014
Other non-current liabilities		
Other payables	113	107
Deferred income	1,619	2,296
Total	**1,732**	**2,403**
Other current liabilities		
Social security institutions	6,668	8,108
Employee payables	6,126	8,341
VAT payables	288	278
Withholding taxes	3,351	3,749
Other payables	9,168	9,397
Payables to related companies	29	11
Deferred income	575	450
Total	**26,205**	**30,334**

Euro thousands

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.

18. TRADE PAYABLES

	31.12.2015	31.12.2014
Supplier payables	22,475	21,567
Payables to related companies	2,103	888
Total	**24,578**	**22,455**

Euro thousands

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

19. REVENUES FROM SALES AND SERVICES

	2015	2014
Circulation revenues	64,982	70,825
Promotions	632	659
Advertising	91,271	91,502
Total revenues from sales and services	**156,885**	**162,986**
of which related parties	*796*	*1,297*

Euro thousands

Sales and advertising revenues of the principal newspaper titles, both entirely realised in Italy, have been 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.

20. OTHER OPERATING REVENUES

	2015	2014
Operating grants	4	4
Recovery of expenses from third parties	1,479	1,748
Capital grant contributions	70	323
Rent, leases and hire charges	82	73
Gains on disposal of assets	1	6
Subsidised tariffs	204	321
Other revenues	4,308	4,684
Total other operating revenues	**6,148**	**7,159**
of which related parties	*98*	*79*

Euro thousands

21. RAW MATERIAL COSTS

	2015	2014
Paper	12,340	15,343
Other publishing materials	3,312	3,554
Change in inventory of raw materials and goods	30	(28)
Total raw materials costs	**15,682**	**18,869**

Euro thousands

For further details on the cost movements of raw materials, reference should be made to the Directors' Report.

22. OTHER OPERATING COSTS

	2015	2014
Editorial services	13,891	15,132
Transport and delivery	8,631	9,360
Outside contractors	4,684	4,882
Promotions	530	495
Advertising & promotions	1,434	2,385
Commissions and agent costs	6,705	6,762
Utilities and power	2,313	2,123
Maintenance and repair costs	2,637	2,640
Consulting	3,044	3,071
Purchase of advertising space third parties	4,147	1,245
Directors and statutory auditors fees	2,092	2,197
Insurance, postal and telephone	906	1,024
Cleaning and security	578	775
Subcontractors and other services	2,976	2,898
Independent auditors fees	303	309
Other costs	6,323	7,279
Total service costs	**61,194**	**62,577**
Rental	5,693	6,193
Hire	834	880
Other	53	33
Total rent, lease and hire costs	**6,580**	**7,106**
Other operating charges	3,438	3,664
Other	115	80
Total other costs	**3,553**	**3,744**
Total other operating costs	**71,327**	**73,427**
of which related parties	*6,418*	*6,805*

Euro thousands

23. AMORTISATION, DEPRECIATION, PROVISIONS & WRITE-DOWNS

	2015	2014
Amortisation of intangible assets	268	404
Depreciation of property, plant & equipment	6,421	7,582
Provision for risks and charges	549	1,088
Write-down of intangible assets with definite life	-	547
Write-down of intangible assets with indefinite life	22,000	25,458
Doubtful debt provision	1,847	2,191
Total amortisation, depreciation, provisions & write-downs	**31,085**	**37,270**

Euro thousands

The depreciation of tangible fixed assets principally relates to the depreciation on printing and rotary plant.
In relation to the write-down of intangible assets with indefinite life and the doubtful debt provision, reference should be made respectively to Notes 2 and 10.

24. NET FINANCIAL RESULT AND SHARE OF INVESTMENTS VALUED UNDER THE EQUITY METHOD

	2015	2014
Results of investments held at Equity		
Editrice Telenuovo SpA	-	127
Total	**-**	**127**
Financial income		
Dividends	4,283	3,262
Gain on sale of investments	4,543	-
Income from derivatives	990	-
Bank deposit interest	833	3,271
Other financial income	64	60
Total	**10,713**	**6,593**
Financial charges		
Write-down of investments	(61)	(3,021)
Loan interest	(133)	(219)
Interest on bank accounts	(653)	(772)
Interest on leaving indemnity	(428)	(865)
Banking commissions and charges	(193)	(235)
Exchange losses	(186)	-
Charges on derivatives	(312)	-
Other financial charges	(66)	(66)
Total	**(2,032)**	**(5,178)**
Financial result	**8,681**	**1,415**

Euro thousands

The dividends included in financial income relates to the shareholding in Assicurazioni Generali SpA for Euro 3.4 million and UniCredit SpA for Euro 0.9 million (dividend on 146,000 newly issued shares).
The gain on the sale of investments concerns the sale on the market of listed shares held in portfolio. For further information, reference should be made to Note 5.

25. EARNINGS/(LOSS) PER SHARE

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

	2015	2014
Net Result	(20,131)	(37,194)
Number of average ordinary shares outstanding ('000)	123,414	123,890
Net loss per share	**(0.163)**	**(0.300)**

The diluted earning per share is identical to the basic earnings per share as Caltagirone Editore SpA has only issued ordinary shares.
In 2015 no dividends were distributed.

26. OTHER CONSOLIDATED COMPREHENSIVE INCOME STATEMENT ITEMS

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

	31.12.2015			31.12.2014		
	Gross value	Tax effect	Net value	Gross value	Tax effect	Net value
Actuarial gains/(losses) on post-employment benefits	585	(124)	461	(614)	169	(445)
Gain/(loss) from recalculation of AFS financial assets	(6,542)	110	(6,432)	(959)	3	(956)

Euro thousands

27. TRANSACTIONS WITH RELATED PARTIES

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.

31.12.2014	Parent Company	Associated companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
Trade receivables	6	-	74	665	**745**	**56,652**	1.32%
Cash and cash equivalents	-	-	-	214	**214**	**155,494**	0.14%
Trade payables	610	2	85	191	**888**	**22,455**	3.95%
Current financial liabilities	-	-	-	3,556	**3,556**	**15,789**	22.52%
Other current liabilities	-	-	-	11	**11**	**30,334**	0.04%
Income statement transactions							
Revenues	23	-	68	1,206	**1,297**	**162,986**	0.80%
Other operating revenues	-	-	57	22	**79**	**7,159**	1.10%
Other operating costs	1,000	-	5,341	464	**6,805**	**73,427**	9.27%
Financial income	-	-	-	3,264	**3,264**	**6,593**	49.51%
Financial charges	-	-	-	297	**297**	**5,178**	5.74%

31.12.2015	Parent Company	Associated companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions							
Trade receivables	4	-	83	471	**558**	**55,616**	1.00%
Cash and cash equivalents	-	-	-	172	**172**	**157,813**	0.11%
Trade payables	1,830	-	106	167	**2,103**	**24,578**	8.56%
Current financial liabilities	-	-	-	5,337	**5,337**	**26,517**	20.13%
Other current liabilities	-	-	-	29	**29**	**26,205**	0.11%
Income statement transactions							
Revenues	23	-	277	496	**796**	**156,885**	0.51%
Other operating revenues	-	-	98	-	**98**	**6,148**	1.59%
Other operating costs	1,000	-	5,090	328	**6,418**	**71,327**	9.00%
Financial income	-	-	-	4,283	**4,283**	**10,713**	39.98%
Financial charges	-	-	-	258	**258**	**2,032**	12.70%

Euro thousands

Trade receivables principally concern commercial transactions for the sale of advertising space.

Cash and cash equivalents and current financial liabilities and financial charges concern the operations in place at December 31st 2015 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 year.

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

Operating costs principally include rental costs by the Parent Company and Other Group companies for their respective head offices from companies under common control.
The account financial income relates to dividends received from Assicurazioni Generali SpA and UniCredit SpA.

28. BUSINESS SEGMENT INFORMATION

The disclosures required in accordance with IFRS 8 on the segment information are provided below. The Caltagirone Editore Group, in consideration of the economic and financial relations between the various Group companies and the interdependence between the publishing activities of the various Group newspapers and the advertising activity carried out by the Group agency, described in note 2, operates within a single sector, defined as a distinctly identifiable part of the Group, which provides a set of related products and services and is subject to differing risks and benefits from the other sectors of Group activity. This vision is used by Management to carry out an analysis of operational performance and for the specific management of related risks. The Group operates exclusively in Italy and bases sector performance on turnover volumes and EBITDA from ordinary operations.

2014	Publishing and Advertising activities	Other activities	Consol. Adjustments	Consolidated pre-segment eliminations	Segment eliminations	Consolidated
Sector revenues - third parties	167,971	2,153	21	170,145	-	170,145
Inter-segment revenues	71,863	1,776	(21)	73,618	(73,618)	-
Segment revenues	**239,834**	**3,929**	**-**	**243,763**	**(73,618)**	**170,145**
Segment EBITDA	**1,845**	**(1,769)**	**-**	**76**	**-**	**76**
Depreciation, amortisation, provisions & write-downs	35,590	1,680	-	37,270	-	37,270
EBIT	**(33,745)**	**(3,449)**	**-**	**(37,194)**	**-**	**(37,194)**
Results of the financial management	-	-	-	-	-	1,415
Net result of the share of associates	-	-	-	-	-	127
Loss before taxes	**-**	**-**	**-**	**-**	**-**	**(35,652)**
Income taxes	-	-	-	-	-	(1,608)
Net loss						**(37,260)**

	Publishing and Advertising activities	Other activities	Consol. Adjustments	Consolidated pre-segment eliminations	Segment eliminations	Consolidated
Segment assets	466,366	291,825	16,055	774,246	-	774,246
Segment liabilities	184,496	3,662	(454)	187,704	-	187,704
Equity investments valued at net equity	-	907	(904)	3	-	3
Investments in intangible and tangible fixed assets	577	93		670	-	670

2015	Publishing and Advertising activities	Other activities	Consol. Adjustments	Consolidated pre-segment eliminations	Segment eliminations	Consolidated
Sector revenues - third parties	162,820	192	21	163,033	-	163,033
Inter-segment revenues	41	690	(21)	710	(710)	-
Segment revenues	**162,861**	**882**	**-**	**163,743**	**(710)**	**163,033**
Segment EBITDA	**5,381**	**(2,247)**	**-**	**3,134**	**-**	**3,134**
Depreciation, amortisation, provisions & write-downs	31,084	1	-	31,085	-	31,085
EBIT	**(25,703)**	**(2,248)**	**-**	**(27,951)**	**-**	**(27,951)**
Results of the financial management	-	-	-	-	-	8,681
Net result of the share of associates	-	-	-	-	-	-
Loss before taxes	**-**	**-**	**-**	**-**	**-**	**(19,270)**
Income taxes	-	-	-	-	-	(861)
Net loss						**(20,131)**

	Publishing and Advertising activities	Other activities	Consol. Adjustments	Consolidated pre-segment eliminations	Segment eliminations	Consolidated
Segment assets	454,968	268,344	16,336	739,648	-	739,648
Segment liabilities	172,282	7,950	(515)	179,717	-	179,717
Equity investments valued at net equity	-	3	-	3	-	3
Investments in intangible and tangible fixed assets	895	-	-	895	-	895

Euro thousands

29. NET CASH POSITION

The Net Cash Position, in accordance with the CESR recommendation of February 10th 2005, is as follows:

	31.12.2015	31.12.2014
A. Cash	38	60
B. Bank deposits	157,775	155,434
D. Liquidity (A)+(B)	**157,813**	**155,494**
E. Current financial receivables	**-**	**-**
F. Bank payables - current portion	21,322	10,648
G. Current portion of long-term loans	5,195	5,141
H. Current payables to other lenders	-	-
I. Current debt (F)+(G)+(H)	**26,517**	**15,789**
J. Net current cash position (I)-(E)-(D)	**(131,296)**	**(139,705)**
K. Non-current bank payables	8,306	13,516
L. Non-current payables to other lenders	-	-
M. Non-current financial debt (K)+(L)	**8,306**	**13,516**
N. Net Cash Position (J)+(M)	**(122,990)**	**(126,189)**

Euro thousands

30. GUARANTEES AND COMMITMENTS

	31.12.2014
1. Bank and Insurance Sureties Given	859
2. Bank and Insurance Sureties Received	219
3. Bills at banks	-
4. Mortgages and privileges	-
TOTAL	**1,078**

	31.12.2015
1. Bank and Insurance Sureties Given	558
2. Bank and Insurance Sureties Received	237
3. Bills at banks	-
4. Mortgages and privileges	-
TOTAL	**795**

Euro thousands

31. OTHER INFORMATION

Assignments conferred to the audit firm and related remuneration

The table below shows the payments made to the audit firm PricewaterhouseCoopers SpA in accordance with Article 149 of Consob Resolution No. 11971/99 in 2015.

Company	Audit Firm	Period	Audit service charges	Annual Fees *
Caltagirone Editore SpA	PWC SpA	2012/2020	29	29
Il Mattino SpA	PWC SpA	2012/2020	30	30
Piemme SpA	PWC SpA	2012/2020	25	25
Il Messaggero SpA	PWC SpA	2012/2020	35	35
Leggo SpA	PWC SpA	2012/2020	14	14
Finced Srl	PWC SpA	2012/2020	5	5
Corriere Adriatico SpA	PWC SpA	2015/2016/2017	27	27
Quotidiano di Puglia SpA	PWC SpA	2015/2016/2017	20	20
Il Gazzettino SpA	PWC SpA	2012/2020	19	19
Imprese Tipografiche Venete SpA	PWC SpA	2015/2016/2017	9	9
Centro Stampa Veneto SpA	PWC SpA	2015/2016/2017	15	15
Total			**228**	**228**
Caltagirone Editore SpA				29
Subsidiaries				199
Total				**228**

Euro thousands

** The amount does not include the Consob contribution and the ISTAT adjustment*

32. HIERARCHY OF FAIR VALUE ACCORDING TO IFRS 13

In relation to financial instruments recorded at Fair Value, IFRS 13 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 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:

31.12.2014	Note	Level 1	Level 2	Level 3	Total
AFS Financial assets valued at fair value	7	134,868	-	-	134,868
Total Assets		**134,868**	**-**	**-**	**134,868**

31.12.2015	Note	Level 1	Level 2	Level 3	Total
AFS Financial assets valued at fair value	7	133,930	-	-	133,930
Total Assets		**133,930**	**-**	**-**	**133,930**

Euro thousands

In 2015 there were no transfers between the various levels.

CALTAGIRONE EDITORE
Società per Azioni - Cap.Soc. Euro 125.000.000

Declaration of the Consolidated Financial Statements as per art. 81 - ter of Consob Regulation No. 11971 of May 14th 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 consolidated financial statements for 2015.

