



INTERIM REPORT
September 30th 2015

Corporate Boards

Board of Directors

Chairman Francesco Gaetano Caltagirone

Vice Chairman Gaetano Caltagirone
Azzurra Caltagirone

Directors Alessandro Caltagirone
Francesco Caltagirone
Tatiana Caltagirone
Massimo Confortini * °
Mario Delfini *
Albino Majore *
Giampietro Nattino *°

Board of Statutory Auditors

Chairman Antonio Staffa

Standing Auditors Federico Malorni
Maria Assunta Coluccia

Executive Officer Roberto Di Muzio

Independent Audit Firm PricewaterhouseCoopers SpA

* *Members of the Internal Control Committee*

° *Members of the Independent Directors' Committee*

INTERIM REPORT AT SEPTEMBER 30th 2015

The present Interim Report at September 30th 2015 was prepared in accordance with IAS/IFRS. The report is in compliance with Article 154-ter, paragraph 5 of Legislative Decree 58/1998, as supplemented.

Highlights

The key consolidated financial results for the first nine months and third quarter of 2015 compared with the same period in 2014 are shown below.

<i>Euro thousands</i>	9M 2015	9M 2014	Change %	Q3 2015	Q4 2014	Change %
Circulation revenues	49,974	54,180	-7.8%	17,679	19,354	-8.7%
Promotions revenues	280	330	-15.2%	78	26	na
Advertising revenues	64,271	63,782	0.8%	19,365	18,452	4.9%
Other operating revenues	4,189	4,281	-2.1%	1,339	1,396	-4.1%
Total Operating Revenues	118,714	122,573	-3.1%	38,461	39,228	-2.0%
Raw material costs	(11,839)	(14,250)	-16.9%	(3,954)	(4,810)	-17.8%
Labour costs	(54,229)	(57,500)	-5.7%	(16,695)	(17,050)	-2.1%
Other operating charges	(51,963)	(53,944)	-3.7%	(17,196)	(17,629)	-2.5%
Total operating costs	(118,031)	(125,694)	-6.1%	(37,845)	(39,489)	-4.2%
EBITDA	683	(3,121)	na%	616	(261)	na
Amortisation, depreciation and provisions	(6,493)	(8,076)	-19.6%	(1,676)	(3,164)	-47.0%
EBIT	(5,810)	(11,197)	48.1%	(1,060)	(3,425)	69.1%
Net result valued at equity method	(1)	127	Na	(1)	-	na
Net financial income/(charges)	6,895	4,598	50.0%	2,588	370	na
Profit/(loss) before taxes	1,084	(6,472)	Na	1,527	(3,055)	na
Group Profit/(loss)	1,084	(6,406)	Na	1,527	(3,015)	na
Minority interest share	-	(66)	Na	-	(40)	na

In the first nine months of 2015, Operating Revenues reduced 3.1%, following a contraction in circulation revenues (-7.8%), offset in part by a slight increase in advertising revenues (+0.8%). We highlight also that the 2014 advertising revenue figures did not include third party advertising revenues - an initiative which began in March 2015. At like-for-like consolidation scope, the reduction in the first nine months of 2015 on the same period of 2014 was 2.9%, while in the first nine months of 2014 was 7.2% on the same period of 2013.

In Q3 2015 the Group reports Operating Revenues of Euro 38.5 million, decreasing 2.0% on Q3 2014 (Euro 39.2 million), with a reduction in circulation revenues of 8.7%, offset by increased advertising revenues for 4.9%; at like-for-like consolidation scope, advertising revenues in the quarter increased slightly (+0.2%).

Raw material costs in the first nine months of 2015 decreased 16.9% - partly due to the lower quantities utilised in the production process and partly to the reduced unitary cost of paper. In the third quarter of 2015, the decrease in raw material costs was 17.8%.

Labour costs at September 30, 2015, including non-recurring charges of Euro 1.4 million (Euro 1.2 million in 9M 2014) related to the reorganisation plans implemented by a number of Group companies, decreased by 5.7% following the corporate restructurings introduced in preceding years; this affected also labour costs in the third quarter which decreased 2.1% on the same period of the previous year.

Other operating charges decreased overall by 3.7% following the cost streamlining actions taken in preceding periods. The cost control policy resulted in a reduction in other operating costs in the third quarter of 2.5%.

