

Caltagirone Editore: Board of Directors approves 2012 results

- Revenues: Euro 195.5million (Euro 226 million in 2011)
- Ebitda: Euro -16.2 million (Euro 8.7 million in 2011)
- Net loss: Euro 60.9 million (Net income of Euro 30.7 million in 2011) after goodwill impairment for Euro 34 million, depreciation and amortization for Euro 12,6 million
- Restructuring charges: Euro 7.9 million

Rome, March 12th 2013 – The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, examined and approved the financial statements for the year ended December 31st, 2012.

A worsened macro- economic outlook, characterized by a recessionary trend and significant uncertainties on the evolution of the current crisis, has particularly impacted the publishing industry. Caltagirone Editore was also affected, recording declining results on all main income statement items.

Revenues declined by 13,5% vs. last year, to Euro 195.5 million, (Euro 226 million) mainly due to declining advertising revenues.

Advertising revenues declined by 18,9% compared to last year. Group advertising Revenues on fee-based newspapers declined by 15,5% vs. last year. Internet revenues bucked the trend with an increase of 37,1% vs. 2011, well above the 5,3% sector average increase. Circulation revenues declined by 4,9% compared to 2011 in a negative year for all newspapers.

The multi-platform drive is continuing and daily internet users on Group web sites is increasing. More precisely, in a backdrop scenario of 8,4% average daily users increase, Il Messaggero.it has increased its daily users by 79,8%, Il Mattino.it by 36,2% and Leggo.it by 15,7%. In order to strengthen its presence in the digital media segment, the Group has established, together with the main Italian publishing Groups, the Edicola Italiana consortium, which will represent the most comprehensive offer of fee-based digital content in Italian.

Ebitda dropped to Euro -16,2 million (Euro 8,7 million in 2011) due to the decline in revenues, only partially offset by the 2,6% cost reduction vs. last year. It is worth highlighting that in the period an Euro 7,9 million one-off charge has been booked, due to reorganization costs.

Ebit was negative by Euro 62,6 million (Euro -3,5 million in 2011) due to goodwill impairment for Euro 34 million, depreciation, amortization and write-off charges for Euro 12,6 million.

Financial result was negative by Euro 3,4 million (Euro -28,5 million in 2011).

Net loss was Euro 60,9 million (Net Loss of Euro 30,7 million as of 31 December 2011).

Net Cash declined to Euro 154,4 million from previous year Euro 180,9 million, due to net investments in listed companies, dividends distribution and cash absorption from operations.

As of December the 31st 2012, the Group employed 976 people (1,060 as of December 31st 2011).

The Board of Directors of Caltagirone Editore resolved to propose to the Shareholders' Meeting to not proceed with any dividend distribution.

The Shareholders' Meeting is called at Company's registered office for April 17th and May 6th, 2013, to approve annual accounts and a purchase and disposal of treasury shares.

The notice of Shareholders' Meeting will be made available on the Company's website and the newspaper Il Messaggero of March 13th, 2013.

The Board of Directors verified that the Directors Massimo Confortini, Giampietro Nattino 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 31.12.2012

The Group, since the month of February 2013, has increased newspapers cover prices.

Outlook

The industry is facing very uncertain times, especially with respect to the advertising market. The Group will continue with its rigorous cost control activity so far undertaken.

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)

31.12.2012 **31.12.2011**

Non-current assets

Intangible assets with definite life	1,711	1,918
Goodwill and other indefinite intangible assets	413,315	447,315
Property, plant and equipment	66,009	73,077
Equity investments valued at net equity	845	858
Equity investments and non-current securities	108,975	76,608
Non-current financial assets	28	37
Other non-current assets	533	616
Deferred tax assets	41,224	29,087
TOTAL NON-CURRENT ASSETS	632,640	629,516

Current assets

Inventories	3,316	3,665
Trade receivables	60,348	68,151
<i>of which related parties</i>	1,474	1,619
Current investments and securities	-	11,970
Current financial assets	1,536	1,548
<i>of which related parties</i>	1,536	1,536
Tax receivables	3,081	2,229
Other current assets	2,292	1,797
Cash and cash equivalents	188,902	230,294
<i>of which related parties</i>	92,197	19,130
TOTAL CURRENT ASSETS	259,475	319,654
TOTAL ASSETS	892,115	949,170



SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of Euro)

	31.12.2012	31.12.2011
Shareholders' Equity		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	625,496	644,974
Profit/(loss) for the year	(60,978)	(30,737)
Group shareholders' equity	670,653	720,372
Minority interest shareholders' equity	(32)	127
TOTAL SHAREHOLDERS' EQUITY	670,621	720,499
LIABILITIES		
Non-current liabilities		
Employee provisions	31,678	32,627
Other non-current provisions	7,414	7,126
Non-current financial liabilities	23,749	28,868
Other non-current liabilities	3,734	3,661
Deferred tax liabilities	69,814	68,383
TOTAL NON-CURRENT LIABILITIES	136,389	140,665
Current liabilities		
Current provisions	14,633	5,722
Trade payables	27,049	29,284
<i>of which related parties</i>	651	158
Current financial liabilities	12,334	22,032
<i>of which related parties</i>	1,117	2,394
Other current liabilities	31,089	30,968
<i>of which related parties</i>	10	12
TOTAL CURRENT LIABILITIES	85,105	88,006
TOTAL LIABILITIES	221,494	228,671
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	892,115	949,170