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 consolidated financial statements.
   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the Consolidated 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) correspond 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 Directors' Report, prepared using a standard format for both the individual and consolidated financial statements, includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Rome, March 11th 2016

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

Sede in Roma - 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

CALTAGIRONE EDITORE

FINANCIAL STATEMENTS
DECEMBER 31ST 2015

CALTAGIRONE EDITORE SPA
BALANCE SHEET

ASSETS	Note	31.12.2015	31.12.2014
Non-current assets			
Property, plant and equipment	1	3,122	4,887
Equity investments valued at cost	2		
subsidiary companies		*260,446,782*	*267,270,360*
associated companies		*3,000*	*3,000*
other companies		*25,037*	*33,676*
Equity investments and non-current securities	3	61,817,000	56,950,000
Deferred tax assets	4	32,180,900	34,097,171
TOTAL NON-CURRENT ASSETS		**354,475,841**	**358,359,094**
Current assets			
Trade receivables	5	402,157	3,840
of which related parties		*384,462*	-
Current financial assets	6	48,373,695	55,388,934
of which related parties		*48,373,695*	*55,388,934*
Tax receivables	4	584,440	1,015,692
Other current assets	7	2,676,518	2,658,229
of which related parties		*2,674,573*	*2,639,034*
Cash and cash equivalents	8	145,500,321	149,719,334
of which related parties		*68,115*	*185,517*
TOTAL CURRENT ASSETS		**197,537,131**	**208,786,029**
TOTAL ASSETS		**552,012,972**	**567,145,123**

Euro

CALTAGIRONE EDITORE SPA
BALANCE SHEET

SHAREHOLDERS' EQUITY & LIABILITIES	Note	31.12.2015	31.12.2014
Shareholders' Equity			
Share capital		125,000,000	125,000,000
Share capital issue costs		(18,864,965)	(18,864,965)
Other reserves		417,114,844	458,498,174
Loss for the year		(14,790,371)	(40,649,827)
Total Shareholders' Equity	**9**	**508,459,508**	**523,983,382**
LIABILITIES			
Non-current liabilities			
Employee provisions	10	101,835	95,522
Deferred tax liabilities	4	129,081	144,707
TOTAL NON-CURRENT LIABILITIES		**230,916**	**240,229**
Current liabilities			
Current provisions	11	463,418	-
Trade payables	12	2,020,286	833,734
of which related parties		*1,908,991*	*698,133*
Current financial liabilities	13	7,244,552	6,864,552
of which related parties		*7,244,552*	*6,864,552*
Current income tax payables	4	2,132	12,681
Other current liabilities	14	33,592,160	35,210,545
of which related parties		*28,040,450*	*29,281,230*
TOTAL CURRENT LIABILITIES		**43,322,548**	**42,921,512**
TOTAL LIABILITIES		**43,553,464**	**43,161,741**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**552,012,972**	**567,145,123**

Euro

CALTAGIRONE EDITORE SPA
INCOME STATEMENT

	Note	2015	2014
Other operating revenues	15	721,349	797,704
of which related parties		*701,356*	*701,357*
TOTAL OPERATING REVENUES		**721,349**	**797,704**
Labour costs	10	453,160	476,355
Other operating charges	16	2,458,571	2,469,532
of which related parties		*1,404,018*	*1,404,854*
TOTAL OPERATING COSTS		**(2,911,731)**	**(2,945,887)**
EBITDA		**(2,190,382)**	**(2,148,183)**
Amortisation, Depreciation, Provisions & Write-downs	17	(1,765)	(1,860)
EBIT		**(2,192,147)**	**(2,150,043)**
Financial income		2,959,528	26,639,345
of which related parties		*2,153,345*	*22,474,987*
Financial charges		(15,299,310)	(64,585,950)
of which related parties		*(117,992)*	*(427,709)*
Net financial income/(charges)	**18**	**(12,339,782)**	**(37,946,605)**
LOSS BEFORE TAXES		**(14,531,929)**	**(40,096,648)**
Income taxes	4	(258,442)	(553,179)
LOSS FROM CONTINUING OPERATIONS		**(14,790,371)**	**(40,649,827)**
NET LOSS FOR THE YEAR		**(14,790,371)**	**(40,649,827)**

Euro

CALTAGIRONE EDITORE SPA
COMPREHENSIVE INCOME STATEMENT

	Note	2015	2014
Net loss for the year		**(14,790,371)**	**(40,649,827)**
Items which may not be subsequently reclassified to the profit (loss) for the year			
Effect of actuarial gains/losses, net of tax effect	10	3,849	(2,726)
Items which may be reclassified subsequently to the profit (loss) for the year			
Profit/(loss) from recalculation of AFS assets, net of fiscal effect	11	(227,424)	(330,394)
TOTAL OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT		**(223,575)**	**(333,120)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(15,013,946)**	**(40,982,947)**

Euro

CALTAGIRONE EDITORE SPA

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2014

	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Net Profit/(loss)	Total Net Equity
Balance at January 1st 2014	**125,000,000**	**(18,864,965)**	**(832,922)**	**10,677,168**	**503,011,973**	**(53,523,894)**	**565,467,360**
Previous year results carried forward	-	-	-	-	(53,523,894)	53,523,894	**-**
Treasury shares in portfolio	-	-	(501,031)	-	-	-	**(501,031)**
Total operations with shareholders	**125,000,000**	**(18,864,965)**	**(1,333,953)**	**10,677,168**	**449,488,079**	**-**	**564,966,329**
Change in fair value reserve	-	-	-	(330,394)	-	-	**(330,394)**
Change in employment termination reserve	-	-	-	-	(2,726)	-	**(2,726)**
Net Result	-	-	-	-	-	(40,649,827)	**(40,649,827)**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(330,394)**	**(2,726)**	**(40,649,827)**	**(40,982,947)**
Balance at December 31st 2014	**125,000,000**	**(18,864,965)**	**(1,333,953)**	**10,346,774**	**449,485,353**	**(40,649,827)**	**523,983,382**

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2015

	Share capital	Listing charges	Treasury shares	Fair Value reserve	Other reserves	Net Profit/(loss)	Total Net Equity
Balance at January 1st 2015	**125,000,000**	**(18,864,965)**	**(1,333,953)**	**10,346,774**	**449,485,353**	**(40,649,827)**	**523,983,382**
Previous year results carried forward	-	-	-	-	(40,649,827)	40,649,827	**-**
Treasury shares in portfolio	-	-	(509,925)	-	-	-	**(509,925)**
Total operations with shareholders	**125,000,000**	**(18,864,965)**	**(1,843,878)**	**10,346,774**	**408,835,526**	**-**	**523,473,457**
Change in fair value reserve	-	-	-	(227,424)	-	-	**(227,424)**
Change in employment termination reserve	-	-	-	-	3,849	-	**3,849**
Net Result	-	-	-	-	-	(14,790,371)	**(14,790,371)**
Total comprehensive profit/(loss) for the year	**-**	**-**	**-**	**(227,424)**	**3,849**	**(14,790,371)**	**(15,013,946)**
Other changes	-	-	-	-	-	-	**(3)**
Balance at December 31st 2015	**125,000,000**	**(18,864,965)**	**(1,843,878)**	**10,119,350**	**408,839,375**	**(14,790,371)**	**508,459,508**

Euro

CALTAGIRONE EDITORE SPA
CASH FLOW STATEMENT

	Note	31.12.2015	31.12.2014
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	**10**	**149,719,334**	**181,130,506**
Net profit/(loss) for the year		(14,790,371)	(40,649,827)
Amortisation & Depreciation		1,765	1,860
(Revaluations) and write-downs		14,678,060	63,192,607
Net financial income/(charges)		(2,338,277)	(25,247,066)
of which related parties		*28,055*	*1,228,645*
(Gains)/losses on disposals		-	1,064
Income taxes		258,441	553,179
Changes in employee provisions		10,162	12,215
Changes in current and non-current provisions		-	(20,799)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL		**(2,180,220)**	**(2,156,767)**
(Increase)/Decrease in Trade receivables		(398,317)	864,198
Increase/(Decrease) in Trade payables		1,186,551	(1,875,543)
Change in other current and non-current liabilities		(1,551,450)	2,995,149
Change in deferred and current income taxes		2,128,670	(3,353,111)
OPERATING CASH FLOW		**(814,766)**	**(3,526,074)**
Dividends received		2,010,000	1,644,852
of which related parties		*2,010,000*	*1,644,852*
Interest received		806,287	3,208,497
of which related parties		*105*	*11,502*
Interest paid		(251,551)	(229,686)
of which related parties		*(28,055)*	*(427,709)*
Income taxes paid		(50,189)	(256,680)

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CALTAGIRONE EDITORE SPA
CASH FLOW STATEMENT

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	Note	31.12.2015	31.12.2014
A) CASH FLOW FROM OPERATING ACTIVITIES		**1,699,781**	**840,909**
Non-current investments and securities		(12,573,901)	-
Sale of equity investments and non-current securities		-	20,337
Change in current financial assets		7,097,189	(521,387)
Other changes in investments		(312,155)	-
B) CASH FLOW FROM INVESTING ACTIVITIES		**(5,788,867)**	**(501,050)**
Change in current financial liabilities		380,000	(31,249,999)
Other changes		(509,929)	(501,032)
C) CASH FLOW FROM FINANCING ACTIVITIES		**(129,929)**	**(31,751,031)**
D) EFFECT EXCHANGE DIFFERENCES ON CASH & CASH EQUIVALENTS		**-**	**-**
Change in net liquidity		(4,219,015)	(31,411,172)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**10**	**145,500,319**	**149,719,334**

Euro

CALTAGIRONE EDITORE

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31ST 2015

INTRODUCTION

Caltagirone Editore SpA (Parent Company) is a limited liability company with its registered office at Rome (Italy), Via Barberini, No. 28.
At the date of the present report, 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 2,700,000 shares (2.160%)
- Indirectly through the Companies:
  - Parted 1982 SpA 44,454,500 shares (35.56%)
  - Gamma Srl 9,000,750 shares (7.20%)
  - FGC Finanziaria Srl 19,800,000 shares (15.84%)

Gaetano Caltagirone 3,000,000 shares (2.40%).
Edizione Srl 2,799,000 shares (2.24%)

These financial statements were authorised for publication by the Directors on March 11th 2016.
At the date of the preparation of the present accounts, the ultimate holding company is FGC SpA, with registered office at Via Barberini 28 Rome, due to the shares held through subsidiary companies.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS APPROVED BY THE EUROPEAN COMMISSION

The financial statements at December 31st 2015 were prepared on the going concern basis and in accordance with Article 2 of Legislative Decree 38/2005 and International Financial Reporting Standards (IFRS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), approved by the European Commission and in force at the balance sheet date, in addition to the preceding International Accounting Standards (IAS). For simplicity, all the standards and interpretations are hereafter stated simply as "IFRS". In the preparation of the present document, account was taken of Article 9 of Legislative Decree No. 38 of February 28th 2005, of the provisions of the civil code, of CONSOB Resolution No. 15519 ("Regulations relating to financial statements to be issued in accordance with Article 9, paragraph 3 of Legs. Decree No. 38/2005") and No. 15520 ("Modifications and amendments to the implementation rules of Legs. Decree No. 58/1998"), both of July 27th 2006, as well as CONSOB communication No. DEM/6064293 of July 28th 2006 ("Disclosure of issuers of shares and financial instruments in accordance with article 116 of the CFA").

BASIS OF PRESENTATION

The Financial Statements at December 31st 2015 are presented in Euro and all the amounts refer to units of the currency, except where indicated otherwise. They consist of the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Cash Flow Statement, the Statement of changes in Shareholders' Equity and the Explanatory Notes. In relation to the presentation of the financial statements, the Company has chosen the following options:
- the current and non-current assets and current and non-current liabilities are presented as separate classifications in the Balance Sheet;

- the Income Statement and the Comprehensive Income Statement are classified on the basis of the nature of the costs;
- the Comprehensive income statement, beginning with the net result, highlights the effect of profits and losses recorded directly to net equity;
- the statement of changes in shareholders' equity is based on changes in equity;
- the cash flow statement is presented using the indirect method.

The historic cost is the general criteria adopted, with the exception of the financial statement accounts measured at Fair value according to the individual IFRS, as described in the measurement criteria below.

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 19.

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 or unusual operations.

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

The accounting principles and criteria applied in the present financial statements are in line with those adopted in the financial statements for the year ended December 31st 2014.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Accounting standards and amendments to standards adopted by the Company

From January 1st 2015 the Company adopted the following new accounting standards:

- IFRIC 21 - *"Levies"*, an interpretation of IAS 37 - *"Provisions, Contingent Liabilities and Contingent Assets"*. IFRIC 21 provides clarification on when an entity should recognise a liability for the payment of State taxes, with the exception of those already governed by other standards (e.g. IAS 12 - "*Income taxes*"). IAS 37 establishes the criteria for the recognition of a liability, one of which is the existence of a present obligation on the entity arising from a past event (known as an obligating event). The interpretation clarifies that the obligating event, which gives rise to a liability for the payment of the tax, is described in the applicable regulation from which the payment arises.
- *Defined Benefit Plans:* Employee Contributions (Amendments to IAS 19 Employee Benefits)". The amendments made to IAS 19 permit (but do not render compulsory) the deduction from the current service cost of the period the contributions paid by the employees and by third parties, which are not related to the number of years of service, in place of the allocation of these contributions over the service period.
- *Annual Improvements to IFRSs - 2010–2012 Cycle.* These amendments mainly refer to:
  - IFRS 2, amended the definition of the vesting condition;
  - IFRS 3, clarifying that a potential payment classified as an asset or liability must be valued at fair value at each reporting date;
  - IFRS 8, principally requiring disclosure concerning the criteria and evaluation factors considered in determining the level of aggregation of the operating segments within the financial statements;
  - the Basis of Conclusions of IFRS 13, confirming the possibility to recognise short-

term receivables and payables which do not explicitly state the implicit interest rate therein, at their face value, if the effect from not discounting is not significant;
- IAS 16 and IAS 38, clarifying the manner to determine the gross book value of the assets, in the case of revaluation consequent of the application of the model of the re-determined value;
- IAS 24, specifying that an entity is related to a reporting entity if the entity (or a member of the group to which it belongs) provides to the reporting entity (or its parent company) key management personnel services.

- *Annual Improvements to IFRSs - 2011–2013 Cycle*. These amendments mainly refer to:
  - the Basis of Conclusion of IFRS 1, clarifying the definition of IFRS "in force" for the First-time adopters;
  - IFRS 3, clarifying the exclusion from the application of joint control agreements in the financial statements of the joint control agreements themselves;
  - IFRS 13, clarifying that the application of the exception as per paragraph 48 of the standard is extended to all contracts within the application of IAS 39, independent of the fact of whether they are within the definition of financial assets or financial liabilities as per IAS 32;
  - IAS 40, clarifying the interrelation between IFRS 3 and the standard.

