

**Caltagirone Editore:
the Board of Directors approves 2014 results**

- Revenues: Euro 170.1 million (Euro 181.5 million in 2013)
- Ebitda reached Euro 76 thousand (Euro -1.2 million in 2013)
- Group net loss of Euro 37.2 million after Euro 25.5 million goodwill write-down and depreciation and amortization of Euro 11.3 million (negative Euro 75.4 million in 2013 after Euro 81.4 million write-down, depreciation and amortization charge)
- Il 2014 has seen the Group consolidating its third position in Italy as digital informations operator. "Total Audience" (PC + Mobile) of Caltagirone Editore web network reached 1.14 million unique daily users to November 2014. Advertising revenue on Group internet sites increased by +46.3% compared to 2013; topping 10% of total advertising revenues.

Rome, March 10th 2015 – The Board of Directors of Caltagirone Editore, chaired by Cav. Lav. Francesco Gaetano Caltagirone, examined and approved the draft financial statements for the year ended December 31st, 2014.

Market Development

The publishing sector continues to feature as one of the worst affected industries from the negative economic backdrop in the Italian market which has hit two of the key revenue components of publishing companies: advertising and circulation revenues.

The domestic advertising market contracted by 2.5% in 2014 although the drop has been smaller than in previous years. In this context the daily press sub-segment has dropped by 9.7% compared to 2013 (Source: Osservatorio Nielsen - FCP). Good signals came from the digital sector which bucked the trend, posting a 2.1% increase (Source: Assointernet - FCP). The online and digital advertising segments are worth today around 1.9 billion out of a total 7.6 billion market. In 2014 digital users grew by 3% especially thanks to mobile users growth (+20.4%).

Group Performance

Caltagirone Editore Group ended 2014 with results which continue to suffer from a negative domestic economic backdrop and its repercussions on the publishing sector. Effective cost control and cost reduction policies undertaken in previous years, together with restructurings and the good performance of digital activities helped mitigate, at least partially, the negative trend.

Operating revenues reached Euro 170.1 million, a decrease of 6.3% compared to 2013 (Euro 181.5 million).

The traditional newspapers advertising revenues reached Euro 81 million (Euro 90.8 million in 2013). The digital advertising revenues registered a positive trend (+46.3% vs 2013), way above industry average, which grew only by 2.1% (Source: Osservatorio FCP – Assointernet). Internet advertising reached 10% of Group advertising revenues also through the increase of unique daily users.

Ebitda reached Euro 76 thousand (Euro -1.2 million in 2013) due to the decline of 6.3% in operating revenues and the decline of 6.9% in operating costs. The operating costs have Euro 1.8 million of non-recurring charges linked to reorganization plan in some subsidiaries.

Net these non-recurring charges Ebitda would have reached Euro 1.9 million.

The Board of Directors gathered on March 9th, 2015 to examine the Impairment Test results undertaken on Group newspapers. The Board was informed of an intangible impairment charge of Euro 25.5 million.

Ebit recorded a loss of Euro 37.2 million (Euro -82.6 million as of December 31st 2013) after the Intangible impairment charge and Euro 11.7 million of provisions, amortizations and depreciations charge (on December 31st 2013 the intangible impairment charge and other provisions reached Euro 81.4 million).

Net financial result reached Euro 1.4 million (Euro 4.5 million at December 31st 2013), net of dividends from quoted companies as well as the positive net balance between income and financial expenses net the non-recurring devaluation of a financial stake that amount to Euro 3 million.

Group net loss reached Euro 37.2 million (loss of Euro 75.4 million at December 31st 2013).

Net cash position declined by 11.3 million compared to 2013 (Euro 137.4 million) due to restructuring cash costs as well as extraordinary fiscal charges.

Consolidated Group Shareholders' Equity declined from Euro 625.6 million to Euro 586.5 million at December 31st 2014. The Euro 39.2 million reduction is due to yearly loss and mark-to-market of financial stakes.

At December 31st 2013 the Group employed 843 people (924 at December 31st 2013).

The Board of Directors has resolved to propose to the Shareholders' Meeting not to distribute any dividend.

The Ordinary Shareholders' Meeting is convened at the company's registered office, on first call, for April 22th, 2015 and on second call on May the 5th 2015 to approve the financial statements at December 31st 2014, the authorisation to carry out the purchase and disposal of treasury shares, the remuneration report and to appoint the new Board of Directors and Board of Statutory Auditors for the years 2015-2016-2017.

The Board of Directors confirmed that the directors Massimo Confortini and 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 the year-end

In the month of February 2015 an agreement between Piemme, the Group advertising agency, and RCS has been signed allowing Piemme to manage, from March the 1st 2015, on an exclusive basis, RCS's local advertising for Rome, Lazio, Veneto, Friuli, Campania and Calabria. No other meaningful event occurred after year end.

Outlook

The industry is still characterized by a high degree of uncertainty, mainly linked to the advertising market, which does not allow for any accurate short term forecast. In this context, the Group is continuing to implement a rigorous cost reduction and control policy.

