



INTERIM REPORT
March 31st 2015

Corporate Boards

Board of Directors

<i>Chairman</i>	Francesco Gaetano Caltagirone
<i>Vice Chairmen</i>	Azzurra Caltagirone Gaetano Caltagirone
<i>Directors</i>	Alessandro Caltagirone Francesco Caltagirone Tatiana Caltagirone Massimo Confortini ¹⁻² Mario Delfini ¹ Albino Majore ¹ Giampietro Nattino ¹⁻²

Board of Statutory Auditors

<i>Chairman</i>	Antonio Staffa
<i>Standing Auditors</i>	Maria Assunta Coluccia Federico Malorni

Executive Responsible	Roberto Di Muzio
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Independent Audit Firm	PricewaterhouseCoopers SpA
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¹Members of the Internal Control Committee

²Members of the Independent Directors' Committee

2015 FIRST QUARTER REPORT

The present interim report at March 31st 2015 was prepared in accordance with IAS/IFRS. The report is in compliance with Article 154, paragraph 3 of Legislative Decree 58/1998, as supplemented.

Highlights

The key financial results compared to the first quarter of 2014 are shown below:

<i>Euro thousands</i>	Q1 2015	Q1 2014	% Change
Circulation revenues	16,427	17,667	-7.0%
Promotions revenues	13	75	-82.7%
Advertising revenues	20,909	20,930	-0.1%
Other operating revenues	1,344	1,419	-5.3%
Total Operating Revenues	38,693	40,091	-3.5%
Raw material costs	(4,021)	(4,646)	-13.5%
Labour costs	(18,908)	(20,052)	-5.7%
Other operating costs	(16,998)	(17,825)	-4.6%
Total operating costs	(39,927)	(42,523)	-6.1%
EBITDA	(1,234)	(2,432)	49.3%
Amortisation, depreciation, provisions & write-downs	(2,381)	(2,828)	-15.8%
EBIT	(3,615)	(5,260)	31.3%
Share of income/(charge) of companies valued at equity	-	127	na
Net financial income/(charges)	(247)	411	na
Loss before taxes	(3,862)	(4,722)	18.2%
<i>Group Net Loss</i>	<i>(3,862)</i>	<i>(4,690)</i>	<i>18.2%</i>
<i>Minority interest share</i>	<i>-</i>	<i>(32)</i>	<i>na</i>

In the first quarter of 2015, operating revenues reduced 3.5%, following the decrease in circulation revenues (-7%) and advertising revenues (-0.1%). In particular, the contraction in advertising revenues eased compared to the previous year, amid a less difficult market.

Raw material costs decreased 13.5% - principally due to the lower quantities utilised in the production process.

Labour costs decreased on the same period of the previous year by 5.7% - showing the effects of the actions begun in prior years.

Other operating costs decreased overall by 4.6%, following the streamlining of overhead and general costs.

The EBITDA reports a loss of Euro 1.2 million (loss of Euro 2.4 million in Q1 2014), improving 49.3%.

The EBIT, after amortisation/depreciation and write-downs of Euro 2.4 million, reported a loss of Euro 3.6 million in the first quarter of 2015 (loss of Euro 5.3 million in Q1 2014).

The financial management result reported a net charge of Euro 247 thousand (income of Euro 411 thousand in Q1 2014). The reduction on Q1 2014 follows lower interest rates on invested liquidity.

The Group pre-tax result was a loss of Euro 3.9 million (loss of Euro 4.7 million in Q1 2014), improving therefore 18.2%.

Group operating performance

- *Publishing*

Circulation revenues of Euro 15.9 million reduced 7.8% in 2015 compared to 2014, due to the ongoing structural shifts impacting the daily newspaper market.

The latest official available circulation data indicates a reduction of approx. 9.6%³ in paper copies sold in 2015 compared to 2014.

The sale of subscriptions and multimedia versions of Group newspapers are still not significant and their percentage of Group circulation revenues continues to be negligible; however, they once again grew strongly (+12.2%⁴ in Jan/Feb 2015 compared to the same period of 2014).

³ADS figures (Newspaper Sales Figures) Newspaper print edition sales January-February 2015/2014

⁴ADS figures (Newspaper Sales Figures) Newspaper Digital edition sales January-February 2015/2014

The websites of the Caltagirone Editore network reported in February 2015 approx. 1.1 million⁵ Total Audience unique daily users (PC and mobile), up 30.2% on February 2014. In particular, the Group websites reported significant increases in Total Audience daily unique users: in February 2015 compared to February 2014 Il Messaggero (+23.3%)⁶; Nuovo Quotidiano di Puglia (+141%); Leggo (+36.7%); Il Gazzettino (+6%) and Corriere Adriatico (+112.7%); Il Mattino (+2.2%)⁷.

- *Advertising Revenues*

In the first three months of 2015, group advertising revenues decreased 0.1%, following the reduced drop in newspaper advertising (-2.7%) and the increase (+11.1%) for website advertising. The group's performance was better than the general market with a reduction in Q1 2015 of 7.0%⁸ for daily newspaper advertising and of 2.4% for the websites.

Shareholders' Equity

The Caltagirone Editore Group Shareholders' Equity amounted to Euro 597.1 million (Euro 586.5 million at December 31st 2014); the increase is principally due to the valuation at fair value of the shareholdings held by the Group, net of the loss for the period.

Net Cash Position

The Net Cash Position at March 31st 2015 compared to December 31st 2014 is shown below:

<i>in thousands of Euro</i>	31/03/2015	31/12/2014
Current financial assets	-	-

⁵Audiweb February 2015 figures, including aggregated websites

⁶Audiweb February 2015 figures, including aggregated websites

⁷Audiweb February 2015 figures

⁸FCP newspaper research data – January – March 2015 with corresponding period of 2014

Cash and cash equivalents	154,656	155,494
Non-current financial liabilities	(13,087)	(13,516)
Current financial liabilities	(20,111)	(15,789)
Net Cash Position	121,458	126,189

The Net Cash Position decreased approx. Euro 4.7 million, principally due to operating financial requirement and non-recurring charges for the reorganisation plans implemented in previous years.

Outlook for the following quarters

The general economy still features weak consumer figures which affect publishing sector advertising; after more than six years of contraction the provisional April figures do not point towards a substantive turnaround. The Group, although continuing to closely monitor and reduce costs, will seek to best exploit the opportunities presented by the multimedia versions of its newspaper titles and its internet presence in order to attract new sources of advertising and new readers.

Corporate Governance

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 Sportelli, Statutory Auditors.

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

In the same meeting 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 appointed to the Committee of Independent Directors, after verifying the independence and after consultation with the Board of Statutory Auditors, 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 Mr. Roberto Di Muzio.

Rome, May 7th 2015

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