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT



<i>(in thousands of Euro)</i>	31.12.2012	31.12.2011
Revenues		
Revenues from sales and supply of services	187,699	218,318
<i>of which related parties</i>	1,115	2,646
Other operating revenues	7,739	7,672
<i>of which related parties</i>	97	18
TOTAL REVENUES	195,438	225,990
Costs		
Raw material costs	26,316	28,181
Personnel costs	98,185	94,474
<i>of which restructuring charges</i>	7,937	2,170
Other operating charges	87,099	94,657
<i>of which related parties</i>	6,423	6,300
TOTAL COSTS	211,600	217,312
EBITDA	(16,162)	8,678
Amortisation	8,857	8,927
Depreciation	1,635	812
Impairment losses	34,000	-
Other write-downs	2,020	2,428
EBIT	(62,674)	(3,489)
Net result of the share of associates	(3,247)	(2)
Financial income	6,483	8,245
<i>of which related parties</i>	3,223	7,009
Financial charges	(9,861)	(36,698)
<i>of which related parties</i>	(164)	(208)
Net financial result	(3,378)	(28,453)
PROFIT/(LOSS) BEFORE TAX	(69,299)	(31,944)
Income taxes for the period	7,977	754
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(61,322)	(31,190)
NET PROFIT/(LOSS) FOR THE YEAR	(61,322)	(31,190)
Group net loss	(60,978)	(30,737)
Minority interest share	(344)	(453)
Earnings per share (Euro per share)	(0.488)	(0.246)
Diluted earnings per share (Euro per share)	(0.488)	(0.246)

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

31.12.2012 **31.12.2011**

Non-current assets

Property, plant and equipment	9,076	9,669
Equity investments valued at cost:		
<i>subsidiary companies</i>	440,507,250	382,265,194
<i>associated companies</i>	-	17,356
<i>other companies</i>	3,044,983	2,745,000
Equity investments and non-current securities	46,029,000	38,960,500
Deferred tax assets	27,309,496	16,869,405
TOTAL NON-CURRENT ASSETS	516,899,805	440,867,124

Current assets

Trade receivables	288,076	697,378
<i>of which related parties</i>	288,076	690,000
Current investments and securities	-	6,930,000
Current financial assets	37,985,914	84,315,566
<i>of which related parties</i>	37,985,914	84,304,061
Tax receivables	871,191	54,458
Other current assets	3,553,310	2,459,302
<i>of which related parties</i>	3,052,711	2,247,791
Cash and cash equivalents	183,559,478	119,577,489
<i>of which related parties</i>	87,817,027	19,045,862
TOTAL CURRENT ASSETS	226,257,969	214,034,193

TOTAL ASSETS

743,157,774 **654,901,317**



SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro)

	31.12.2012	31.12.2011
Shareholders' Equity		
Share capital	125,000,000	125,000,000
Share capital issue costs	(18,864,965)	(18,864,965)
Other reserves	528,095,522	554,674,675
Profit/(loss) for the year	(26,713,206)	(29,627,574)
SHAREHOLDERS' EQUITY	607,517,351	631,182,136
LIABILITIES		
Non-current liabilities		
Employee provisions	71,293	54,514
Deferred tax liabilities	2,221	3,607
TOTAL NON-CURRENT LIABILITIES	73,514	58,121
Current liabilities		
Current provisions	5,075,452	2,725,782
Trade payables	1,753,878	180,086
<i>of which related parties</i>	1,635,078	42,761
Current financial liabilities	100,173,794	4,099,765
<i>of which related parties</i>	100,173,794	4,099,715
Current income tax payables	25,467	-
Other current liabilities	28,538,318	16,655,427
<i>of which related parties</i>	23,199,170	11,268,763
TOTAL CURRENT LIABILITIES	135,566,909	23,661,060
TOTAL LIABILITIES	135,640,423	23,719,181
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	743,157,774	654,901,317

CALTAGIRONE EDITORE SPA
INCOME STATEMENT



<i>(in Euro)</i>	31.12.2012	31.12.2011
Other operating revenues	892,564	700,845
<i>of which related parties</i>	813,105	700,845
TOTAL REVENUES	892,564	700,845
Personnel costs	554,621	603,016
Other operating charges	2,471,414	2,415,142
<i>of which related parties</i>	1,415,972	1,449,226
TOTAL COSTS	3,026,035	3,018,158
EBITDA	(2,133,471)	(2,317,313)
Amortisation, depreciation and provisions	2,783	5,732
EBIT	(2,136,254)	(2,323,045)
Financial income	4,938,960	4,781,776
<i>of which related parties</i>	2,651,327	4,479,532
Financial charges	28,955,374	35,509,127
<i>of which related parties</i>	2,175,697	79,330
Net financial result	(24,016,414)	(30,727,351)
PROFIT/(LOSS) BEFORE TAX	(26,152,668)	(33,050,396)
Income taxes for the period	560,538	(3,422,822)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(26,713,206)	(29,627,574)
NET PROFIT/(LOSS) FOR THE YEAR	(26,713,206)	(29,627,574)