

CALTAGIRONE EDITORE: Board of Directors approves 2009 results

- Revenues: Euro 256.9 million (Euro 294 million in 2008)
- Ebitda: Euro 6.1 million (Euro 30.9 million in 2008)
- Net profit: Euro –39.2 million (Euro -11 million in 2008)
- Downsizing agreement reached for 108 people mainly executed over the course of 2009
- Dividend proposed: Euro 0.05 per share (unchanged)

Rome, March 23rd, 2010 - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, today approved the annual accounts for the year ended December 31st, 2009.

Consolidated Financial highlights (Euro million)

	2009	2008
Revenues	256.9	294
Ebitda	6.1	30.9
EBIT	-24.8	1.2
Financial result	-9.2	7.6
Net profit	-39.2	-11

Caltagirone Editore Group results for 2009 have been strongly impacted by the negative macro-economic backdrop affecting the world economy. The recession has determined a strong consumer spending contraction and therefore a reduction in advertising investments on all media.

Revenues reached Euro 256.9 million, declining by 12.6% compared to last year (Euro 294 million in 2008). Such reduction is mainly due to a decline in advertising revenues (Euro 160.6 million vs. 193.6 million in 2008) and, secondarily, in circulation revenues (Euro 82.9 million vs. 86.8 million in 2008). In particular, in 2009 Group's newspapers advertising declined by 17.5% compared to the previous fiscal year, recording a different trend in each quarter. In the first quarter the decrease in advertising was of 28.9%, in the second quarter it was 16.7%, in the third quarter 12.9% and in the fourth quarter it was 9.1%. Revenues from newspapers recorded a decline of 4.5% compared to the previous year.

Ebitda reached Euro 6.1 million, showing a considerable drop on previous year (Euro 30.8 in 2008). However Ebitda was affected by non-recurring organization charge of Euro 9.5 million, from which the Group will benefit in the years.

Indeed during 2009, agreements for personnel redundancy with major unions have been reached at "Il Messaggero", "Il Gazzettino", "Il Mattino" and the advertising agency Piemme for a total of 108 people.

Ebit reached a negative Euro 24.8 million (Euro +1.2 million in 2008) and suffers not only from a decline in Ebitda but also from the goodwill write-down of Il Gazzettino, depreciation, amortisation, provisions for risks and doubtful debts which totalled Euro 30.9 million.

The result from associates was a loss of Euro 7.1 million mainly related to the loss of a subsidiary on the sale of financial stakes.

Financial result was negative for Euro 9.2 million (Euro +7.6 million in 2008), mainly due to Euro 12.3m million write-down from the disposal of financial stakes and loan interest of Euro 3.8 million and included Euro 7.2 million of financial income.

As a consequence, **Net Loss** reached Euro 39.2 million (Euro -11 million in 2008). It is worth noting that such result does not take into account euro 12,9 million mark to market adjustment to financial stakes, directly accrued to Shareholders Equity.

Net Cash position amounted to Euro 226.3 million (Euro 262.5 million as of December 31st 2008). The reduction of Euro 36.2 million related to dividends distribution, quoted shares transactions and a subsidiary's loss.

As of December the 31st 2009, the number of employees was 1.109 (1.234 as of December 31st 2008).

The Board of Directors of Caltagirone Editore resolved to propose to the Shareholders' Meeting, called for April 26th, 2010, the distribution of a **dividend** of Euro 0.05 per share, unchanged respect to last year. The dividend coupon is proposed for May 24th, 2010 with a payment date of May 27th, 2010.

The Board of Directors has proposed to the EGM the renewal of the authorization to purchase treasury shares as well to change art. 19, par. 2 of the bylaws.

Significant events after the year-end

In the first part of 2010, the subsidiary Finced srl purchased 500,000 Assicurazioni Generali Spa shares for a total value of Euro 8.4 million.

Outlook

The trend in operating activities in the first months of 2010 has not showed different trends from the final months of 2009. The macroeconomic and consumption trends do not allow any prediction of a clear recovery of advertising investments in the short term.

