

Caltagirone Editore: Board of Directors approves results at 31 March 2011

- Revenues: Euro 55.1 million (Euro 59.9 million as of March 31st 2010)
- Ebitda: Euro 1.9 million (Euro 4.6 million as of March 31st 2010)
- Ebit: negative Euro 1.1 million (positive Euro 1.9 million as of March 31st 2010)
- Group net profit: negative Euro 790 thousands (positive Euro 1.6 million as of March 31st 2010)

Rome, May 10th 2011 – The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, approved results for the first quarter 2011.

Caltagirone Editore Group ended the first quarter 2011 with results which reflect the deep change in the sector, heavily impacted by international economic crisis, with the advertising market being particularly affected.

Against this scenario, the Group continued on the one hand its strict cost reduction plan launched in the previous years and on the other, it strengthened its presence on the internet to exploit the new opportunities of technology and catch new readers.

Revenues amounted to Euro 55.1 million, a 7.9% decrease compared to the corresponding period of 2010 principally due to both lower circulation revenues (-4.2%) - it is worth noting that the Group has not raised its newspapers cover price like almost all of its competitors, and lower advertising revenues (-10.4%) which were affected by the negative market trend as mentioned above. Internet advertising revenues showed an opposing trend recording a +40.4% increase compared to 2010, well above sector average (+15.5% in the quarter) even if they are still not large enough to impact significantly on total advertising revenues.

Revenues reduction impacted on **Ebitda** which reached Euro 1.9 million (Euro 4.6 million as of March 31st 2010) despite lower operating costs which declined by 3.6% as a result of the lower amount mainly of structural reduction costs of previous years.

Ebit yielded a negative Euro 1.1 million (positive Euro 1.9 million as of March 31st 2010) after Euro 2.9 million of amortization and depreciation charge.

Group net loss was Euro 790 thousands (positive Euro 1.6 million in the first quarter 2010).

At March 31st 2011 **net cash position** was Euro 210.9 million, compared to Euro 208.9 million at December 31st, 2010. The increase is due to positive cash flow generation.

Finally **shareholders equity** increased to Euro 768 million (Euro 762 million at December 31st, 2010) thanks to the valuation at *fair value* of equity investments held by the Group.

Outlook

The publishing sector is affected by significant uncertainty against which the Group undertook a strict cost control policy and it is now proceeding to strengthen its presence on the internet and to diversify advertising spenders portfolio by increasing the relative weight of attractive sectors such as fashion and health.

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.

Consolidated P&L statement at March 31st, 2011 is attached.

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**CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT**



(Euro/000)	31/03/2011	31/03/2010	%
Revenues			
Revenues from Sales and Services	52,785	57,970	-8.9%
Other Revenues	2,360	1,926	22.5%
TOTAL REVENUES	55,145	59,896	-7.9%
Costs			
Raw Material Costs	6,315	6,474	-2.5%
Personnel Costs	23,731	24,126	-1.6%
Orther Operating Costs	23,224	24,664	-5.8%
TOTAL OPERATING COSTS	53,270	55,264	-3.6%
EBITDA	1,875	4,632	-59.5%
D&A	2,932	2,778	5.5%
EBIT	(1,057)	1,854	n.a.
Share of expenses/(income) from equity investments	(1)	(103)	-99.0%
Financial income	808	431	87.5%
Financial charges	(750)	(712)	5.3%
Financial result	58	(281)	n.a.
PRETAX	(1,000)	1,470	n.a.
CONTINUING NET INCOME	(1,000)	1,470	n.a.
NET INCOME	(1,000)	1,470	n.a.
Group Net Income (Loss)	(790)	1,579	n.a.
Minorities	(210)	(109)	92.7%