

Caltagirone Editore: Board of Directors approves 2011 results

- Revenues: Euro 226 million (Euro 248.3 million in 2010)
- Ebitda: Euro 8.7 million (Euro 27.4 million in 2010)
- Net loss: Euro 30.7 million (Net income of Euro 6 million in 2010)
- Dividend proposed: Euro 0.03 per share (Euro 0.05 per share in 2011)

Rome, March 14th 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 31st, 2011.

Consolidated Financial highlights (Euro million)

	2011	2010
Revenues	226	248.3
Ebitda	8.7	27.4
Ebit	-3.5	13.9
Financial result	-28.4	0.9
Group net profit	-30.7	6

The negative economic trend recorded in 2011 affected Caltagirone Editore Group results ending 2011, which declined on all main income statement items.

Revenues reached Euro 226 million, down by 9% versus the corresponding period of 2010 (Euro 248.3 million) mainly due to a decline in advertising. Group's newspapers advertising declined by 10,3% compared to previous year connected to the persistent and strong advertising market decline. The advertising revenues reduction was affected by the strong drop on free press market, than in 2011 the Group's free press Leggo was subject to a radical restyling of the editorial project. The Group websites recorded a positive advertising trend (+27%) even though volumes are not large enough to impact significantly on results.

Newspapers revenues decreased below the national average.

Ebitda reached Euro 8.7 million ((Euro 27.4 million in 2010) due to the decline in operating revenues and raw material costs increase, especially the international paper cost.

Ebit was negative for Euro 3.5 million net of 12.2 million Euro depreciation and amortization (Euro 13.8 million in 2010).

Financial charge was Euro 28.5 million (income of Euro 995 thousand in 2010). This result includes interest income and dividends from listed companies as well as the negative impact from sale of listed shares and mark to market to December 31st 2011 of financial investments in quoted companies.

Net loss was Euro 30.7 million (income of Euro 6 million as of 31 December 2010).

Net Cash declined to Euro 180.9 million from previous year Euro 208.9 million, due to net investments in listed companies and dividends distribution.

As of December the 31st 2011, the number of employees was 1,060 (1,079 as of December 31st 2010).

The Board of Directors of Caltagirone Editore resolved to propose to the Shareholders' Meeting, called for April 26th, 2012, the distribution of a dividend of Euro 0.03 per share. The dividend coupon is proposed for May 21st, 2011 with a payment date of May 24th, 2011.

The Board of Directors resolved to propose to the Shareholders' Meeting the allocation of Euro 5 million for the purchase of own shares up to 3% of the Shareholders' equity.

The Board of Directors verified that the Directors Massimo Confortini, Giampietro Nattino and Franco Luciano Lenti are Independent Directors, according to the provisions contained in the Legislative Decree No. 58 of February 24, 1998 "Consolidation Act on financial intermediation".

Significant events after 31.12.2011

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

Outlook

To face the strong uncertainty persisting in the industry, the Group continues to implement a strict cost control policy. It's going on a continuous improvement of web activities to catch new advertising market opportunities and new readers.

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



ASSETS

(in thousands of Euro)

	31.12.2011	31.12.2010
Non-current assets		
Intangible assets with definite life	1.918	2.258
Goodwill and other indefinite intangible assets	447.315	447.315
Property, plant and equipment	73.077	79.789
Equity investments valued at net equity	858	707
Equity investments and non-current securities	76.608	107.728
Non-current financial assets	37	37
Other non-current assets	616	632
Deferred tax assets	29.087	23.861
TOTAL NON-CURRENT ASSETS	629.516	662.327
Current assets		
Inventories	3.665	3.316
Trade receivables	68.151	73.154
<i>of which related parties</i>	1.619	1.798
Current investments and securities	11.970	-
Current financial assets	1.548	4.211
<i>of which related parties</i>	1.536	4.171
Tax receivables	2.229	84
Other current assets	1.797	1.804
<i>of which related parties</i>	-	129
Cash and cash equivalents	230.294	256.987
<i>of which related parties</i>	19.130	254.686
TOTAL CURRENT ASSETS	319.654	339.556
TOTAL ASSETS	949.170	1.001.883



SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of Euro)

	31.12.2011	31.12.2010
Shareholders' Equity		
Share capital	125.000	125.000
Share capital issue costs	(18.865)	(18.865)
Other reserves	644.974	649.836
Profit/(loss) for the year	(30.737)	6.003
Group shareholders' equity	720.372	761.974
Minority interest shareholders' equity	127	609
TOTAL SHAREHOLDERS' EQUITY	720.499	762.583
LIABILITIES		
Non-current liabilities		
Employee provisions	32.627	40.138
Other non-current provisions	7.126	7.305
Non-current financial liabilities	28.868	33.756
Other non-current liabilities	3.661	2.746
Deferred tax liabilities	68.383	66.328
TOTAL NON-CURRENT LIABILITIES	140.665	150.273
Current liabilities		
Current provisions	5.722	5.993
Trade payables	29.284	31.201
<i>of which related parties</i>	158	443
Current financial liabilities	22.032	18.544
<i>of which related parties</i>	2.394	3.684
Other current liabilities	30.968	33.289
<i>of which related parties</i>	12	17
TOTAL CURRENT LIABILITIES	88.006	89.027
TOTAL LIABILITIES	228.671	239.300
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	949.170	1.001.883