Accounting Standards and interpretations on Standards effective from the periods subsequent to 2015 and not adopted in advance by the Company:

- On August 12th 2014, the IASB published the document Equity Method in Separate Financial Statements (Amendments to IAS 27)". This document was adopted by the European Union under Regulation No. 2441 of December 18th 2015. The amendments will allow entities to use the equity method to measure investments in subsidiaries, joint ventures and associates in the separate financial statements. These amendments are applicable from January 1st 2016.
- On December 18th 2014, the IASB published a number of amendments to IAS 1 *"Presentation of Financial Statements"*, in order to clarify some disclosure related aspects. These amendments were adopted by the European Union under Regulation No. 2441 of December 18th 2015. The initiative is part of the Disclosure Initiative project to improve the presentation and communication of financial information in financial reports and to resolve a number of issues highlighted by operators. These amendments are applicable from January 1, 2016.
- On September 25, 2014, the IASB published the *"Annual Improvements to IFRS: 2012-2014 Cycle".* This document was adopted by the European Union under Regulation No. 2343 of December 15th 2015. The amendments introduced concern the following standards: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments:* Disclosure, IAS 19 Employee Benefits, IAS 34 Interim Financial Reporting. These amendments are applicable from January 1st 2016.
- On May 12th 2014, the IASB published a document "Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)" in order to clarify that a depreciation and amortisation method based on the revenues generated by an asset (revenue-based method) is not considered appropriate as exclusively reflecting the revenue streams generated from the assets and not, in fact, the manner of consumption of the economic benefits of the asset. This document was adopted by the European Union under Regulation No. 2331 of December 2nd 2015. These clarifications are effective from periods beginning on or subsequent to January 1st 2016.

- On May 6th 2014, the IASB issued the *"Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 Joint Arrangements)"* document. This document was adopted by the European Union under Regulation No. 2173 of November 24th 2015. The amendments to IFRS 11, applied from periods beginning or subsequent to January 1st 2016, clarify the method for recognition of holdings acquired in a joint operation.
- On June 30th 2014, the IASB published a number of amendments to IAS 16 and IAS 41 concerning Bearer Plants. According to these amendments, cultivation may be recorded at cost instead of at fair value. Otherwise, the amount continues to be recognised at fair value. These amendments are applicable from January 1st 2016.

The Company did not opt for the advance adoption of the standards, interpretations and updates already approved, which are applicable after the date of the accounts.

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

FOREIGN CURRENCY TRANSACTIONS

All transactions in currencies other than the Euro are recognised at the exchange rate at the date of the transaction. The assets and liabilities denominated in foreign currencies other than the operational currencies are subsequently adjusted to the exchange rate at the end of the reporting period. The positive or negative differences between the values translated at the period end exchange rate and the original exchange rate are recognised in the income statement.

The non-monetary assets and liabilities denominated in foreign currencies and recorded at historical cost are translated utilising the exchange rate at the initial date of recording of the operation.

The non-monetary assets and liabilities recognised at fair value are translated using the exchange rate at the transaction date.

ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost, including directly allocated accessory costs and those necessary for the asset being in the condition for which it was acquired, and increased, in the presence of obligations, by the present value of the estimated cost for the disposal of the asset.

The financial charges directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset itself until the moment in which the asset is ready for expected use or sale.

The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement in the year in which they are incurred. The capitalisation of the costs relating to the expansion, modernisation or improvement of owned tangible assets or of those held in leasing, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach.

Property, plant and equipment is recorded net of the relative accumulated depreciation and any loss in value determined in accordance with the procedures described below.

Depreciation is calculated on a straight-line basis according to the estimated useful life

of the asset; useful life is reviewed annually and any changes, where necessary, are made on the basis of the new estimate.
The estimated useful lives of property, plant and equipment are as follows:

	Useful life	Economic/technical rate
Various equipment	4 years	25%
Office furniture and equipment	8 years	12.50%

Land, both constructible and relating to civil and industrial buildings, is not depreciated as it has an unlimited useful life.
When the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is made separately for each part of the asset, with the application of the "component approach" principle.
At the moment of the sale or when no expected future economic benefits exist from the use of a tangible asset, it is eliminated from the financial statements and any gain or loss (calculated as the difference between the sales value and the book value) is recorded in the income statement in the year of the above-mentioned elimination.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

All the companies in which Caltagirone Editore SpA has the power to determine, directly or indirectly, the financial and operating policies of the entity, so as to obtain benefits from its activities are considered as subsidiary companies.
Investments in associated companies refer to those in which Caltagirone Editore SpA has a significant influence.
In the evaluation of control and significant influence, consideration is also taken of the potential voting rights that are effectively exercisable or convertible.
The above-mentioned equity investments are recognised at cost adjusted for any loss in value under impairment tests.
Losses in value are recognised in the income statement and can be restated where the reasons for their write-down no longer exist. Where the loss pertaining to the Company exceeds the book value of the investment, and where the holding is committed to comply with legal or implicit obligations of the company or in any case to cover the losses, the book value is written down and any excess is recorded in a specific risk provision.

FINANCIAL ASSETS

The financial assets are classified, on initial recognition, in one of the following categories and measured as follows:

- *available-for-sale financial assets:* the available-for-sale assets are non-derivative financial instruments explicitly designated in this category and are classified under non-current assets unless management has the intention to sell them within 12 months from the balance sheet date. These financial assets are valued at fair value and the valuation gains or losses are allocated to net equity and the Comprehensive Income Statement. They are recognised in the income statement only when the financial asset is sold, or, in the case of negative cumulative changes, when it is considered that the reduction in value already recorded under equity may not be recovered and when a long-term loss in value is established.

The Company, taking account of the types of shares held, established that the quantitative limits utilised to identify the necessity for an impairment procedure are for a decrease in the fair value at the balance sheet date of above 50% compared to the original book value or a decrease in the fair value below the initial recording for 60 consecutive months.

Financial assets available-for-sale are derecognised from the balance sheet when the right to receive the cash flows from the instrument ceases and the Company has transferred all the risks and rewards relating to the instrument and the relative control.

When the fair value cannot be determined reliably, the cost value is maintained, adjusted for any losses in value. These losses for reduction in value may not be restated;

- *loans and receivables:* they are financial instruments, principally relating to loans and trade receivables, non-derivative, not listed on an active market, from which fixed or determinable payments are expected. They are stated as current assets except for amounts due beyond 12 months from the balance sheet date, which are classified as non-current. These assets are measured at amortised cost, on the basis of the effective interest rate (identified as their nominal value). When there is an indication of a reduction in value, the asset is reduced to the value of the discounted future cash flows obtainable. The losses in value are recorded in the income statement. When, in subsequent periods, the reasons for the write-down no longer exist, the value of the assets is restated up to the value deriving from the application of the amortised cost where no write-down had been applied.

  Financial assets are eliminated from the balance sheet when the right to receive the cash flows from the instrument ceases and the Company has transferred all the risks and rewards relating to the instrument and the relative control.

FINANCIAL LIABILITIES

Financial liabilities are those concerning loans, trade payables and other obligations. On initial recognition, they are recorded at fair value, net of directly attributable accessory transaction costs. Thereafter, they are measured at amortised cost, using the effective interest rate. When there is a change in the expected cash flows and it is possible to estimate them reliably, the values of liabilities are recalculated to reflect this change based on the new current value of the expected cash flows and of the internal yield initially determined.

The financial liabilities are classified under current liabilities, except when the Company has an unconditional right to defer their payment for at least 12 months after the balance sheet date.

Financial liabilities are eliminated from the balance sheet when they expire and the Company has transferred all the risks and rewards relating to the instrument.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are accounted at fair value and include bank deposits and cash in hand, or rather those values that are available on demand at short notice, certain in nature and with no payment expenses.

SHAREHOLDERS' EQUITY

TREASURY SHARES

The costs incurred for the purchase of treasury shares are recorded as a reduction of shareholders' equity. The gains or losses deriving from a subsequent sale are recorded as net equity movements.

COSTS FOR SHARE CAPITAL INCREASES

The costs incurred for the stock exchange listing, net of the relative tax effect, are recorded as a reduction of the shareholders' equity in a separate negative reserve.

EMPLOYEE BENEFITS

The liabilities relating to the benefits recognised to employees and paid on or after the employment period and relating to defined benefit plans (Employee Leaving Indemnity), net of any assets serving the plan, are determined on the basis of actuarial assumptions estimating the amount of the future benefits that the employees have matured at the balance sheet date. The liability is recognised on an accruals basis over the maturity period of the right.

The determination of the current value of the Company commitments is made by an independent expert using the projected unit credit method. Under this method, a future projection is made of the liability to determine the probable amount to be paid on the termination of employment and then discounted, to take into account the period of time which will pass before the actual payment. The calculation takes into account the employee leaving indemnity matured and is based on actuarial assumptions which principally relate to the interest rate, which reflects the market return of primary securities with maturities similar to those for bonds and the turnover of employees.

The actuarial gains and losses, defined as the differences between the carrying value of the liabilities and the current value of the Company commitments at the end of the period, due to changes in the actuarial parameters described above, are directly recorded to the Comprehensive Income Statement. The financial component is however recorded in the Income Statement, in the account financial charges.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised in respect of certain or probable losses or liabilities, the amount or due date of which could not be determined at year-end.

The Provisions for risks and charges are recorded when a legal or implicit obligation exists towards a third party that derives from a past event, and a payment of resources is probable in order to satisfy the obligation and this amount can be reliably estimated. When the financial effect of the time value of money is significant and the payment dates of the obligations can be estimated reliably, the provision is discounted using the estimated future cash flows at a pre-tax rate that reflects the current market assessment of the cost of money and, if appropriate, the specific risks of the obligation; the increase of the liability due to the passing of time is recorded as a financial charge.

In particular, the provisions for risks and charges relating to employee restructuring plans are recognised when at the balance sheet date the event which gives rise to the obligation is 'binding' as the Company, through the drawing up of a formal restructuring programme, has generated within interested third parties the valid expectations that the entity will implement the afore-mentioned programme.

REVENUES

Revenues are recognised in accordance with the probability that the company will receive economic benefits and the amount can be determined reliably. The revenues are recognised at the fair value of the amount received less returns, premiums and discounts. The revenues from the sale of goods are recognised when the significant risks and benefits of the ownership of the assets are transferred to the purchaser. In particular, the circulation revenues are recognised in relation to the number of copies issued by the balance sheet date, appropriately adjusted at the year-end to take into account returns based on historical data.

Revenues for services are recognised when the services are provided, with reference to the progress of completion of the activities. The advertising revenues are recognised based on the completion of the advertisement by the end of the year.

FINANCIAL INCOME AND CHARGES

Financial income and charges are recognised in accordance with the accruals concept on the basis of the interest matured on the net value of the relative financial assets and liabilities utilising the effective interest rate, therefore utilising the rate which is financially equivalent to all the cash inflows and outflows which comprise an operation.

DIVIDENDS

The dividends are recorded when the right of the shareholders to receive the payment arises. The dividends and dividend payments on account payable to third parties are recorded as changes in shareholders' equity at the date in which the Shareholders' Meetings approves them.

INCOME TAXES

Current Income taxes for the period are determined on the basis of the taxable assessable income and in accordance with current legislation; consideration is also taken of the effects deriving from the national fiscal consolidation, in accordance with Article 117/129 of the Income Tax Act, in which the Group is the consolidating company of the following subsidiaries: Il Messaggero SpA, Il Mattino SpA, Finced Srl, Piemme SpA, Corriere Adriatico SpA, Quotidiano di Puglia SpA, Il Gazzettino SpA, Imprese Tipografiche Venete SpA , Leggo SpA, Ced Digital Servizi Srl, Centro Stampa Veneto SpA and Pim SpA.

Caltagirone Editore SpA acts therefore as the consolidating company and calculates a single assessable base for the group of companies adhering to the national tax consolidation and therefore benefits from the possibility of offsetting assessable income with assessable losses in a single tax declaration. The assessable amount and the losses for the period were transferred and recorded by the subsidiaries to the consolidating

company in the year in which they matured; any future fiscal benefits (deferred tax assets) are therefore recorded directly by the consolidating company.
Deferred tax assets and liabilities are calculated on temporary differences between the balance sheet values and the corresponding values recognised for tax purposes, applying the expected tax when the differences are reversed, determined on the basis of the current tax rates in force or to be applied in the near future.
The recognition of deferred tax assets is made when their recovery is probable - that is when it is expected that there will be future assessable fiscal income sufficient to recover the asset, also in consideration of the tax consolidation described above.
The recovery of the deferred tax asset is reviewed at each balance sheet date.

RISK MANAGEMENT

The Company is exposed to various market risks and in particular to liquidity risk, risk of change in the prices of listed financial investments and foreign exchange risk.

Price risk of the equity shareholdings

In relation to the risk of changes in the fair value of the equity shareholdings held as available for sale, the Company monitors the changes of share prices and for this reason constantly records the movements in the listed shares in portfolio. Based on this data, the investment and divestment policies of the Group are defined with the objective to optimise medium and long-term cash flows, also considering the distribution of dividends from the shares in portfolio. The investment and divestment strategies of the equity investments are also considered in relation to the diversification of risk.

Currency risk

The Company at the reporting date was not exposed to exchange rate risk as operations and revenues exclusively relate to Italy, in addition to costs.

Liquidity risk

Liquidity risk is linked to the difficulty in obtaining funds to cover commitments at a given moment. Caltagirone Editore has access to its own liquidity which is in the form of short-term deposits and therefore easily accessible and highly liquid. It is therefore considered that this risk is not significant.

USE OF ESTIMATES

The preparation of the 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 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 accounting standards and accounts in the financial statements which require greater subjectivity in the preparation of the estimates and for which a change in the underlying conditions of the assumptions used may have a significant impact on the financial statements of the Company are as follows:

• Write-down of fixed assets
• Deferred tax assets & liabilities
• Provisions for risks and charges
• Other write-down provisions

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.

CHANGE OF ACCOUNTING PRINCIPLES, ERRORS AND CHANGE OF ESTIMATES

The accounting principles adopted are amended from one period to another only if the change is required by a standard and if this contributes to providing more reliable information on the effects of the operations on the balance sheet, income statement and cash flows of the enterprise.

The changes to the accounting standards are recorded retrospectively with the recording of the effect to net equity for the more remote periods reported. The other comparative amounts indicated for each period are adjusted as if the new standard had always been applied. The prospective approach is made only when it is impractical to reconstruct the comparative information.

The application of a new or amended accounting standard is accounted for in accordance with the requirements of the standard. If the standard does not permit a transition period, the change is accounted in accordance with the retrospective method, or if impractical, with the prospective method.

In the case of significant errors, the same method that is used for changes in accounting standards illustrated previously is applied.In the case of non-significant errors, these are accounted for in the income statement in the period in which they are noted.