The EBITDA in 9M 2015 was Euro 683 thousand (EBITDA loss of Euro 3.1 million in 9M 2014).

The EBIT, after amortisation/depreciation and write-downs of Euro 6.5 million, was a loss of Euro 5.8 million in 9M 2015 (loss of Euro 11.2 million in the first nine months of 2014), improving 48.1%.

The financial management result - a profit of Euro 6.9 million (Euro 4.6 million in 9M 2014) - includes dividends received on listed shares of Euro 4.3 million, the gain in the third quarter on the sale of listed shares of Euro 2.9 million and net financial charges of Euro 312 thousand.

The Pre-tax result in the first nine months of 2015 was a profit of Euro 1.1 million (loss of Euro 6.5 million in the first nine months of 2014). In the third quarter of 2015 the Pre-tax result was a profit of Euro 1.5 million (loss of Euro 3.0 million in Q3 2014).

- *Net Cash Position*

The Net Cash Position at September 30th 2015 is as follows:

<i>Euro thousands</i>	30/09/15	31/12/14
Cash and cash equivalents	157,760	155,494
Non-current financial liabilities	(10,485)	(13,516)
Current financial liabilities	(21,083)	(15,789)
	126,192	126,189

The Net Cash Position of the Caltagirone Editore group was substantially unchanged.

- *Shareholders' Equity*

The Group Consolidated Shareholders' Equity reduced from Euro 586.5 million at December 31, 2014 to Euro 582 million at September 30, 2015; the decrease is substantially due to the fair value measurement of shares held in listed companies by the Group.

At September 30, 2015 Caltagirone Editore SpA had 1,748,384 treasury shares in portfolio, comprising 1.39871% of the share capital for a value of Euro 1,747,413.

Group operating performance

- *Publishing*

Group paper and digital daily newspaper sale revenues of Euro 50 million decreased 7.8% in the first nine months of 2015 on the same period of 2014, due to the further contraction in the daily newspaper market.

The latest official available circulation data indicates a reduction of approx. 6.94%¹ in paper and digital copies sold between January-August 2015 compared to the same period of 2014.

The sale of subscriptions and digital versions were strong at slightly more than 18 thousand² copies (approx. 6% of the total). As a percentage of total Group circulation revenues they were still negligible however.

¹ADS (Newspaper Sales Figures) Paper + Digital Daily Newspaper Sales: January-August 2015/January-August 2014

²ADS (Newspaper Sales Figures) Digital copies August 2015

- *Advertising*

In the first nine months of 2015, Group advertising revenues increased 0.8%, benefitting from local advertising revenues on some editions of RCS daily newspapers from March 2015.

At like-for-like consolidation scope, Group paper-copy newspaper advertising revenues decreased 4.7% - outperforming the general market: sector figures for the first nine months of 2015 report in fact a drop of 7.0%³ on the same period of 2014.

Advertising revenues from Caltagirone Editore group websites in the first nine months increased 11.5%, outperforming the market, with the Caltagirone Editore network websites in the January-August 2015 period reporting approx. 1,040,100⁴ daily unique users. Sector website advertising in the January-August 2015 period reduced 2.1%⁵.

It is noted that the contribution of this sector to overall Group advertising revenues increased to over 11.6% of total advertising revenues in the period.

During the period, advertising revenues on behalf of RCS Group companies were also strong - beginning from March 2015 and reaching 4.3% of total advertising revenue.

Outlook for fourth quarter of 2015

Although the poor general economy continues to impact publishing sector advertising spend, after more than six years of significant contraction, the decline in advertising revenues has eased - thanks also to the contribution of website advertising. The Group continues to closely monitor and reduce costs, in addition to launching multimedia versions of newspapers and developing its internet presence.

Rome, November 11th 2015

For the Board of Directors

The Chairman

Francesco Gaetano Caltagirone

³FCP Newspaper Research figures – January-September 2015 with corresponding period of 2014

⁴Audiweb Average data – January - August 2015

⁵FCP Assointernet Research Institute figures – January - August 2015 compared with 2014

The Executive officer responsible for the financial statements, Roberto Di Muzio, declares in accordance with Article 154 *bis*, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present report corresponds to the underlying accounting documents, records and accounting entries.