

Caltagirone Editore: the Board of Directors approves results at September 30th 2013

- Revenues reached Euro 131.9 million (Euro 145.2 million as of September 30th 2012)
- EBITDA: Euro -1.9 million (Euro -10.8 million as of September 30th 2012)
- Pretax Profit: Euro -5.5 million (Euro -23.4 million as of September 30th 2012)
- Q3 confirms a sequential improvement of results and, for the second quarter in a row, shows a positive EBITDA of Euro 204 thousand (Euro -3.4 million in Q3 2012)
- New Gender Equilibrium rules approved in the bylaws

Rome, November 11th 2013 – The Board of Directors of Caltagirone Editore, chaired by Arch. Gaetano Caltagirone, approved the 2013 nine months results.

Caltagirone Editore Group ended the first nine months of 2013 with results which, despite still suffering from the difficult domestic economic backdrop and its repercussions on the publishing sector, confirm the trend reversal, already evident in the first half of 2013 compared to previous quarters.

In the third quarter of 2013 EBITDA is in positive territory like Q2, after five consecutive quarters of negative results.

Revenues reached Euro 131.9 million, a 9.2% decrease compared to the corresponding period of 2012, due to the contraction in advertising revenues, only partially offset by the increase of circulation revenues. The latter recorded +2.6% growth compared to the corresponding period of 2012, thanks to the increase in cover price of Group newspapers since February the 1st, 2013.

Advertising revenue dropped by 16.5%, less than the market (-21.5%). Internet advertising revenue keeps bucking the trend with a 12.4% increase vs. last year; despite its marginal volumes vis-à-vis the Group advertising revenue, it stands out in the context of a market which, for the first time after several years, posts a decline of -3%. Connections and visits to Group websites are showing very good results: with respect to the first nine months of 2012, they recorded an increase of average daily users of 42.5%.

Ebitda was Euro -1.9 million, much better than the corresponding period of 2012 (loss of Euro 10.8 million), thanks to cost reductions. In particular, labor cost, net of one-off charges, declined by 10.2% as a consequence of the reorganization plans undertaken in previous years. Other operating costs decline by 11.2% compared to the same period of last year.

Ebit, net of amortization, depreciation and provision, amounted to Euro -9.4 million (Euro -19.1 million in the corresponding period of 2012).

Net financial result reached Euro 4.1 million (Euro -4.2 million in the corresponding period of 2012), including dividends from quoted companies and the positive balance between financial income and expenses.

Group pretax result was a loss of Euro -5.5 million (Euro -23.9 million in the corresponding period of 2012).

Net cash position of Euro 143.4 million, declined by Euro 10.9 million compared to December 31st 2012 due to restructuring costs and operating cash needs.

Shareholders' Equity reached Euro 677.7 million (from Euro 670.6 million as of December 31st 2012) mainly thanks to increase in the fair value of the financial stakes held by the Group.

Performance in the third quarter of 2013

In the third quarter Caltagirone Editore Group recorded **revenues** of Euro 42.5 million, down by 2.8% compared to the third quarter of 2012 (Euro 43.7 million).

A sequential improvement is evident: - 16.3% in Q1 2013 and -7.3% in Q2 2013.

EBITDA was positive Euro 204 thousand (Euro -3.4 million in Q3 2012). **Ebit** was Euro -2.4 million, **Pretax result** Euro -1.8 million (Euro -6.2 million and -8.1 million in Q3 2012, respectively).

Outlook

The general backdrop is characterized by continued uncertainty , which the Group is tackling through a rigorous costs-control effort.

The Board of Directors has also approved the changes in the bylaws imposed by the new "gender equilibrium" rules impacting the composition of both the Board of Directors and the Statutory Auditors committee. All the documentation, including the bylaws as well as the minutes of the Board shall be made available to the public in the manner and within the time limits provided for by law and applicable regulations.

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 income statement as of September 30th, 2013 is attached

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<i>In Euro thousands</i>	Jan-Sept 2013	Jan-Sept 2012	Δ %	Q3 2013	Q3 2012	Δ %
Circulation revenues	57,956	56,509	2.6%	20,697	20,041	3.3%
Promotions revenues	267	477	(44.0%)	34	7	n.a.
Advertising revenues	68,728	82,318	(16.5%)	20,100	22,102	(9.1%)
Other operating revenues	4,934	5,864	(15.9%)	1,701	1,592	6.8%
TOTAL OPERATING REVENUES	131,885	145,168	(9.2%)	42,532	43,742	(2.8%)
Raw materials costs	(15,668)	(20,330)	(22.9%)	(5,295)	(6,356)	(16.7%)
Labour costs	(60,847)	(71,071)	(14.4%)	(17,746)	(20,162)	(12.0%)
Other operating costs	(57,331)	(64,580)	(11.2%)	(19,287)	(20,623)	(6.5%)
TOTAL OPERATING COSTS	(133,846)	(155,981)	(14.2%)	(42,328)	(47,141)	(10.2%)
EBITDA	(1,961)	(10,813)	81.9%	204	(3,399)	n.a.
Amortisation,depreciation & provisions	(7,495)	(8,312)	(9.8%)	(2,663)	(2,840)	(6.2%)
EBIT	(9,456)	(19,125)	50.6%	(2,459)	(6,239)	60.6%
Net result of the share of associates	(115)	(2)	n.a.	52	(1)	n.a.
Net financial income/(charges)	4,100	(4,242)	n.a.	571	(1,838)	n.a.
Profit/(Loss) before taxes	(5,471)	(23,369)	76.6%	(1,836)	(8,078)	77.3%
Group Net Income (Loss)	(5,389)	(22,907)	76.5%	(1,813)	(7,950)	77.2%
Minority interest share	(82)	(462)	82.3%	(23)	(128)	82.0%