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT



(in thousands of Euro)

	31/12/2011	31/12/2010
Revenues		
Revenues from sales and supply of services	218.318	238.105
<i>of which related parties</i>	2.728	2.930
Other operating revenues	7.672	10.241
<i>of which related parties</i>	18	224
TOTAL REVENUES	225.990	248.346
Costs		
Raw material costs	28.181	25.589
Personnel costs	94.474	96.405
Other operating charges	94.657	98.933
<i>of which related parties</i>	6.300	5.314
TOTAL COSTS	217.312	220.927
EBITDA	8.678	27.419
Amortisation	8.927	9.528
Depreciation	812	1.788
Other write-downs	2.428	2.246
EBIT	(3.489)	13.857
Net result of the share of associates	(2)	(342)
Financial income	8.245	5.715
<i>of which related parties</i>	7.009	5.213
Financial charges	(36.698)	(4.720)
<i>of which related parties</i>	(208)	(73)
Net financial result	(28.453)	995
PROFIT/(LOSS) BEFORE TAX	(31.944)	14.510
Income taxes for the period	754	(8.814)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(31.190)	5.696
NET PROFIT/(LOSS) FOR THE YEAR	(31.190)	5.696
Group net loss	(30.737)	6.003
Minority interest share	(453)	(307)
Earnings per share (Euro per share)	(0,246)	0,048
Diluted earnings per share (Euro per share)	(0,246)	0,048

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

31.12.2011 **31.12.2010**

Non-current assets

Intangible assets with definite life	-	2.721
Property, plant and equipment	9.669	12.680
Equity investments valued at cost:		
<i>subsidiary companies</i>	382.265.194	381.302.011
<i>associated companies</i>	17.356	17.356
<i>other companies</i>	2.745.000	2.745.000
Equity investments and non-current securities	38.960.500	69.729.499
Deferred tax assets	16.869.405	11.402.515
TOTAL NON-CURRENT ASSETS	440.867.124	465.211.782

Current assets

Trade receivables	697.378	847.495
<i>of which related parties</i>	690.000	846.556
Current investments and securities	6.930.000	
Current financial assets	84.315.566	74.159.232
<i>of which related parties</i>	84.304.061	74.118.558
Tax receivables	115.115	107.880
Other current assets	2.459.302	958.741
<i>of which related parties</i>	2.247.791	770.985
Cash and cash equivalents	119.577.489	148.085.756
<i>of which related parties</i>	19.045.862	147.934.692
TOTAL CURRENT ASSETS	214.094.850	224.159.104

TOTAL ASSETS

654.961.974 **689.370.886**



SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro)

31.12.2011

31.12.2010

Shareholders' Equity

Share capital	125.000.000	125.000.000
Share capital issue costs	(18.864.965)	(18.864.965)
Other reserves	554.674.675	568.254.226
Profit/(loss) for the year	(29.627.574)	(6.084.288)
SHAREHOLDERS' EQUITY	631.182.136	668.304.973

LIABILITIES

Non-current liabilities

Employee provisions	54.514	53.366
Deferred tax liabilities	3.607	37.195
TOTAL NON-CURRENT LIABILITIES	58.121	90.561

Current liabilities

Current provisions	2.725.782	-
Trade payables	180.086	471.210
<i>of which related parties</i>	42.761	324.980
Current financial liabilities	4.099.765	5.718.868
<i>of which related parties</i>	4.099.715	4.314.715
Current income tax payables	60.657	2.132
Other current liabilities	16.655.427	14.783.142
<i>of which related parties</i>	11.268.763	8.996.202
TOTAL CURRENT LIABILITIES	23.721.717	20.975.352

TOTAL LIABILITIES

23.779.838

21.065.913

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

654.961.974

689.370.886

CALTAGIRONE EDITORE SPA
INCOME STATEMENT



<i>(in Euro)</i>	31.12.2011	31.12.2010
Other operating revenues	700.845	711.625
<i>of which related parties</i>	700.845	710.845
TOTAL REVENUES	700.845	711.625
Personnel costs	603.016	781.767
Other operating charges	2.415.142	1.549.147
<i>of which related parties</i>	1.449.226	662.414
TOTAL COSTS	3.018.158	2.330.914
EBITDA	(2.317.313)	(1.619.289)
Amortisation, depreciation and provisions	5.732	5.343
EBIT	(2.323.045)	(1.624.632)
Financial income	4.781.776	2.594.339
<i>of which related parties</i>	4.479.532	2.510.096
Financial charges	35.509.127	7.081.511
<i>of which related parties</i>	79.330	46.921
Net financial result	(30.727.351)	(4.487.172)
PROFIT/(LOSS) BEFORE TAX	(33.050.396)	(6.111.804)
Income taxes for the period	(3.422.822)	(27.516)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(29.627.574)	(6.084.288)
NET PROFIT/(LOSS) FOR THE YEAR	(29.627.574)	(6.084.288)