The restructuring program involving both cost cutting and rationalization will allow for significant benefits in the future.

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 press release corresponds to the underlying accounting documents, records and accounting entries.

The consolidated and parent company balance sheets and income statements are attached. The financial statements are currently being examined by the independent audit firm and by the Board of Statutory Auditors.

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CALTAGIRONE EDITORE GROUP

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

A S S E T S

	Notes	31/12/2009	31/12/2008
<i>Non-current assets</i>			
Intangible assets with definite life	1	2.777	3.401
Goodwill and other indefinite intangible assets	2	447.317	463.374
Property, plant and equipment	3	87.091	95.329
Equity investments at cost	4	2.051	2.486
Equity investments at equity	5	4.256	4.498
Investments and non-current securities	6	113.748	83.914
Non-current financial assets	7	32	27
Other non-current assets	8	901	991
Deferred tax assets	9	24.922	20.071
TOTAL NON-CURRENT ASSETS		683.095	674.091
<i>Current assets</i>			
Inventories	10	3.713	4.783
Trade receivables	11	76.387	87.130
of which related parties		1.122	936
Current financial assets	12	5.505	29.711
of which related parties		5.435	29.217
Tax receivables	9	1.167	1.627
Other current assets	13	3.028	3.126
Cash and cash equivalents	14	284.460	308.349
TOTAL CURRENT ASSETS		374.260	434.726
TOTAL ASSETS		1.057.355	1.108.817

CALTAGIRONE EDITORE GROUP

CONSOLIDATED BALANCE SHEET

thousand of Euro

LIABILITIES & EQUITY

	Notes	31/12/2009	31/12/2008
Shareholders' Equity			
Share capital		125.000	125.000
Share capital issue costs		-18.865	-18.865
Other reserves		719.794	726.931
Profit/(loss) for the year		-39.206	-10.985
Group shareholders' equity		786.723	822.081
Minority interest shareholders' equity		1.898	2.599
TOTAL SHAREHOLDERS' EQUITY	15	788.621	824.680
Non-current liabilities			
Employee provisions	17	41.060	45.245
Other non-current provisions	18	7.641	8.407
Medium/long term debt	16	41.387	49.061
Other non-current liabilities	20	3.100	3.437
Deferred tax liabilities	9	69.165	66.240
NON-CURRENT LIABILITIES		162.353	172.390
Current liabilities			
Current provisions	18	9.837	4.516
Trade payables	19	35.733	40.032
of which related parties		142	123
Short-term debt	16	22.266	26.446
Other current liabilities	20	38.545	40.753
CURRENT LIABILITIES & PROVISIONS		106.381	111.747
TOTAL LIABILITIES		268.734	284.137
TOTAL LIABILITIES AND EQUITY		1.057.355	1.108.817

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

INCOME STATEMENT

	Notes	31/12/2009	31/12/2008
Revenues			
Revenues from sales and supply of services	21	286.899	286.899
of which related parties		413	88
Other operating revenues	22	9.634	7.139
TOTAL REVENUES		256.868	294.038
Costs			
Raw material costs	23	32.438	37.068
Labour costs	17	111.683	111.400
of which restructuring charges		9.530	3.499
Other operating costs	24	106.641	114.673
of which related parties		4.050	2.646
TOTAL COSTS		250.762	263.141
EBITDA		6.106	30.897
Amortisation	25	9.892	10.539
Depreciation	25	1.429	3.333
Impairment losses	2-25	16.056	13.019
Other write-downs	25	3.531	2.839
EBIT		-24.802	1.167
Share of expenses/(income) from equity investments		-7.106	-8.122
Financial income		7.175	18.791
of which related parties		153	0
Financial charges		-16.407	-11.180
of which related parties		0	2.657
Financial result	26	-9.232	7.611
PROFIT BEFORE TAX		-41.140	656
Income taxes	9	1.587	-11.739
PROFIT FROM CONTINUING OPERATIONS		-39.553	-11.083
NET PROFIT FOR THE YEAR		-39.553	-11.083
Group net profit		-39.206	-10.985
Minority interest net profit		-347	-98