Changes in estimates are accounted in accordance with the prospective method in the Income Statement in the period in which the change occurs only if impacting upon this latter or in the period in which the change occurs, and subsequent periods if the change also impacts upon future periods.

VALUE OF THE COMPANY

The Stock Market capitalisation of Caltagirone Editore is currently lower than the net equity of the Group (Stock Market capitalisation at June 31, 2015 of Euro 125 million compared to a Group net equity of Euro 559.9 million). The share price was affected by the generally weak and highly volatile financial market conditions, which significantly differed from an assessment based on the Company's underlying fundamentals expressed by the value in use. While considering the complex economic environment, reflected also in the cash flow estimate and discounting rate estimate, the impairment test should consider the capacity to generate cash flows, rather than stock market values which also reflect developments not strictly related to the Group, with a particular short-term focus.

It should however be considered that at consolidated level the total value of cash and cash equivalents, of available-for-sale financial assets and the Newspaper Titles account for 97% of the Consolidated Net Equity. On measuring the Newspaper Titles at fair value, further gains emerged which approximate the value of Net Equity.

ASSETS

1. PROPERTY, PLANT AND EQUIPMENT

Historical cost	Equipment	Other assets	Total
01.01.2014	**29,957**	**213,333**	**243,290**
Increases	-	-	**-**
Decreases	-	-	**-**
Reclassifications	(1)	-	**(1)**
31.12.2014	**29,956**	**213,333**	**243,289**
01.01.2015	**29,956**	**213,333**	**243,289**
Increases	-	-	**-**
Decreases	-	-	**-**
Reclassifications	-	-	**-**
31.12.2015	**29,956**	**213,333**	**243,289**

Depreciation and loss in value	Equipment	Other assets	Total
01.01.2014	**23,209**	**213,333**	**236,542**
Increases	1,860	-	**1,860**
Decreases	-	-	**-**
Reclassifications	-	-	**-**
31.12.2014	**25,069**	**213,333**	**238,402**
01.01.2015	**25,069**	**213,333**	**238,402**
Increases	1,765	-	**1,765**
Decreases	-	-	**-**
Reclassifications	-	-	**-**
31.12.2015	**26,834**	**213,333**	**240,167**
Net value			
01.01.2014	**6,748**	**-**	**6,748**
31.12.2014	**4,887**	**-**	**4,887**
31.12.2015	**3,122**	**-**	**3,122**

Euro

2. INVESTMENTS VALUED AT COST

The movements in the account are as follows:

Investments in subsidiaries	Registered office	Share capital	%	Book value 01.01.2014	Increases/ (Decreases)	Revaluations / (Write-downs)	Book value 31.12.2014	Share of Net equity at al 31.12.2014	Difference compared to book value at al 31.12.2014
Il Mattino SpA	Rome	500,000	99.95	23,590,822	(725)	-	23,590,097	331,952	23,258,145
Leggo SpA	Rome	1,000,000	99.95	867,868	-	(812,433)	55,435	55,435	-
Finced Srl	Rome	10,000	99.99	89,748,985	-	957,383	90,706,368	70,830,435	19,875,933
Corriere Adriatico SpA	Ancona	890,000	99.95	15,188,000	-	(4,016,000)	11,172,000	(246,309)	11,418,309
Quotidiano di Puglia SpA	Rome	1,020,000	99.95	18,074,000	(597)	(251,000)	17,822,403	1,366,697	16,455,706
Il Gazzettino SpA	Rome	2,000,000	99.95	72,606,664	-	-	72,606,664	(323,472)	72,930,136
Il Messaggero SpA	Rome	1,265,385	99.95	35,317,636	(20,081)	-	35,297,555	37,807,488	(2,509,933)
Ced Digital & Servizi Srl	Rome	100,000	99.99	99,990	-	-	99,990	368,210	(268,220)
Piemme SpA	Rome	2,643,139	99.99	71,972,848	-	(56,053,000)	15,919,848	10,877,674	5,042,174
Total				**327,466,813**	**(21,403)**	**(60,175,050)**	**267,270,360**		

Investments in subsidiaries	Registered office	Share capital	%	Book value 01.01.2015	Increases/ (Decreases)	Revaluations/ (Write-downs)	Book value 31.12.2015	Share of Net equity at al 31.12.2015	Difference compared to book value at al 31.12.2015
Il Mattino SpA	Rome	500,000	99.95	23,590,097	2,998,500	-	26,588,597	1,167,212	25,421,385
Leggo SpA	Rome	1,000,000	99.95	55,435	944,093	(999,528)	-	(463,418)	463,418
Finced Srl	Rome	10,000	99.99	90,706,368	-	-	90,706,368	77,652,830	13,053,538
Corriere Adriatico SpA	Ancona	890,000	99.95	11,172,000	980,414	(2,028,000)	10,124,414	(618,344)	10,742,757
Quotidiano di Puglia SpA	Rome	1,020,000	99.95	17,822,403	-	(973,000)	16,849,403	1,245,110	15,604,293
Il Gazzettino SpA	Rome	2,000,000	99.95	72,606,664	2,358,993	-	74,965,657	(53,326)	75,018,983
Il Messaggero SpA	Rome	1,265,385	99.95	35,297,555	-	-	35,297,555	35,474,220	(176,665)
Ced Digital & Servizi Srl	Rome	100,000	99.99	99,990	-	-	99,990	811,512	(711,522)
Piemme SpA	Rome	2,643,139	99.99	15,919,848	-	(10,205,000)	5,714,848	5,714,344	504
Servizi Italia 15 Srl	Rome	100,000	99.95	-	99,950	-	99,950	100,444	(494)
Total				**267,270,360**	**7,381,949**	**(14,205,528)**	**260,446,782**		

Euro

The increase in investments related to payments made in the year to cover losses, respectively to Il Mattino SpA (Euro 2,998,500), Leggo SpA (Euro 944,093), Corriere Adriatico SpA (Euro 980,414) and Il Gazzettino SpA (Euro 2,358,993).

The write-downs of investments relating to the subsidiaries Leggo SpA (Euro 999,528), Corriere Adriatico SpA (Euro 2,028,000), Quotidiano di Puglia SpA (Euro 973,000) and Piemme SpA (Euro 10,205,000) follow the execution of impairment tests, in which the recoverable value was approximated to the adjusted Net Equity of any gains emerging (for greater details concerning the methodology and the underlying assumptions of the impairment tests, reference should be made to note 2 of the Explanatory Notes to the Group Consolidated Financial Statements).

The subsidiaries indirectly held through Il Gazzettino SpA are as follows:

Equity investments in indirect subsidiaries	Registered office	Share capital	% of control of the Group	Shareholders' Equity	Result for the year
Centro Stampa Veneto SpA	Rome	567,000	100.00	664,585	**16,021**
Imprese Tipografiche Venete SpA	Rome	936,000	100.00	2,353,348	**219,980**
P.I.M. Pubblicità Italiana Multimedia Srl	Rome	1,044,000	100.00	6,427,956	**305,287**

Euro

The investments in associated companies directly held by Caltagirone Editore SpA are as follows:

Investments in associated companies	Registered office	%	01.01.2014	Increases/ (Decreases)	Revaluations/ (Write-downs)	31.12.2014
Rofin 2008 Srl	Rome	30.00	-	3,000	-	3,000
Total			**-**	**3,000**	**-**	**3,000**

Investments in associated companies	Registered office	%	01.01.2015	Increases/ (Decreases)	Revaluations/ (Write-downs)	31.12.2015
Rofin 2008 Srl	Rome	30.00	3,000	-	-	3,000
Total			**3,000**	**-**	**-**	**3,000**

Euro

The key figures relating to the associated companies is reported below:

Investments in associated companies	Registered office	Share capital	% of control of the Group	Shareholders' Equity	Result for the year
Rofin 2008 Srl	Rome	10,000	30.00	8,533	**(1,467)**

Euro

The investments in other companies consist of:

Investments in other companies	01.01.2014	Increases/ (Decreases)	Revaluations/ (Write-downs)	31.12.2014
E-Care SpA	3,044,983	-	(3,017,557)	27,426
Banca Popolare di Vicenza	6,250	-	-	6,250
Total	**3,051,233**	**-**	**(3,017,557)**	**33,676**

Investments in other companies	01.01.2015	Increases/ (Decreases)	Revaluations/ (Write-downs)	31.12.2015
E-Care SpA	27,426	-	(8,639)	18,787
Banca Popolare di Vicenza	6,250	-	-	6,250
Total	**33,676**	**-**	**(8,639)**	**25,037**

Euro

3. EQUITY INVESTMENTS AND NON-CURRENT SECURITIES

The breakdown is as follows:

AFS Investments	01.01.2014	Increases/ (Decreases)	Fair value change	31.12.2014
Assicurazioni Generali SpA	57,285,000	-	(335,000)	56,950,000
Total	**57,285,000**	**-**	**(335,000)**	**56,950,000**

AFS Investments	01.01.2015	Increases/ (Decreases)	Fair value change	31.12.2015
Assicurazioni Generali SpA	56,950,000	-	(268,000)	56,682,000
UniCredit SpA	-	5,110,000	25,000	5,135,000
Total	**56,950,000**	**5,110,000**	**(243,000)**	**61,817,000**

Number	01.01.2015	Increases/(Decreases)	31.12.2015
Assicurazioni Generali SpA	3,350,000	-	3,350,000
UniCredit SpA	-	1,000,000	1,000,000

Euro

The increase of Euro 5,110,000 concerns the purchase of 1,000,000 UniCredit SpA shares. The changes in the fair value reserve are reported below:

Fair Value reserve	01.01.2015	Increases	Decreases	31.12.2015
Fair Value reserve	10,491,026	-	(243,000)	10,248,026
Tax effect	(144,252)	15,576	-	(128,676)
Fair value reserve, net of tax effect	**10,346,774**	**15,576**	**(243,000)**	**10,119,350**
Changes in the year				**(227,424)**

Euro

In relation to the disclosure required by IFRS 13, concerning the so-called "hierarchy of fair value", the shares available for sale belong to level one, as defined by paragraph 27 A (IFRS 13), as concerning financial instruments listed on an active market.

4. DEFERRED AND CURRENT TAXES

The deferred tax assets refer to losses carried forward and temporary differences between the values recorded in the financial statements and the corresponding values recognised for tax purposes.

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

	01.01.2014	Provisions	Utilisations	Reclassifications	Other changes	31.12.2014
Deferred tax assets						
Tax losses carried	30,177,337	-	(477,525)	(1,104)	4,341,604	34,040,312
Other	48,879	13,200	(6,325)	1,104	-	56,858
Total	**30,226,216**	**13,200**	**(483,850)**	**-**	**4,341,604**	**34,097,170**
Deferred tax liabilities						
Other	151,079	-	(732)	-	(5,640)	144,707
Total	**151,079**	**-**	**(732)**	**-**	**(5,640)**	**144,707**
Net deferred tax assets	**30,075,137**	**13,200**	**(483,118)**	**-**	**4,347,244**	**33,952,463**

	01.01.2015	Provisions	Utilisations	Reclassifications	Other changes	31.12.2015
Deferred tax assets						
Tax losses carried	34,040,312	442,928	(697,570)	-	(1,663,553)	32,122,117
Other	56,858	15,125	(13,200)	-	-	58,783
Total	**34,097,170**	**458,053**	**(710,770)**	**-**	**(1,663,553)**	**32,180,900**
Deferred tax liabilities						
Other	144,707	-	-	-	(15,626)	129,081
Total	**144,707**	**-**	**-**	**-**	**(15,626)**	**129,081**
Net deferred tax assets	**33,952,463**	**458,053**	**(710,770)**	**-**	**(1,647,927)**	**32,051,819**

Euro

The other changes in deferred tax assets and liabilities include the deferred tax assets recorded due to the losses incurred by the subsidiaries within the tax consolidation.

The calculation of deferred tax assets and liabilities took account of the reduction in the IRES rate from 27.5% to 24% from the tax period subsequent to December 31, 2016, under the 2016 Stability Law (Law No. 208 of December 28, 2015).

Based on the 2016-2020 forecasts, sufficient assessable income will be realised to recover the deferred tax assets recorded in the financial statements at December 31st 2015, also under the tax consolidation in force.

The balance sheet includes receivables for current taxes, including tax credits of Euro 13,739, withholding taxes on interest income for Euro 209,635 and the IRAP receivable of Euro 82,004.

The income taxes for the year consist of:

	2015	2014
IRES current taxes	-	-
IRAP current taxes	-	82,141
Income taxes of prior years	5,725	1,120
Current taxes	**5,725**	**83,261**
Provision for deferred tax liabilities	-	-
Utilisation of deferred tax liabilities	(732)	-
Deferred tax charge	**-**	**(732)**
Recording of deferred tax assets	(458,053)	(13,200)
Utilisation of deferred tax assets	710,770	483,850
Deferred tax income	**252,717**	**470,650**
Total income taxes	**258,442**	**553,179**

Euro

The breakdown of income taxes is as follows:

	2015	2014
Prior year IRAP	5,725	1,120
Current and deferred IRES tax	252,717	469,918
Current and deferred IRAP tax	-	82,141
Total	**258,442**	**553,179**

Euro

The analysis of the difference between the theoretical and actual tax rates in relation to IRES are as follows:

IRES	**2015**		**2014**	
	Amount	**Amount**	**Amount**	**Amount**
Result before taxes	**(14,531,929)**	**27.50%**	**(40,096,648)**	**27.50%**
Theoretical tax charge	**-**	**(3,996,280)**	**-**	**(11,026,578)**
Permanent differences increase (decrease):				
Dividends		(562,534)		(5,871,193)
Write-down of equity investments		4,036,467		17,641,247
Revaluations of investments		-		(263,280)
Loss on sale of investments		-		293
Change in tax rate		697,570		-
Others		77,495		(10,570)
Current and deferred IRES tax		**252,717**		**469,918**

Euro

5. TRADE RECEIVABLES

The breakdown is as follows:

	31.12.2015	31.12.2014
Receivables from third parties	17,695	3,840
Receivables from related parties	384,462	-
Total trade receivables	**402,157**	**3,840**

Euro

There are no receivables due over 12 months. The value of the receivables reported above approximates their fair value.

6. CURRENT FINANCIAL ASSETS

The breakdown is as follows:

	31.12.2015	31.12.2014
Financial assets from subsidiaries	48,373,695	55,388,934
Total current financial assets	**48,373,695**	**55,388,934**

Euro

The balance of Euro 48,373,695 represents interest bearing loans due within one year renewable on request, granted respectively to Il Mattino SpA (Euro 27,886,050), Piemme SpA (Euro 11,800,000), Il Gazzettino SpA (Euro 5,597,200), Leggo SpA (Euro 1,859,070) and Corriere Adriatico SpA (Euro 1,149,425).
The value of current financial assets approximates their fair value.

