

### Caltagirone Editore: Board of Directors approves 2010 results

- Revenues: Euro 248.3 million (Euro 256.9 million in 2009)
- Ebitda: Euro 27.4 million (Euro 6.1 million in 2009)
- Ebit: Euro 13.9 million (negative Euro 24.8 million in 2009)
- Net profit: Euro 6 million (negative Euro 39.2 million in 2009)
- Dividend proposed: Euro 0.05 per share (unchanged respect to the previous year)

**Rome, March 15<sup>th</sup> 2011** – The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, examined and approved the draft financial statements for the year ended December 31<sup>st</sup>, 2010.

#### Consolidated Financial highlights (Euro million)

	<b>2010</b>	<b>2009</b>	<b>Δ%</b>
Revenues	248.3	256.9	-3.3
• <i>Circulation revenues</i>	79.8	82.9	-3.7
• <i>Advertising revenues</i>	156	160.6	-2.9
• <i>Other operating revenues</i>	12.5	13.3	-5.6
Ebitda	27.4	6.1	n.a.
Ebit	13.9	-24.8	n.a.
Financial result	0.9	-9.2	n.a.
Group net profit	6	-39.2	n.a.

Caltagirone Editore Group ended 2010 with results which on the one hand were impacted again by the negative macro-economic backdrop, but on the other one they benefited from the strict cost reduction plan launched in 2009 and gone on also in 2010.

**Revenues** reached Euro 248.3 million, down by -3.3% with respect to the corresponding period of 2009 (Euro 256.9 million) due to a decline in advertising revenues and circulation revenues. All over the year 2010 Group's newspapers advertising declined by 2.9% compared to previous year, while the average contraction of newspapers advertising market was 4.3%. Strong positive advertising trend of Group websites (+36.3%) even if volumes are not as sizeable to impact significantly on results.

Circulation revenues decreased by 3.7% compared to previous year. The scenario has been confirmed not to be favorable and newspapers circulation recorded a

decline of 5.2% (source ADS average circulation as of November 2010). In this context, the Group has not increased newspapers cover price unlike most competitors yet.

**Ebitda** was Euro 27.4 million, showing a considerable rise on previous year (Euro 6.1 million) thanks to significant operating costs' reduction following restructuring plan, launched in 2009 and continued in 2010 which caused personnel costs to decrease by Euro 15.3 million compared to last year. Also raw material costs recorded a reduction of Euro 6.8 million, positively impacting on results.

**Ebit** reached a positive Euro 13.9 million (negative Euro 24.8 million in 2009), improving margins. This figure includes amortization, provisions for risks and depreciation of Euro 13.6 million, lower than previous year (Euro 30.9 million).

**Financial result** was equal to positive Euro 995 thousand (negative Euro 9.2 million in 2009).

**Net profit** was positive Euro 6 million (negative Euro 39.2 million as of 31 December 2009).

**Net Cash position** amounted to Euro 208.9 million, down compared to previous year (Euro 226.3 million) due to investments in listed companies and dividend distribution net of positive cash flow.

As of December the 31<sup>st</sup> 2010, the number of employees was 1.079 (1.109 as of December 31<sup>st</sup> 2009).

The Board of Directors of Caltagirone Editore resolved to propose to the Shareholders' Meeting, called for April 27<sup>th</sup>, 2011, the distribution of a **dividend** of Euro 0.05 per share, unchanged respect to last year. The dividend coupon is proposed for May 23<sup>rd</sup>, 2011 with a payment date of May 26<sup>th</sup>, 2011.

The Board of Directors verified that the Directors Massimo Confortini, Giampietro Nattino and Franco Luciano Lenti have the independence requirements in accordance with the provisions contained in the Legislative Decree No. 58 of February 24, 1998 "Consolidation Act on financial intermediation".

### **Significant events after 31.12.2010**

No significant events occurred after year end. The Company is continuing its normal operating activities.

## Outlook

Strong uncertainty persists in the industry mainly due advertising trends. The Group will continue to implement a strict cost control policy.

