

## **Caltagirone Editore: Board of Directors approves the 2013 first half results**

- Revenues: Euro 89.3 million (Euro 101.4 million as of June 30<sup>th</sup> 2012)
- EBITDA In significant progress, Euro - 2.2 million (Euro -7.4 million as of June 30<sup>th</sup> 2012) and Group Net Loss of Euro 3.7 million (Net Loss of Euro 11.4 million as of June 30<sup>th</sup> 2012)

**Rome, July 24<sup>th</sup> 2013** - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, today approved the results for the first half of 2013.

Caltagirone Editore Group closed the first half of 2013 with results still suffering from the domestic downturn and the consequent negative repercussions on the publishing industry. However first half results show a positive trend reversal compared to previous periods, deriving from the cost control and cost cutting efforts as well as corporate restructuring pursued over the course of the last fiscal years.

For the first time after five consecutive quarters with negative results, in the second quarter of 2013 Ebitda turns positive again.

**Revenues** reached Euro 89.3 million, down by 11.9% compared to the corresponding period of 2012, due to declining advertising revenues only partially offset by the increase of circulation revenues. The latter recorded a growth of 2.2% on the 2012 first half following the cover price increase of Group newspapers since February the 1<sup>st</sup>, 2013.

By contrast, advertising revenues declined by 19.2%, at a lower rate than the advertising sector market (-23.2%).

Internet advertising revenues bucked the trend, with a growth of 12.2% (the domestic sector recorded a -0.3% growth rate). Despite the positive trend, volumes in this sector are still not significant in relation to Group overall advertising revenues. The Group websites daily users continued to record an excellent performance on the first half of 2012: in particular [www.ilmattino.it](http://www.ilmattino.it) posted a 56% growth of average daily users, [www.Leggio.it](http://www.Leggio.it) +31.6% and both [www.ilmessaggero.it](http://www.ilmessaggero.it) and [www.ilgazzettino.it](http://www.ilgazzettino.it) +22.2%.

**Ebitda** reached Euro - 2.2 million, improving from the corresponding period of 2012 (Euro -7.4 million) thanks to cost reductions. Specifically, labor cost, excluding non-recurring charges, decreased by 9.2% as a consequence of the reorganization plans undertaken in the previous years.

**Ebit**, net of amortization, depreciation and provisions, dropped to Euro -6.9 million result (Euro -12.9 million in the corresponding period of 2012).

**Net financial result** reached Euro 3.5 million (Euro -2.4 million in the corresponding period of 2012) and includes dividends on listed shares and the positive delta between financial income and expenses.

**Group Net Loss** was equal to Euro 3.7 million (Euro -11.4 million in the corresponding period of 2012).

**Net Cash position** reached Euro 141.9 million down by approximately Euro 12.4 million from December 31<sup>st</sup>, 2012 as a result of operating cash outflow.

**Group shareholders' equity** reached Euro 665.1 million (Euro 670.7 million as of December 31<sup>st</sup> 2012).

### **2013 Outlook**

The general industry backdrop is characterized by a very negative advertising revenue trend which the Group is tackling to undertake a strict cost control and cost reduction policy.

*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.*



**Assets**

(in Euro thousands)

**30 June**      **31 December**  
**2013**              **2012**

**Non-current assets**

Intangible assets with definite life	1,596	1,711
Goodwill and other indefinite intangible assets	413,315	413,315
Property, plant and equipment	62,588	66,009
Equity investments valued at net equity	722	845
Equity investments and non-current securities	106,260	108,975
Non-current financial assets	91	28
Other non-current assets	574	533
Deferred tax assets	43,612	41,224
<b>TOTAL NON-CURRENT ASSETS</b>	<b>628,758</b>	<b>632,640</b>

**Current assets**

Inventories	2,854	3,316
Trade receivables	58,425	60,348
<i>of which related parties</i>	2,080	1,474
Current financial assets	44	1,536
<i>of which related parties</i>	-	1,536
Tax receivables	3,435	3,081
Other current assets	2,225	2,292
Cash and cash equivalents	188,309	188,902
<i>of which related parties</i>	20,378	92,197
<b>TOTAL CURRENT ASSETS</b>	<b>255,292</b>	<b>259,475</b>

**TOTAL ASSETS**

**884,050**              **892,115**

**CALTAGIRONE EDITORE GROUP**  
**Consolidated Balance Sheet**



**Shareholders' Equity and Liabilities**

*(in Euro thousands)*

	<b>30 June 2013</b>	<b>31 December 2012</b>
<b>Shareholders' equity</b>		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	562,645	625,496
Profit/(loss) for the year	(3,697)	(60,978)
<b>Group Shareholders' Equity</b>	<b>665,083</b>	<b>670,653</b>
Minority interest shareholders' equity	128	(32)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>665,211</b>	<b>670,621</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Employee provisions	29,758	31,678
Other non-current provisions	6,755	7,414
Non-current financial liabilities	21,204	23,749
Other non-current liabilities	2,887	3,734
Deferred tax liabilities	69,697	69,814
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>130,301</b>	<b>136,389</b>
<b>Current liabilities</b>		
Current provisions	8,169	14,633
Trade payables	24,606	27,049
<i>of which related parties</i>	1,419	651
Current financial liabilities	25,213	12,334
<i>of which related parties</i>	4,803	1,117
Other current liabilities	30,550	31,089
<i>of which related parties</i>	27	10
<b>TOTAL CURRENT LIABILITIES</b>	<b>88,538</b>	<b>85,105</b>
<b>TOTAL LIABILITIES</b>	<b>218,839</b>	<b>221,494</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>884,050</b>	<b>892,115</b>

**CALTAGIRONE EDITORE GROUP**  
**Consolidated Income Statement**



<i>(in Euro thousands)</i>	<b>1<sup>st</sup> half 2013</b>	<b>1<sup>st</sup> half 2012</b>
<b>Revenues</b>		
Revenues from sales and services	86,120	97,154
<i>of which related parties</i>	796	564
Other revenues	3,233	4,272
<i>of which related parties</i>	46	50
<b>TOTAL REVENUES</b>	<b>89,353</b>	<b>101,426</b>
<b>Costs</b>		
Raw material costs	10,373	13,974
Labour costs	43,101	50,909
<i>of which restructuring charges</i>	1,106	4,670
Other operating charges	38,044	43,957
<i>of which related parties</i>	3,428	3,376
<b>TOTAL COSTS</b>	<b>91,518</b>	<b>108,840</b>
<b>EBITDA</b>	<b>(2,165)</b>	<b>(7,414)</b>
A & D, Provisions and Write-downs	4,832	5,472
<b>EBIT</b>	<b>(6,997)</b>	<b>(12,886)</b>
<b>Net result of the share of associates</b>	<b>(167)</b>	<b>(1)</b>
Financial income	4,521	3,958
<i>of which related parties</i>	2,526	1,928
Financial charges	(992)	(6,362)
<i>of which related parties</i>	(68)	(82)
<b>Net financial income/(charges)</b>	<b>3,529</b>	<b>(2,404)</b>
<b>PROFIT/ (LOSS) BEFORE TAXES</b>	<b>(3,635)</b>	<b>(15,291)</b>
Income taxes for the year	(104)	3,728
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>(3,739)</b>	<b>(11,563)</b>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<b>(3,739)</b>	<b>(11,563)</b>
Group net profit/(loss)	(3,697)	(11,354)
Minority interest share	(42)	(209)
Earnings per share	(0.030)	(0.091)
Diluted earnings per share	(0.030)	(0.091)