7. OTHER CURRENT ASSETS

The breakdown is as follows:

	31.12.2015	31.12.2014
Receivables from subsidiaries	2,674,573	2,639,034
Receivables from third parties	1,945	19,195
Total current assets	**2,676,518**	**2,658,229**

Euro

The receivables from subsidiaries due within one year relate to the companies within the national tax consolidation, of which Euro 396,539 from Imprese Tipografiche Venete SpA, Euro 247,663 from Ced Digital & Servizi Srl and Euro 24,160 from PIM Srl.
The account also includes the receivable from subsidiaries of Euro 195,682 concerning VAT positions from the subsidiary companies within the VAT consolidation. Specifically, it concerns for Euro 105,360 Il Messaggero SpA, for Euro 56,046 Il Mattino SpA, for Euro

3,260 Leggo SpA, for Euro 11,967 Euro Quotidiano di Puglia SpA, for Euro 6,210 Corriere Adriatico SpA and for Euro 12,839 PIM Srl.
In addition, the balance includes Euro 509,314 from Finced Srl and Euro 1,301,214 from Il Mattino SpA concerning payments made by Caltagirone Editore SpA as the tax consolidating company, in relation to the tax disputes of the subsidiaries settled in previous years.
The receivables from third parties include receivables from social security institutions and VAT. The value of other current assets approximates their fair value.

8. CASH AND CASH EQUIVALENTS

The breakdown is as follows:

	31.12.2015	31.12.2014
Bank and postal deposits	145,499,426	149,718,168
Cash in hand and similar	895	1,166
Total cash and cash equivalents	**145,500,321**	**149,719,334**
of which related parties	*68,115*	*185,517*

Euro

Euro 68,115 concerns the bank deposits at related companies concerning for Euro 14,482 UniCredit SpA and for Euro 53,633 Banca Finnat Euramerica SpA.
In relation to the variable rate of liquidity, an annual interest rate increase of 1%, at like-for-like terms, would have a positive impact on the net profit of approx. Euro 1.5 million. A decrease in interest rates of the same level would have a corresponding negative impact.
The average rate for funds in the year was 0.6%.

LIABILITIES AND SHAREHOLDERS' EQUITY

9. SHAREHOLDERS' EQUITY

	31.12.2015	31.12.2014
Share Capital	125,000,000	125,000,000
Listing charges	(18,864,965)	(18,864,965)
Treasury shares	(1,843,878)	(1,333,953)
Net Fair Value reserve	10,119,350	10,346,774
Other Reserves	408,839,372	449,485,353
Net Loss	(14,790,371)	(40,649,827)
Total net equity	**508,459,508**	**523,983,382**

Euro

The share capital amounts to Euro 125 million, consisting of 125 million ordinary shares at a nominal value of Euro 1 each. The number of ordinary shares outstanding did not change during the period.
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 December 31st 2015 Caltagirone Editore SpA had 1,845,510 treasury shares in portfolio, comprising 1.476 % of the share capital for a value of Euro 1,843,876.
The Other Reserves consist of:

	31.12.2015	31.12.2014
Legal reserve	25,000,000	25,000,000
Share premium reserve	480,922,687	481,432,612
Reserve for treasury shares	1,843,878	1,333,953
Cedfin merger reserve	423,291	423,291
Messaggero Partecipazioni merger reserve	755,983	755,983
IAS leaving indemnity reserve	1,993	(1,855)
Treasury shares sales gains reserves	33,704	33,704
IAS non recognised asset reversal reserve	16,876,107	16,876,107
Retained earnings/(accum. losses)	(117,018,271)	(76,368,442)
Totale	**408,839,372**	**449,485,353**

Euro

The Shareholders' Equity disclosure document with breakdown by individual accounts concerning the availability and usage in previous years is reported below.

SHAREHOLDERS' EQUITY DISCLOSURE AT DECEMBER 31 2015

Nature/ Description	Amount 31.12.14	Amount 31.12.15	Possibility of utilisation	Quota available	Summary of utilisations made in the previous three years		of which until 2007
					for coverage	for other reasons	
Share Capital	125,000	125,000	-	-	-	-	-
Share capital issue costs	(18,865)	(18,865)	-	-	-	-	-
Share premium reserve	481,433	480,923	A B C	480,923	-	1,403 *	480,923
Legal reserve	25,000	25,000	B	-	-	-	25,000
IAS Reserve	25,921	25,187	-	-	-	-	-
Merger reserves (Other Reserves)	1,179	1,179	A B C	1,179	-	-	423
Retained earnings	(76,368)	(117,018)	A B C	-	117,018	-	-
Treasury share reserve	1,334	1,844	-	-	-	-	-
	564,634	**523,250**					
Result	*(40,650)*	*(14,093)*					
Chek	*523,984*	*509,157*					
Total available				**482,102**			
Non-distributable quota				**(18,865) ****			
Residual distributable quota				**463,237**			

Euro

Legend:
A: share capital increase
B: coverage of losses
C: distribution to shareholders

** Utilisations for dividends and constitution of treasury shares buy-back reserve*
*** Art. 2433 C.C.*

10. PERSONNEL

Post-employment benefits and employee provisions

Post-employment benefits represent a liability relating to the benefits recognised to employees and paid either on termination or after employment service. This liability is a defined benefit plan and therefore is determined applying the actuarial method under the applicable accounting standards.

The assumptions relating to the determination of the plan are summarised in the table below:

	31.12.2015	31.12.2014
Annual technical discounting rate	2.00%	1.60%
Annual inflation rate	1.50%	1.50%
Annual increase in employee leaving indemnity	2.62%	2.62%
Annual increase in salaries	3.00%	3.00%

Values in %

The movements in the year are as follows:

	31.12.2015	31.12.2014
Net liability at January 1st	**95,522**	**79,549**
Current cost for the year	8,583	9,748
Interest charge (income), net	1,528	2,466
Actuarial gains (losses)	(3,798)	3,759
Net liability at December 31st	**101,835**	**95,522**

Euro

The change in the actuarial gain/loss relates to the choice and application of a discount rate considered more in line with the Company situation, which takes account of the changes in the market rates compared to 2014.

The comparison with the liability in accordance with Italian regulations is as follows:

	01.01.2014	31.12.2014	31.12.2015
Nominal value of the provision	83,177	92,730	100,597
Actuarial adjustment	(3,628)	2,792	1,238
Total post-employment benefits	**79,549**	**95,522**	**101,835**

Euro

As illustrated in the movement, the change between the liability determined in accordance with Italian regulations and IFRS is essentially due to the change in the discount rate utilised, as described previously.

Employee numbers and cost

	2015	2014
Wages and salaries	124,778	123,667
Social security charges	43,196	37,330
Post-employment provision	8,583	9,748
Other costs	276,603	305,610
Total labour costs	**453,160**	**476,355**

Euro

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

	31.12.2015	31.12.2014	Average 2015	Average 2014
Managers & white collar	3	3	3	3
Journalists	3	3	3	4
Total	**6**	**6**	**6**	**7**

11. CURRENT PROVISIONS

The amount of Euro 463,418 concerns the provision for risks and future charges concerning the equity deficit of the investments in Leggo SpA. This amount comprises the excess compared to the book value of the investment, attributable to the company according to its share, following the write-down of the loss in the current year recorded by the subsidiary.

12. TRADE PAYABLES

	31.12.2015	31.12.2014
Supplier payables	111,295	135,601
Payables to subsidiaries	41,119	76,199
Payables to holding companies	1,830,000	610,000
Payables to other Group companies	37,872	11,934
Total	**2,020,286**	**833,734**
of which related parties	*1,908,991*	*698,133*

Euro

At December 31st 2015, supplier payables amounted to Euro 111,295 (Euro 135,601 at December 31st 2014) fully payable within one year, of which Euro 77,377 are for invoices to be received.

The payables to subsidiaries relate to invoices received from Quotidiano di Puglia SpA (Euro 17,858), from Il Messaggero SpA (Euro 23,173) and from Ced Digital & Servizi Srl (Euro 88) for interest on loans received at normal market conditions.
The payable to parent companies concerns the invoices received by Caltagirone SpA for services provided during the year.
Payables to other Group companies concern the companies under common control for services provided.
There are no payables due over 12 months.
The value of payables at December 31st 2015 approximates their fair value.

13. CURRENT FINANCIAL LIABILITIES

	31.12.2015	31.12.2014
Current financial payables		
Payable to subsidiaries	7,244,552	6,864,552
Total	**7,244,552**	**6,864,552**

Euro

The balance of Euro 7,244,552 concerns the payables relating to loans at market rates granted by Il Messaggero SpA (Euro 4,714,552), Quotidiano di Puglia SpA (Euro 2,030,000) and from Ced Digital & Servizi Srl (Euro 500,000).
The interest rates at the balance sheet date on the current liabilities are as follows:

	2015	2014
Current financial liabilities		
Payable to subsidiaries	0.75	1.50

Values in %

14. OTHER CURRENT LIABILITIES

	31.12.2015	31.12.2014
Other current payables		
Social security payables	13,789	9,734
Employee payables	21,449	21,110
Payables to subsidiaries	28,040,450	29,281,230
Other payables	5,516,472	5,898,471
Total	**33,592,160**	**35,210,545**

Euro

The other payables to subsidiaries refer to transactions with the companies in the fiscal consolidation and the VAT consolidation. The breakdown is presented in the table below:

	31.12.2015	31.12.2014
Centro Stampa Veneto SpA	193,045	222,782
Il Messaggero SpA	5,410,638	6,265,263
Il Mattino SpA	4,908,465	4,871,231
Leggo SpA	4,304,793	4,591,066
Il Gazzettino SpA	5,084,660	5,051,834
Piemme SpA	2,135,084	1,795,325
Finced Srl	2,949,730	3,366,826
Corriere Adriatico SpA	2,757,169	2,709,672
Quotidiano Di Puglia SpA	279,005	387,820
Ced Digital & Servizi Srl	15,343	18,525
Imprese Tipografiche Venete SpA	2,518	886
Total	**28,040,450**	**29,281,230**

Euro

The account "Other payables" of Euro 5,516,472 includes Euro 4,873,306 as amounts available to the Board of Directors in accordance with Article 25 of the Company By-Laws, which provides for the allocation of 2% of the net profits to this account.
The other amounts concern emoluments due to Directors and Statutory Auditors and personnel withholding tax payables.

INCOME STATEMENT

15. OTHER OPERATING REVENUES

	2015	2014
Other operating revenues	19,993	96,347
Other revenues and income from related parties	701,356	701,357
Total revenues from sales and services	**721,349**	**797,704**

Euro

The other revenues and income from related parties concern administrative, financial and tax assistance services provided to Group companies.

16. OTHER OPERATING COSTS

	2015	2014
Rent, leases and similar costs	365,910	367,296
Services	1,991,789	2,028,581
Other operating charges	100,872	73,655
Total other operating costs	**2,458,571**	**2,469,532**
of which related parties	*1,404,018*	*1,404,854*

Euro

The costs "Rent, leases and similar" refer entirely to the headquarters of the Company, provided by a company under common control at market rents.
The account "services" includes the remuneration of the Board of Statutory Auditors for Euro 43,960, the Board of Directors for Euro 307,280 and the audit firm for Euro 29,000 (excluding the Co.n.so.b contribution, the ISTAT adjustment and expenses). The account also includes the fee to Caltagirone SpA for administrative, financial and tax assistance services (Euro 1,000,000).

17. AMORTISATION, DEPRECIATION, PROVISIONS & WRITE-DOWNS

	2015	2014
Depreciation of property, plant & equipment	1,765	1,860
Total amortisation, depreciation, provisions & write-downs	**1,765**	**1,860**

Euro

18. NET FINANCIAL INCOME/(CHARGES)

Financial income	2015	2014
Dividends from subsidiaries	143,240	20,965,965
Dividends from other companies	2,010,000	1,507,500
Bank deposit interest	806,288	3,208,497
Revaluation of investments	-	957,383
Total financial income	**2,959,528**	**26,639,345**
of which related parties	*143,345*	*22,474,987*

Euro

Dividends from subsidiaries entirely concerned investments in Quotidiano di Puglia SpA. Dividends from other companies refer to the related company Assicurazioni Generali SpA (Euro 2,010,000).
Interest income on bank deposits of Euro 806,288 concerns the return on invested liquidity, of which Euro 105 from the related company UniCredit SpA.

	2015	2014
Loss on disposal of investments	-	1,064
Write-down of equity investments and securities	14,678,060	64,149,990
Interest on bank accounts	3,703	2,121
Banking commissions and charges	357,000	43,798
Interest expense from subsidiaries	74,071	386,511
Financial charges from discounting	1,528	2,466
Other	184,948	-
Total financial charges	**15,299,310**	**64,585,950**
of which related parties	*117,992*	*427,709*

Euro

The write-downs of investments concern the subsidiaries Corriere Adriatico SpA (Euro 2,028,000), Leggo SpA (Euro 1,462,946), Quotidiano di Puglia SpA (Euro 973,000), Piemme SpA (Euro 10,205,000) and the investment in E-Care SpA (Euro 8,640). For further details, reference should be made to note 2.
The interest charges from subsidiaries concerns the loans received at market rates, of which Euro 51,227 from Il Messaggero SpA, Euro 22,756 from Quotidiano di Puglia SpA and Euro 88 from Ced Digital & Servizi Srl.

19. TRANSACTIONS WITH RELATED PARTIES

The transactions of the company with related parties, including inter-group operations, generally relate to normal operations and are regulated at market conditions and principally relate to the exchange of goods, the provision of services, the provision and use of financial resources of associated companies and subsidiaries 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. Where such operations exist, detailed information is provided in the present paragraph.