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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 "Testo Unico della Finanza", that the accounting information contained in the present press release corresponds to the underlying documents, records and accounting entries.*

*The balance sheet and income statement are attached, 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**

	<b>31/12/2010</b>	<b>31/12/2009</b>
<b><i>Non-current assets</i></b>		
Intangible assets with definite life	2.258	2.777
Goodwill and other indefinite intangible assets	447.315	447.317
Property, plant and equipment	79.789	87.091
Equity investments at equity	707	4.256
Investments and non-current securities	107.728	115.799
Non-current financial assets	37	32
Other non-current assets	632	901
Deferred tax assets	23.861	24.922
<b>TOTAL NON-CURRENT ASSETS</b>	<b>662.327</b>	<b>683.095</b>
<b><i>Current assets</i></b>		
Inventories	3.316	3.713
Trade receivables	73.154	76.387
of which related parties	1.798	2.066
Current financial assets	4.211	5.505
of which related parties	4.171	5.435
Tax receivables	84	1.167
Other current assets	1.804	3.028
of which related parties	129	0
Cash and cash equivalents	256.987	284.460
of which related parties	254.686	144.279
<b>TOTAL CURRENT ASSETS</b>	<b>339.556</b>	<b>374.260</b>
<b>TOTAL ASSETS</b>	<b>1.001.883</b>	<b>1.057.355</b>

CALTAGIRONE EDITORE GROUP

CONSOLIDATED BALANCE SHEET

(thousand of Euro)

**LIABILITIES & EQUITY**

	<i>31/12/2010</i>	<i>31/12/2009</i>
<b><i>Shareholders' Equity</i></b>		
Share capital	125.000	125.000
Share capital issue costs	-18.865	-18.865
Other reserves	649.836	719.794
Profit/(loss) for the year	6.003	-39.206
<b>Group shareholders' equity</b>	<b>761.974</b>	<b>786.723</b>
Minority interest shareholders' equity	609	1.898
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>762.583</b>	<b>788.621</b>
<b><i>Non-current liabilities</i></b>		
Employee provisions	40.138	41.060
Other non-current provisions	7.305	7.641
Medium/long term debt	33.756	41.387
Other non-current liabilities	2.746	3.100
Deferred tax liabilities	66.328	69.165
<b>NON-CURRENT LIABILITIES</b>	<b>150.273</b>	<b>162.353</b>
<b><i>Current liabilities</i></b>		
Current provisions	5.993	9.837
Trade payables	31.201	35.733
of which related parties	443	247
Short-term debt	18.544	22.266
of which related parties	3.684	7.992
Other current liabilities	33.289	38.545
of which related parties	17	2
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>89.027</b>	<b>106.381</b>
<b>TOTAL LIABILITIES</b>	<b>239.300</b>	<b>268.734</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1.001.883</b>	<b>1.057.355</b>

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

**INCOME STATEMENT**

	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Revenues</b>		
Revenues from sales and supply of services	238.105	247.234
of which related parties	2.930	3.025
Other operating revenues	10.241	9.634
of which related parties	224	111
<b>TOTAL REVENUES</b>	<b>248.346</b>	<b>256.868</b>
<b>Costs</b>		
Raw material costs	25.589	32.438
Labour costs	96.405	111.683
Other operating costs	98.933	106.641
of which related parties	5.314	6.459
<b>TOTAL COSTS</b>	<b>220.927</b>	<b>250.762</b>
<b>EBITDA</b>	<b>27.419</b>	<b>6.106</b>
Amortisation	9.528	9.892
Depreciation	1.788	1.429
Impairment losses	0	16.056
Other write-downs	2.246	3.531
<b>EBIT</b>	<b>13.587</b>	<b>-24.802</b>
<b>Share of expenses/(income) from equity investments</b>	<b>-342</b>	<b>-7.106</b>
Financial income	5.715	7.175
of which related parties	5.310	4.484
Financial charges	-4.720	-16.407
of which related parties	-2.032	-99
<b>Financial result</b>	<b>995</b>	<b>-9.232</b>
<b>PROFIT BEFORE TAX</b>	<b>14.510</b>	<b>-41.140</b>
Income taxes	-8.814	1.587
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>5.696</b>	<b>-39.553</b>
<b>NET PROFIT FOR THE YEAR</b>	<b>5.696</b>	<b>-39.553</b>
Group net profit	6.003	-39.206
Minority interest net profit	-307	-347
Basic earnings per share	0,048	-0,314
Diluted earnings per share	0,048	-0,314