31.12.2014	Parent Company	Subsidiaries	Associated Companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions								
Current financial assets	-	55,388,934	-	-	-	**55,388,934**	**55,388,934**	**100.00%**
Other current assets	-	2,639,034	-	-	-	**2,639,034**	**2,658,229**	**99.28%**
Cash and cash equivalents	-	-	-	-	185,517	**185,517**	**149,719,334**	**0.12%**
Trade payables	610,000	76,199	-	11,934	-	**698,133**	**833,734**	**83.74%**
Current financial liabilities	-	6,864,552	-	-	-	**6,864,552**	**6,864,552**	**100.00%**
Other current liabilities	-	29,281,230	-	-	-	**29,281,230**	**35,210,545**	**83.16%**
Income statement transactions								
Other operating revenues	-	690,000	-	11,357	-	**701,357**	**797,704**	**87.92%**
Other operating costs	1,000,000	19,250	-	20,400	365,204	**1,404,854**	**2,469,352**	**56.89%**
Financial income	-	20,965,965	-	-	1,509,022	**22,474,987**	**26,639,345**	**84.37%**
Financial charges	-	386,511	-	-	41,198	**427,709**	**3,453,517**	**12.38%**

31.12.2015	Parent Company	Subsidiaries	Associated Companies	Companies under common control	Other related parties	Total related parties	Total book value	% on total account items
Balance sheet transactions								
Trade receivables	-	384,462	-	-	-	**384,462**	**402,157**	**95.60%**
Current financial assets	-	48,373,695	-	-	-	**48,373,695**	**48,373,695**	**100.00%**
Other current assets	-	2,674,573	-	-	-	**2,674,573**	**2,676,518**	**99.93%**
Cash and cash equivalents	-	-	-	-	68,115	**68,115**	**145,500,321**	**0.05%**
Trade payables	1,830,000	41,119	37,872	-	-	**1,908,991**	**2,020,286**	**94.49%**
Current financial liabilities	-	7,244,552	-	-	-	**7,244,552**	**7,244,552**	**100.00%**
Other current liabilities	-	28,040,450	-	-	-	**28,040,450**	**33,592,160**	**83.47%**
Income statement transactions								
Other operating revenues	-	690,000	-	11,356	-	**701,356**	**721,349**	**97.23%**
Other operating costs	1,000,000	19,800	-	384,218	-	**1,404,018**	**2,458,571**	**57.11%**
Financial income	-	143,240	-	-	2,010,105	**2,153,345**	**2,959,528**	**72.76%**
Financial charges	-	74,071	-	-	43,921	**117,992**	**630,364**	**18.72%**

Euro

For further information on the breakdown of the individual accounts reported above, reference should be made to the comments concerning each area of the financial statements.

20. NET CASH POSITION

	31.12.2015	31.12.2014
A. Cash	895	1,166
B. Bank deposits	145,499,426	149,718,168
D. Liquidity (A)+(B)	**145,500,321**	**149,719,334**
E. Current financial receivables	**48,373,695**	**55,388,934**
F. Bank payables - current portion	-	-
G. Current portion of long-term loans	-	-
H. Current payables to other lenders	7,244,552	6,864,552
I. Current debt (F)+(G)+(H)	**7,244,552**	**6,864,552**
J. Net current cash position (I)-(E)-(D)	**(186,629,464)**	**(198,243,716)**
K. Non-current bank payables	-	-
L. Non-current payables to other lenders	-	-
M. Non-current financial debt (K)+(L)	**-**	**-**
N. Net Cash Position (J)+(M)	**(186,629,464)**	**(198,243,716)**

Euro

21. OTHER INFORMATION

Assignments conferred to the audit firm and related remuneration

The table below shows the payments made to the audit firm PricewaterhouseCoopers SpA in accordance with Article 149 of Consob Resolution No. 11971/99 in 2015.

Company	Independent Audit Firm	Period	Audit service charges*
Caltagirone Editore SpA	PricewaterhouseCoopers SpA	2012/2020	29,000

Euro

** The amount does not include the Co.n.so.b. contribution and the adjustment*

Declaration of the Financial Statements as per Art. 81 - ter of Consob Regulation No. 11971 of May 14th 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 financial statements for 2015.

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 financial statements.
   In relation to this, no important matters arose.

3. It is also declared that:

3.1 the 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) correspond to the underlying accounting documents and records;

   c) provide a true and correct representation of the balance sheet, financial situation and result for the year of the issuer.

3.2 The Directors' Report, prepared using a standard format for both the individual and consolidated financial statements, includes a reliable analysis on the performance and operating result as well as the situation of the issuer, together with a description of the principal risks and uncertainties to which they are exposed.

Rome, March 11th 2016

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

CALTAGIRONE EDITORE

SUBSIDIARIES FINANCIAL STATEMENTS

IL MESSAGGERO SPA
ASSETS

	31.12.2015	31.12.2014
A) RECEIVABLES DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL	**-**	**-**
B) FIXED ASSETS		
I - INTANGIBLE ASSETS		
5) Goodwill	47,220,206	50,852,529
6) Assets in progress and advances	87,498	-
7) Other	202,761	151,033
TOTAL	**47,510,465**	**51,003,562**
II - TANGIBLE ASSETS		
1) Land and buildings	16,800,620	17,413,280
2) Plant and machinery	8,039,486	12,044,455
3) Industrial and commercial equipment	15,540	39,596
4) Other fixed assets	343,046	457,359
5) Assets in progress and advances	16,598	-
TOTAL	**25,215,290**	**29,954,690**
III - FINANCIAL ASSETS		
1) Equity investments		
d) other companies	*444,606*	*496,957*
Total equity investments	**444,606**	**496,957**
2) Receivables		
- Due within one year		
c) holding companies	*4,714,551*	*4,714,551*
- Due over one year		
d) others	*30,369*	*35,061*
Total receivables	**4,744,920**	**4,749,612**
TOTAL FINANCIAL ASSETS	**5,189,526**	**5,246,569**
TOTAL FIXED ASSETS (B)	**77,915,281**	**86,204,821**

	31.12.2015	31.12.2014
C) CURRENT ASSETS		
I - INVENTORIES		
1) Raw materials, ancillary and consumables	1,255,224	1,250,201
TOTAL INVENTORIES	**1,255,224**	**1,250,201**
II - RECEIVABLES		
1) Trade receivables		
- Due within one year	*1,330,238*	*1,915,291*
4) Holding companies		
- Due within one year	*383,089*	*-*
- Due over one year	*5,054,348*	*6,319,766*
4-bis) Taxes receivable	355,560	264,445
4-ter) Deferred tax	2,025,926	2,897,426
5) Others		
Group companies		
- Due within one year	*15,118,511*	*15,172,280*
Other parties		
- Due within one year	*965,855*	*496,280*
Total other receivables	**16,084,366**	**15,668,560**
TOTAL RECEIVABLES	**25,233,527**	**27,065,488**
III - CURRENT FINANCIAL ASSETS		
TOTAL FINANCIAL ASSETS	**-**	**-**
IV - CASH AND CASH EQUIVALENTS		
1) Banking and postal deposits	52,229	38,918
3) Cash and cash equivalents	2,478	3,195
TOTAL CASH AND CASH EQUIVALENTS	**54,707**	**42,113**
TOTAL CURRENT ASSETS (C)	**26,543,458**	**28,357,802**
D) PREPAYEMENTS AND ACCRUED INCOME		
2) Prepayments	71,177	66,930
TOTAL PREPAYEMENTS AND ACCRUED INCOME (D)	**71,177**	**66,930**
TOTAL ASSETS	**104,529,916**	**114,629,553**

Euro

IL MESSAGGERO SPA
LIABILITIES

	31.12.2015	31.12.2014
A) SHAREHOLDERS' EQUITY		
I - SHARE CAPITAL	**1,265,385**	**1,265,385**
IV - LEGAL RESERVE	**150,015**	**150,015**
VII - OTHER RESERVES		
- Reserve Law 266/05	*2,229,686*	*2,229,686*
TOTAL OTHER RESERVES	**2,229,686**	**2,229,686**
VIII - RETAINED EARNINGS	**34,181,315**	**39,248,180**
IX - PROFIT/(LOSS) FOR THE YEAR	**(2,334,435)**	**(5,066,865)**
TOTAL SHAREHOLDERS' EQUITY (A)	**35,491,966**	**37,826,401**
B) PROVISIONS FOR RISKS AND CHARGES		
2) Tax provisions, includ. deferred tax liability	14,059,681	17,347,922
3) Other	3,933,427	4,123,427
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**17,993,108**	**21,471,349**
C) EMPLOYEE LEAVING INDEMNITY	**9,009,584**	**10,074,612**
D) PAYABLES		
4) Bank borrowings		
- Due within one year	*15,467,241*	*10,694,282*
- Due over one year	*8,306,334*	*13,515,606*
Total bank borrowings	**23,773,575**	**24,209,888**
7) Trade payables		
- Due within one year	*6,065,695*	*6,959,047*
11) Holding companies		
- Due within one year	*379,860*	*134,513*
12) Tax payables		
- Due within one year	*1,224,336*	*1,266,286*
13) Payables to social security institutions		
- Due within one year	*3,117,476*	*4,427,914*
14) Other payables		
Group companies		
- Due within one year	*1,873,296*	*1,386,594*
Other parties		
- Due within one year	*5,419,380*	*6,747,018*
- Due over one year	*29,599*	*26,049*
Total other payables	**7,322,275**	**8,159,661**
TOTAL PAYABLES (D)	**41,883,217**	**45,157,309**

	31.12.2015	31.12.2014
E) ACCRUALS AND DEFERRED INCOME		
2) Deferred income	152,041	99,882
TOTAL ACCRUALS AND DEFERRED INCOME (E)	**152,041**	**99,882**
TOTALE LIABILITIES	**104,529,916**	**114,629,553**
MEMORANDUM ACCOUNT		
Guarantees given directly or indirectly in favour of third parties		
- Sureties given to third parties	*332,821*	*337,985*
- Bank collateral and pledges	*60,000,000*	*60,000,000*
Goods held by third parties		
- Paper held in warehouses and printers	*1*	*1*
- Equipment at printers	*1*	*1*
TOTAL MEMORANDUM ACCOUNT	**60,332,823**	**60,337,987**

Euro

IL MESSAGGERO SPA
INCOME STATEMENT

	2015	2014
A) VALUE OF PRODUCTION		
1) Revenues from sales and supply of services	63,038,725	66,477,031
5) Other revenues and income		
a) Other revenues and income	*3,585,129*	*4,097,322*
b) Operating grants	*87,067*	*133,588*
TOTAL VALUE OF PRODUCTION (A)	**66,710,921**	**70,707,941**
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods	(7,994,406)	(9,781,821)
7) Services	(22,307,898)	(24,421,055)
8) Rents, lease and similar costs	(2,125,765)	(2,454,266)
9) Personnel costs		
a) Salaries and wages	*(17,919,969)*	*(19,423,698)*
b) Social security charges	*(6,629,390)*	*(7,079,755)*
c) Employee leaving indemnity	*(1,591,283)*	*(1,619,333)*
e) Other costs	*(1,951,693)*	*(2,065,444)*
Total personnel costs	**(28,092,335)**	**(30,188,230)**
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	*(3,758,677)*	*(3,812,857)*
b) Depreciation of tangible assets	*(4,876,851)*	*(4,913,240)*
Total amortisation, depreciation and write-downs	**(8,635,528)**	**(8,726,097)**
11) Change in inventory of raw materials ancillary, consumables and goods	5,023	274,880
14) Other operating costs	(1,207,670)	(1,245,233)
TOTAL COSTS OF PRODUCTION (B)	**(70,358,579)**	**(76,541,822)**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	**(3,647,658)**	**(5,833,881)**

	2015	2014
C) FINANCIAL INCOME AND CHARGES		
15) Financial income from investments		
a) Dividends	*58,837*	*-*
TOTAL	**58,837**	**-**
16) Other financial income		
d) Income other than above		
3 - Holding companies	*51,227*	*204,107*
4 - Others	*26,624*	*693*
TOTAL OTHER FINANCIAL INCOME	**77,851**	**204,800**
17) Interest and other financial charges		
4 - Others	*(427,433)*	*(499,950)*
TOTAL	**(427,433)**	**(499,950)**
17-bis) Exchange losses	(572)	374
TOTAL FINANCIAL INCOME AND CHARGES (C) (15+16+17+17bis)	**(291,317)**	**(294,776)**
D) ADJUSTMENT OF FINANCIAL ASSETS		
19) a) Write-downs of equity investments	(52,351)	(2,420)
TOTAL ADJUSTMENT OF FINANCIAL ASSETS (D)	**(52,351)**	**(2,420)**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Income		
a) Gains on disposals	*92*	*6,040*
b) Other extraordinary income	*215,745*	*421,535*
TOTAL INCOME	**215,837**	**427,575**
21) Charges		
b) Prior years taxes	*(4,654)*	*(448)*
c) Other extraordinary charges	*(124,643)*	*(113,144)*
TOTAL CHARGES	**(129,297)**	**(113,592)**
TOTAL EXTRAORDINARY INCOME AND CHARGES (E) (20+21)	**86,540**	**313,983**
PROFIT BEFORE TAXES (A+B+C+D+E)	**(3,904,786)**	**(5,817,094)**
22) Income taxes		
a) Current taxes		
- IRES	*(846,389)*	*920,175*
- IRAP	*-*	*(700,299)*
b) Deferred tax charge	*3,288,240*	*670,732*
c) Deferred tax assets	*(871,500)*	*(140,379)*
Total income taxes	**1,570,351**	**750,229**
NET PROFIT FOR THE YEAR	**(2,334,435)**	**(5,066,865)**

Euro

PIEMME SPA
ASSETS

	31.12.2015	31.12.2014
A) RECEIVABLES DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL	**-**	**-**
B) FIXED ASSETS		
I - INTANGIBLE ASSETS		
7) Other	94,862	127,285
TOTAL INTANGIBLE ASSETS	**94,862**	**127,285**
II - TANGIBLE ASSETS		
4) Other fixed assets	321,844	326,165
TOTAL TANGIBLE ASSETS	**321,844**	**326,165**
III - FINANCIAL ASSETS		
b) investments in associated companies	7,340	7,340
c) receivables due to holding companies within one year	-	-
TOTAL FINANCIAL ASSETS	**7,340**	**7,340**
TOTALE FIXED ASSETS (B)	**424,046**	**460,790**

	31.12.2015	31.12.2014
C) CURRENT ASSETS		
II - RECEIVABLES		
1) Trade receivables		
- Due within one year	*49,616,310*	*49,328,301*
4) Holding companies		
- Due within one year	*2,136,036*	*1,812,255*
4-bis) Taxes receivable	238,939	3,300,222
4-ter) Deferred tax	4,826,462	5,763,824
5) Others		
- Due within one year		
- other companies	*838,782*	*1,083,337*
- others	*289,847*	*456,685*
- Due over one year	*35,557*	*69,524*
TOTAL RECEIVABLES	**57,981,933**	**61,814,149**
IV - CASH AND CASH EQUIVALENTS		
1) Banking and postal deposits	398,347	934,559
3) Cash and cash equivalents	23,300	40,079
TOTAL CASH AND CASH EQUIVALENTS	**421,647**	**974,638**
TOTAL CURRENT ASSETS (C)	**58,403,580**	**62,788,787**
D) PREPAYEMENTS AND ACCRUED INCOME	**195,523**	**142,000**
TOTAL ASSETS	**59,023,150**	**63,391,577**

Euro

PIEMME SPA
LIABILITIES

	31.12.2015	31.12.2014
A) SHAREHOLDERS' EQUITY		
I - SHARE CAPITAL	**2,643,139**	**2,643,139**
IV - LEGAL RESERVE	**528,000**	**528,000**
VII - OTHER RESERVES	**19,930,293**	**19,930,293**
VIII - RETAINED EARNINGS	**-**	**-**
- RETAINED LOSSES	**(12,222,670)**	**(8,918,399)**
IX - PROFIT/(LOSS) FOR THE YEAR	**(5,163,847)**	**(3,304,271)**
TOTAL SHAREHOLDERS' EQUITY (A)	**5,714,915**	**10,878,762**
B) PROVISIONS FOR RISKS AND CHARGES		
2) Tax provisions	-	-
3) Other	251,978	286,930
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**251,978**	**286,930**
C) EMPLOYEE LEAVING INDEMNITY	**852,062**	**914,173**
D) PAYABLES		
3) Shareholders borrowings	11,800,002	11,800,000
4) Bank borrowings		
- Due within one year	*4,868,536*	*2,319,737*
7) Trade payables		
- Due within one year	*9,211,959*	*6,776,068*
11) Holding companies		
- Due within one year	*162*	*-*
12) Tax payables		
- Due within one year	*521,877*	*977,152*
13) Payables to social security institutions		
- Due within one year	*478,419*	*350,758*
14) Others		
- Due within one year		
- other companies	*24,517,929 2*	*6,713,963*
- others	*440,027*	*1,400,329*
TOTALE PAYABLES (D)	**51,838,910**	**50,338,007**

	31.12.2015	31.12.2014
E) PREPAYEMENTS AND ACCRUED INCOME	**365,284**	**973,705**
TOTAL LIABILITIES	**59,023,150**	**63,391,577**
MEMORANDUM ACCOUNT		
3) Guarantees	110,000	110,000
TOTAL MEMORANDUM ACCOUNT	**110,000**	**110,000**

Euro

PIEMME SPA
INCOME STATEMENT

	2015	2014
A) VALUE OF PRODUCTION		
1) Revenues from sales and supply of services	90,163,541	90,449,810
5) Other revenues and income	1,859,447	1,875,401
TOTAL VALUE OF PRODUCTION (A)	**92,022,989**	**92,325,211**
B) COSTS OF PRODUCTION		
6) Purchase of advertising space	(69,583,949)	(69,643,204)
7) Services	(13,868,730)	(14,553,757)
8) Rents, lease and similar costs	(2,040,002)	(2,155,281)
9) Personnel costs		
a) Salaries and wages	*(4,057,144)*	*(4,345,042)*
b) Social security charges	*(1,261,921)*	*(1,356,779)*
c) Employee leaving indemnity	*(320,170)*	*(366,015)*
d) Pension and similar rights	*(6,367)*	*(9,711)*
e) Other costs	*(93,700)*	*(1,258,417)*
Total personnel costs	**(5,739,303)**	**(7,335,964)**
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	*(124,094)*	*(126,779)*
b) Depreciation of tangible assets	*(126,140)*	*(113,946)*
d) Write downs current receivables	*(1,739,477)*	*(2,076,143)*
Total amortisation, depreciation and write-downs	**(1,989,711)**	**(2,316,868)**
12) Provisions for risks	-	(45,000)
14) Other operating costs	(204,524)	(550,593)
TOTAL COSTS OF PRODUCTION (B)	**(93,426,219)**	**(96,600,667)**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	**(1,403,230)**	**(4,275,456)**

	2015	2014
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		
d) Other income from		
4 - Holding companies	*-*	*129,473*
5 - Other	*38,271*	*50,498*
TOTAL	**38,271**	**179,971**
17) Interest and other financial charges		
c) Group companies	*-*	*-*
e) Other	*(283,816)*	*(428,431)*
TOTAL	**(283,816)**	**(428,431)**
TOTAL FINANCIAL INCOME AND CHARGES (C) (16+17)	**(245,545)**	**(248,460)**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Income		
a) Gains on disposals	*82*	*156*
b) Other extraordinary income	*195,329*	*285,892*
TOTAL INCOME	**195,411**	**286,048**
21) Charges		
a) Losses on disposals	*(1,300)*	*(1,053)*
b) Prior years taxes	*(3,055,478)*	*(3,376)*
c) Other extraordinary charges	*(76,426)*	*(66,159)*
TOTAL CHARGES	**(3,133,205)**	**(70,588)**
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**(2,937,793)**	**215,460**
PROFIT BEFORE TAXES (A+B+C+D+E)	**(4,586,568)**	**(4,308,456)**
22) Income taxes		
a) Current taxes	*(39,170)*	*(141,187)*
b) Deferred tax	*(937,362)*	*208,491*
c) Income from tax consolidation	*583,585*	*936,881*
d) Charges from tax consolidation	*(184,332)*	*-*
Total income taxes	**(577,279)**	**1,004,185**
23) NET PROFIT FOR THE YEAR	**(5,163,847)**	**(3,304,271)**

Euro

IL MATTINO SPA
ASSETS

	31.12.2015	31.12.2014
A) RECEIVABLES DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL	**-**	**-**
B) FIXED ASSETS		
I - INTANGIBLE ASSETS		
2) Concessions, licenses, trademarks and similar costs	-	407
4) Newspapers titles	28,199,650	29,681,500
TOTAL INTANGIBLE ASSETS	**28,199,650**	**29,681,907**
II - TANGIBLE ASSETS		
1) Land and buildings	5,368,800	5,637,999
2) Plant and machinery	75,377	106,080
4) Other fixed assets	91,041	174,575
5) Assets in progress and advances	-	-
TOTAL TANGIBLE ASSETS	**5,535,218**	**5,918,653**
III - FINANCIAL ASSETS		
1) Equity investments		
d) Other companies	*364,493*	*364,566*
2) Receivables		
- Due within one year	-	-
TOTAL FINANCIAL ASSETS	**364,493**	**364,566**
TOTAL FIXED ASSETS (B)	**34,099,360**	**35,965,126**

	31.12.2015	31.12.2014
C) CURRENT ASSETS		
I - INVENTORIES		
1) Raw materials, ancillary and consumables	352,163	425,491
TOTAL INVENTORIES	**352,163**	**425,491**
II - RECEIVABLES		
1) Trade receivables		
- Due within one year	*1,291,421*	*1,773,394*
- Due over one year	*379,040*	*371,978*
2) Holding companies		
- Due within one year	*4,931,996*	*4,894,762*
4-bis) Taxes receivable		
- Due within one year	*190,623*	*190,622*
- Due over one year	-	-
4-ter) Deferred tax	568,996	730,653
5) Others		
- Due within one year	*488,096*	*11,447*
- Due over one year	*28,477*	*30,726*
6) Group companies		
- Due within one year	*4,929,164*	*4,995,635*
TOTAL RECEIVABLES	**12,807,812**	**12,999,217**
III - CURRENT FINANCIAL ASSETS		
TOTAL FINANCIAL ASSETS	**-**	**-**
IV - CASH AND CASH EQUIVALENTS		
1) Banking and postal deposits e cassa	9,544	33,069
TOTAL CASH AND CASH EQUIVALENTS	**9,544**	**33,069**
TOTAL CURRENT ASSETS (C)	**13,169,520**	**13,457,776**
D) PREPAYEMENTS AND ACCRUED INCOME		
2) Prepayements	29,622	51,353
TOTAL PREPAYEMENTS AND ACCRUED INCOME (D)	**29,622**	**51,353**
TOTAL ASSETS	**47,298,502**	**49,474,255**

Euro

IL MATTINO SPA
LIABILITIES

	31.12.2015	31.12.2014
A) SHAREHOLDERS' EQUITY		
I - SHARE CAPITAL	**500,000**	**500,000**
II - SHARE PREMIUM RESERVE	**-**	**-**
III - REVALUATION RESERVE	**297,473**	**297,473**
IV - LEGAL RESERVE	**107,681**	**107,681**
V - TREASURY SHARES	**-**	**-**
VI - EXTRAORDINARY RESERVE	**-**	**-**
VII - OTHER RESERVES		
- Capital grants as per Law 488/92	740,238	740,238
- Capital grants as per Law 67/87	6,251,358	6,251,358
- Share capital paid-in	7,350,000	4,350,000
- Profit reserve reinvested	739	739
TOTAL OTHER RESERVES	**14,342,334**	**11,342,334**
VIII - RETAINED EARNINGS	**(11,915,371)**	**(7,559,363)**
IX - PROFIT/(LOSS) FOR THE YEAR	**(2,225,042)**	**(4,356,008)**
TOTAL SHAREHOLDERS' EQUITY (A)	**1,107,076**	**332,118**
B) PROVISIONS FOR RISKS AND CHARGES		
1) Provision for risks	992,370	948,562
2) Tax provisions, includ. deferred tax liability	2,651,243	2,931,023
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**3,643,613**	**3,879,585**
C) EMPLOYEE LEAVING INDEMNITY	**4,774,106**	**4,791,030**
D) PAYABLES		
3) Shareholders borrowings		
- Due within one year	*27,900,000*	*30,859,986*
4) Bank borrowings		
- Due within one year	*1,176,173*	*947,102*
7) Other lenders		
- Due within one year	*2,810,233*	*2,979,575*
11) Holding companies		
- Due within one year	*1,453,979*	*1,342,721*
12) Tax payables		
- Due within one year	*656,797*	*674,081*
13) Payables to social security institutions		
- Due within one year	*811,701*	*844,264*
14) Other payables		
- Due within one year	*1,164,068*	*1,147,233*
15) Group companies		
- Due within one year	*435,038*	*291,205*
TOTAL PAYABLES (D)	**36,407,990**	**39,086,168**

	31.12.2015	31.12.2014
E) PREPAYEMENTS AND ACCRUED INCOME		
2) Prepayements	1,365,718	1,385,355
TOTAL PREPAYEMENTS AND ACCRUED INCOME (E)	**1,365,718**	**1,385,355**
TOTAL LIABILITIES	**47,298,502**	**49,474,255**
MEMORANDUM ACCOUNT		
Guarantees given directly or indirectly in favour of third parties		
- *Sureties given*	-	-
Sureties received		
- *Third parties*	*314,000*	*1,038,108*
TOTAL MEMORANDUM ACCOUNT	**314,000**	**1,038,108**

Euro

IL MATTINO SPA
INCOME STATEMENT

	2015	2014
A) VALUE OF PRODUCTION		
1) Revenues from sales and supply of services	24,098,896	25,802,493
5) Other revenues and income		
a) Other revenues and income	*674,321*	*457,211*
b) Operating grants	*97,270*	*386,872*
TOTAL VALUE OF PRODUCTION (A)	**24,870,487**	**26,646,576**
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods	(2,525,293)	(3,066,213)
7) Services	(8,402,810)	(9,238,688)
8) Rents, lease and similar costs	(962,478)	(958,402)
9) Personnel costs		
a) Salaries and wages	*(8,603,384)*	*(9,104,768)*
b) Social security charges	*(3,132,196)*	*(3,237,947)*
c) Employee leaving indemnity	*(722,749)*	*(708,430)*
e) Other costs	*(225,213)*	*(206,655)*
Total personnel costs	**(12,683,542)**	**(13,257,799)**
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	*(1,482,257)*	*(1,490,867)*
b) Depreciation of tangible assets	*(411,194)*	*(1,514,124)*
d) Write-downs current receivables	*(100,000)*	*(100,000)*
Total amortisation, depreciation and write-downs	**(1,993,451)**	**(3,104,991)**
11) Change in raw, ancillary and consumable materials and goods	(73,327)	(195,389)
12) Provisions for risks	(89,000)	(100,000)
14) Other operating costs	(532,836)	(509,548)
TOTAL COSTS OF PRODUCTION (B)	**(27,262,738)**	**(30,431,030)**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	**(2,392,251)**	**(3,784,454)**

	2015	2014
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		
d) Income other than above		
4 - Others	*51*	*66*
TOTAL	**51**	**66**
17) Interest and other financial charges		
4 - Others	*(43,332)*	*(92,520)*
TOTAL	**(43,332)**	**(92,520)**
TOTAL FINANCIAL INCOME AND CHARGES (C) (16+17)	**(43,281)**	**(92,455)**
D) ADJUSTMENT OF FINANCIAL ASSETS		
18) a) revaluations in equity investments	-	-
19) a) writedowns in equity investments	(73)	(230)
TOTAL ADJUSTMENT OF FINANCIAL ASSETS (D)	**(73)**	**(230)**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Income		
a) Gains on disposals	-	-
b) Other extraordinary income	*74,694*	*78,894*
TOTAL INCOME	**74,694**	**78,894**
21) Charges		
b) Prior year taxes	-	*(330,254)*
c) Other extraordinary charges	*(19,486)*	*(986,373)*
TOTAL CHARGES	**(19,486)**	**(1,316,627)**
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**55,208**	**(1,237,732)**
PROFIT BEFORE TAXES (A+B+C+D+E)	**(2,380,396)**	**(5,114,871)**
22) Income taxes		
a) Current taxes		
- IRES	-	-
- IRAP	-	*(246,698)*
b) Deferred tax charge	279,780	242,714
c) Deferred tax income	(161,657)	(216,429)
e) Income tax receivable on losses from tax consolidation	37,231	979,276
Total income taxes	**155,354**	**758,863**
NET PROFIT FOR THE YEAR	**(2,225,042)**	**(4,356,008)**

Euro

LEGGO SPA
ASSETS

	31.12.2015	31.12.2014
A) RECEIVABLES DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL	**-**	**-**
B) FIXED ASSETS		
I - INTANGIBLE ASSETS		
7) Other	5,417	-
TOTAL INTANGIBLE ASSETS	**5,417**	**-**
II - TANGIBLE ASSETS		
2) Plant and machinery	68	233
3) Industrial and commercial equipment	5,041	7,666
4) Other fixed assets	12,543	20,841
TOTAL TANGIBLE ASSETS	**17,652**	**28,740**
III - FINANCIAL ASSETS		
2) Receivables		
d) Others	*4,018*	*4,018*
TOTAL RECEIVABLES	**4,018**	**4,018**
TOTAL FINANCIAL ASSETS	**4,018**	**4,018**
TOTAL FIXED ASSETS (B)	**27,087**	**32,758**

	31.12.2015	31.12.2014
C) CURRENT ASSETS		
I - INVENTORIES		
TOTAL INVENTORIES	**-**	**-**
II - RECEIVABLES		
1) Trade receivables		
- Due within one year	*29,333*	*34,998*
4) Holding companies		
- Due within one year	*98,282*	*-*
- Due over one year	*4,194,913*	*4,591,066*
4-bis) Taxes receivable		
- Due within one year	*29,706*	*25,079*
4-ter) Deferred tax	35,665	46,550
5) Others		
Group companies		
- Due within one year	*270,034*	*80,714*
Other parties		
- Due within one year	*3,751*	*2,564*
Total other receivables	**273,785**	**83,278**
TOTAL RECEIVABLES	**4,661,684**	**4,780,971**
III - CURRENT FINANCIAL ASSETS		
TOTAL FINANCIAL ASSETS	**-**	**-**
IV - CASH AND CASH EQUIVALENTS		
1) Banking and postal deposits	341	1,434
3) Cash and cash equivalents	467	471
TOTAL CASH AND CASH EQUIVALENTS	**808**	**1,905**
TOTAL CURRENT ASSETS (C)	**4,662,492**	**4,782,876**
D) PREPAYEMENTS AND ACCRUED INCOME		
2) Prepayments	7,988	8,167
TOTAL PREPAYEMENTS AND ACCRUED INCOME (D)	**7,988**	**8,167**
TOTAL ASSETS	**4,697,567**	**4,823,801**

Euro

LEGGO SPA
LIABILITIES

	31.12.2015	31.12.2014
A) SHAREHOLDERS' EQUITY		
I - SHARE CAPITAL	**1,000,000**	**1,000,000**
VIII - RETAINED EARNINGS	**-**	**(131,698)**
IX - PROFIT/(LOSS) FOR THE YEAR	**(1,463,650)**	**(812,867)**
TOTAL SHAREHOLDERS' EQUITY (A)	**(463,650)**	**55,435**
B) PROVISIONS FOR RISKS AND CHARGES	**-**	**-**
C) EMPLOYEE LEAVING INDEMNITY	**331,379**	**360,038**
D) PAYABLES		
3) Shareholders borrowings	1,859,070	2,813,368
4) Bank borrowings		
- Due within one year	*1,762,598*	*584,832*
7) Trade payables		
- Due within one year	*317,036*	*362,060*
11) Holding companies		
- Due within one year	*85,209*	*15,191*
12) Tax payables		
- Due within one year	*57,248*	*74,095*
13) Payables to social security institutions		
- Due within one year	*154,019*	*173,007*
14) Other payables		
Group companies		
- Due within one year	*547,383*	*341,994*
Other parties		
- Due within one year	*47,275*	*43,781*
Total other payables	**594,658**	**385,775**
TOTAL PAYABLES (D)	**4,829,838**	**4,408,328**

	31.12.2015	31.12.2014
E) PREPAYEMENTS AND ACCRUED INCOME	-	-
TOTAL PREPAYEMENTS AND ACCRUED INCOME (E)	-	-
TOTAL LIABILITIES	4,697,567	4,823,801

Euro

LEGGO SPA
INCOME STATEMENT

	2015	2014
A) VALUE OF PRODUCTION		
1) Revenues from sales and supply of services	4,160,653	4,467,026
5) Other revenues and income	164,957	201,698
TOTAL VALUE OF PRODUCTION (A)	**4,325,610**	**4,668,724**
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods	(751,867)	(884,294)
7) Services	(2,310,425)	(2,451,080)
8) Rents, lease and similar costs	(496,261)	(533,918)
9) Personnel costs		
a) Salaries and wages	*(1,180,263)*	*(1,279,316)*
b) Social security charges	*(355,510)*	*(379,492)*
c) Employee leaving indemnity	*(89,046)*	*(98,032)*
e) Other costs	*(46,696)*	*(24,823)*
Total personnel costs	**(1,671,515)**	**(1,781,663)**
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	*(1,083)*	-
b) Depreciation of tangible assets	*(20,566)*	*(22,661)*
Total amortisation, depreciation and write-downs	**(21,649)**	**(22,661)**
14) Other operating costs	(105,008)	(61,970)
TOTAL COSTS OF PRODUCTION (B)	**(5,356,725)**	**(5,735,586)**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A+B)	**(1,031,115)**	**(1,066,862)**

	2015	2014
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		
d) Income other than above		
4 - Others	*-*	*1*
TOTAL OTHER FINANCIAL INCOME	**-**	**1**
17) Interest and other financial charges		
d) Others	*(42,179)*	*(44,933)*
TOTAL INTEREST AND OTHER FINANCIAL CHARGES	**(42,179)**	**(44,933)**
TOTAL FINANCIAL INCOME AND CHARGES (C) (16+17)	**(42,179)**	**(44,932)**
D) ADJUSTMENT OF FINANCIAL ASSETS	**-**	**-**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Income		
a) Gain on sale of investments	*551*	*-*
b) Other extraordinary income	*1,879*	*32,644*
TOTAL	**2,430**	**32,644**
21) Charges		
c) Other extraordinary charges	*(82,150)*	*-*
TOTAL	**(82,150)**	**-**
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**(79,720)**	**32,644**
PROFIT BEFORE TAXES (A+B+C+D+E)	**(1,153,014)**	**(1,079,150)**
22) Income taxes		
a) Current taxes		
- IRES	*(299,750)*	*284,444*
- IRAP	*-*	*(11,786)*
b) Deferred tax assets	*(10,886)*	*(6,375)*
Total income taxes	**(310,636)**	**266,283**
NET PROFIT FOR THE YEAR	**(1,463,650)**	**(812,867)**

Euro

IL GAZZETTINO SPA
ASSETS

	31.12.2015	31.12.2014
A) RECEIVABLES DUE FROM SHAREHOLDERS FOR UNPAID CAPITAL	**-**	**-**
B) FIXED ASSETS		
I - INTANGIBLE ASSETS		
5) Goodwill	9,020,075	10,523,421
7) Other	3,691	5,168
TOTAL INTANGIBLE ASSETS	**9,023,766**	**10,528,589**
II - TANGIBLE ASSETS		
1) Land and buildings	595,692	628,235
2) Plant and machinery	14,491	20,650
4) Other fixed assets	71,423	78,318
TOTAL TANGIBLE ASSETS	**681,606**	**727,203**
III - INTANGIBLE ASSETS		
1) Equity investments		
a) Subsidiaries	*5,273,899*	*5,273,899*
d) Other companies	*398,717*	*398,717*
TOTAL FINANCIAL ASSETS	**5,672,616**	**5,672,616**
TOTAL FIXED ASSETS (B)	**15,377,988**	**16,928,408**

	31.12.2015	31.12.2014
C) CURRENT ASSETS		
I - INVENTORIES		
1) Raw materials, ancillary and consumables	273,306	203,292
TOTAL INVENTORIES	**273,306**	**203,292**
II - RECEIVABLES		
1) Trade receivables	1,450,157	1,682,621
- Due over one year	-	-
2) Subsidiaries	243,661	647,900
- Due over one year	-	-
4) Holding companies	5,084,659	5,051,834
- Due over one year	-	-
4-bis) Taxes receivable	171,987	29,037
- Due over one year	-	-
4-ter) Deferred tax	616,018	683,142
- Due over one year	*543,489*	*612,539*
5) Others	65,497	90,653
- Due over one year	*12,100*	*27,158*
Group companies	4,851,624	5,500,607
- Due over one year	-	-
TOTAL RECEIVABLES	**12,483,603**	**13,685,794**
- Due over one year	*555,589*	*639,697*
IV - CASH AND CASH EQUIVALENTS		
1) Banking and postal deposits	23,085	22,501
3) Cash and cash equivalents	5,118	6,863
TOTAL CASH AND CASH EQUIVALENTS	**28,203**	**29,364**
TOTAL CURRENT ASSETS (C)	**12,785,112**	**13,918,450**
D) PREPAYEMENTS AND ACCRUED INCOME		
- Prepayements	139,145	128,516
TOTAL PREPAYEMENTS AND ACCRUED INCOME (D)	**139,145**	**128,516**
TOTAL ASSETS	**28,302,245**	**30,975,374**

Euro

IL GAZZETTINO SPA
LIABILITIES

	31.12.2015	31.12.2014
A) SHAREHOLDERS' EQUITY		
I - SHARE CAPITAL	**2,000,000**	**2,000,000**
IV - LEGAL RESERVE	**36,540**	**36,540**
VIII - RETAINED EARNINGS (LOSSES)	**-**	**(1,713,394)**
IX - PROFIT/(LOSS) FOR THE YEAR	**(2,089,893)**	**(646,780)**
TOTAL SHAREHOLDERS' EQUITY (A)	**(53,353)**	**(323,634)**
B) PROVISIONS FOR RISKS AND CHARGES		
1) Pensions and similar obligations	363,971	339,579
3) Other	1,530,000	1,555,000
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**1,893,971**	**1,894,579**
C) EMPLOYEE LEAVING INDEMNITY	**4,251,681**	**5,183,019**
D) PAYABLES		
3) Payables to shareholders for financing	5,600,000	8,117,380
- Due within one year	-	-
4) Bank borrowings	1,672,952	442,681
- Due within one year	-	-
7) Trade payables	2,155,483	2,354,933
- Due within one year	-	-
9) Subsidiaries	8,028,893	8,133,648
- Due within one year	-	-
11) Holding companies	36,600	220,166
- Due within one year	-	-
12) Tax payables	764,032	844,073
- Due within one year	-	-
13) Payables to social security institutions	1,263,421	1,453,997
- Due within one year	-	-
14) Other payables		
Other Group companies	2,071,276	2,155,437
- Due within one year	-	-
Others	519,785	388,539
- Due within one year	-	-
TOTAL PAYABLES (D)	**22,112,442**	**24,110,854**

	31.12.2015	31.12.2014
E) PREPAYEMENTS AND ACCRUED INCOME		
- Prepayements	97,504	110,556
TOTAL PREPAYEMENTS AND ACCRUED INCOME (E)	**97,504**	**110,556**
TOTAL LIABILITIES	**28,302,245**	**30,975,374**

Euro

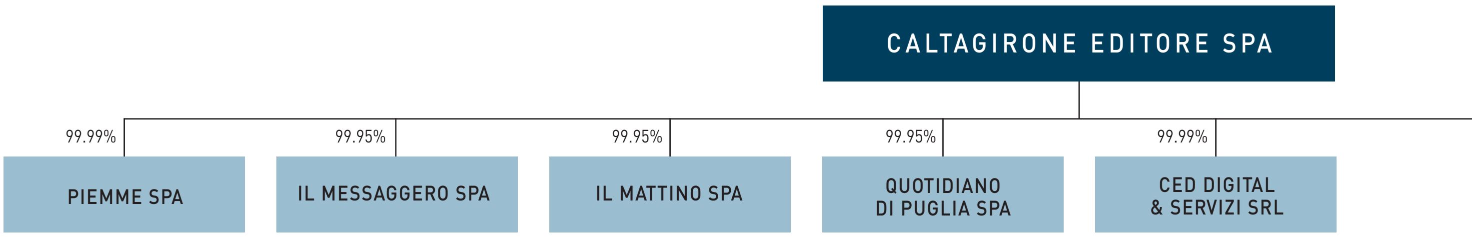
IL GAZZETTINO SPA
INCOME STATEMENT

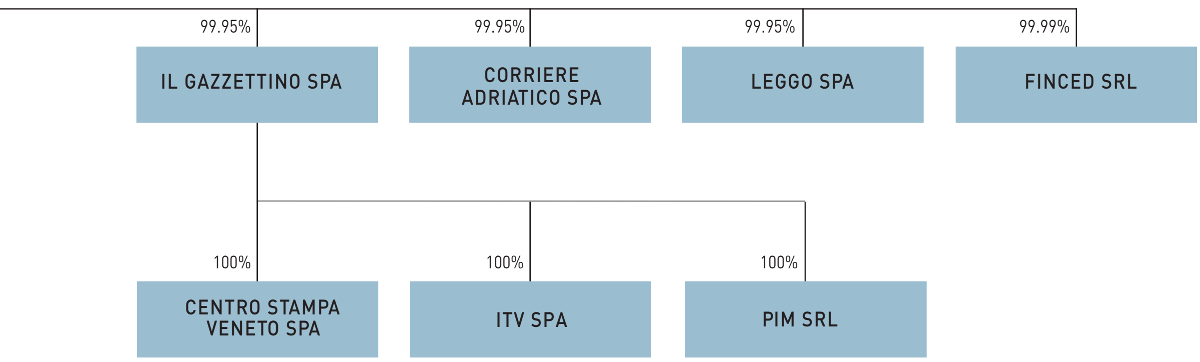
	2015	2014
A) VALUE OF PRODUCTION		
1) Revenues from sales and supply of services	31,447,718	34,310,243
5) Other revenues and income	793,462	1,308,544
TOTAL VALUE OF PRODUCTION (A)	**32,241,180**	**35,618,787**
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods	(2,129,260)	(2,631,839)
7) Services	(15,000,618)	(16,396,995)
8) Rents, lease and similar costs	(862,141)	(947,982)
9) Personnel costs		
a) Salaries and wages	*(9,826,340)*	*(10,947,178)*
b) Social security charges	*(3,149,752)*	*(3,403,266)*
c) Employee leaving indemnity	*(827,726)*	*(870,001)*
e) Other costs	*(245)*	*(26,833)*
10) Amortisation, depreciation and write-downs		
a) Amortisation of intangible fixed assets	*(1,504,823)*	*(1,504,823)*
b) Depreciation of tangible assets	*(76,754)*	*(104,022)*
11) Change in inventory of raw materials ancillary, consumables and goods	70,014	(6,950)
12) Provisions for risks	(155,780)	(102,685)
14) Other operating costs	(528,873)	(488,271)
TOTAL COSTS OF PRODUCTION (B)	**(33,992,298)**	**(37,430,845)**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A+B)	**(1,751,118)**	**(1,812,058)**

	2015	2014
C) FINANCIAL INCOME AND CHARGES		
15) Financial income from investments		
a) Subsidiaries companies	*580,860*	*1,200,000*
16) Other financial income		
d) Income other than above		
- Others	*379*	*1,049*
17) Interest and other financial charges		
a) Others	*(84,951)*	*(90,838)*
b) Holding companies	*(168,973)*	*(221,326)*
TOTAL FINANCIAL INCOME AND CHARGES (C) (15+16+17)	**327,315**	**888,885**
D) ADJUSTMENT OF FINANCIAL ASSETS		
18) Revaluation of equity investments	-	59,955
19) Write-down	-	(14,066)
TOTAL ADJUSTMENT OF FINANCIAL ASSETS (D)	**-**	**45,889**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Income		
a) Income	*13,004*	*1,535*
b) Gains from sales	*-*	*345,096*
21) Extraordinary charges		
a) Charges	*(522,271)*	*(335,407)*
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**(509,267)**	**11,224**
PROFIT BEFORE TAXES (A+B+C+D+E)	**(1,933,070)**	**(866,060)**
22) Income taxes		
a) Current taxes	*(89,699)*	*427,153*
b) Deferred tax charge	*(67,124)*	*(207,873)*
Total income taxes	**(156,823)**	**219,280**
NET PROFIT FOR THE YEAR	**(2,089,893)**	**(646,780)**

Euro

CALTAGIRONE EDITORE GROUP
CONTROLLED COMPANIES AND MAIN INVESTMENTS AT DECEMBER 31ST, 2015

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