Roberto Di Muzio, as the Executive responsible for preparing the Company's financial reports, declares in accordance with article 154 bis, paragraph 2, of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the underlying documents, records and accounting entries.

The the financial statements, 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)

31.12.2014 **31.12.2013**

Non-current assets

Intangible assets with definite life	314	1,285
Intangible assets with indefinite life	317,277	342,735
<i>Goodwill</i>	66,374	88,854
<i>Newspaper titles</i>	250,903	253,881
Property, plant and equipment	51,586	58,813
Equity investments valued at net equity	3	777
Equity investments and non-current securities	136,171	139,704
Non-current financial assets	39	43
Other non-current assets	127	453
Deferred tax assets	47,751	43,461
TOTAL NON-CURRENT ASSETS	553,268	587,271

Current assets

Inventories	2,345	2,317
Trade receivables	56,652	59,483
<i>of which related parties</i>	745	1,971
Current financial assets	-	3
Tax receivables	4,685	4,121
Other current assets	1,802	1,279
<i>of which related parties</i>	-	4
Cash and cash equivalents	155,494	186,633
<i>of which related parties</i>	214	770
TOTAL CURRENT ASSETS	220,978	253,836

TOTAL ASSETS

774,246 **841,107**

**CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET**



SHAREHOLDERS' EQUITY AND LIABILITIES

(in thousands of Euro)

	31.12.2014	31.12.2013
Shareholders' Equity		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	517,602	594,936
Profit/(loss) for the year	(37,194)	(75,432)
Group shareholders' equity	586,543	625,639
Minority interest shareholders' equity	-	68
TOTAL SHAREHOLDERS' EQUITY	586,543	625,707
LIABILITIES		
Non-current liabilities		
Employee provisions	28,011	29,410
Other non-current provisions	5,642	6,684
Non-current financial liabilities	13,516	18,652
Other non-current liabilities	2,403	2,799
Deferred tax liabilities	66,282	65,480
TOTAL NON-CURRENT LIABILITIES	115,854	123,025
Current liabilities		
Current provisions	3,271	5,862
Trade payables	22,455	24,576
<i>of which related parties</i>	888	1,230
Current financial liabilities	15,789	30,544
<i>of which related parties</i>	3,556	5,845
Other current liabilities	30,334	31,393
<i>of which related parties</i>	11	35
TOTAL CURRENT LIABILITIES	71,849	92,375
TOTAL LIABILITIES	187,703	215,400
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	774,246	841,107

CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT



(in thousands of Euro)

	2014	2013
Revenues		
Revenues from sales and supply of services	162,986	174,703
<i>of which related parties</i>	1,297	2,109
Other operating revenues	7,159	6,812
<i>of which related parties</i>	79	92
TOTAL REVENUES	170,145	181,515
Costs		
Raw material costs	18,869	20,716
Personnel costs	77,773	82,896
<i>of which restructuring charges</i>	1,800	1,974
Other operating charges	73,427	79,060
<i>of which related parties</i>	6,805	7,080
TOTAL COSTS	170,069	182,672
EBITDA	76	(1,157)
Amortisation	7,986	8,564
Depreciation	1,088	235
Intangible assets with definite life depreciation	547	-
Intangible assets with indefinite life depreciation	25,458	70,580
Other write-downs	2,191	2,043
EBIT	(37,194)	(82,579)
Net result of the share of associates	127	(99)
Financial income	6,593	6,917
<i>of which related parties</i>	3,264	2,555
Financial charges	(5,178)	(2,365)
<i>of which related parties</i>	(297)	(219)
Net financial result	1,415	4,552
PROFIT/(LOSS) BEFORE TAX	(35,652)	(78,126)
Income taxes for the period	(1,608)	2,592
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(37,260)	(75,534)
NET PROFIT/(LOSS) FOR THE YEAR	(37,260)	(75,534)
Group net loss	(37,194)	(75,432)
Minority interest share	(66)	(102)
Earnings per share (Euro per share)	(0.298)	(0.603)
Diluted earnings per share (Euro per share)	(0.298)	(0.603)



Consolidated Comprehensive Income Statement

(in Euro thousands)

	2014	2013
Net loss for the year	(37,260)	(75,534)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	(445)	(638)
Items which may be reclassified subsequently to profit/(loss) for the period		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	(956)	31,650
Total other items of the Comprehensive Income Statement	(1,401)	31,012
Total comprehensive loss for the year	(38,661)	(44,522)
Attributable to:		
Parent Company shareholders	(38,595)	(44,419)
Minority interest	(66)	(103)

CALTAGIRONE EDITORE GROUP
Statement of changes in consolidated shareholders' equity 2014



<i>(in migliaia di Euro)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserve	Net Profit/Loss	Group net equity	Minority interest N.E.	Total net equity
Balance at January 1st 2013	125,000	(18,865)	(440)	(4,554)	630,490	(60,978)	670,653	(32)	670,621
Dividends distributed							-		-
Previous year result carried forward					(60,978)	60,978			-
Acquisition of treasury shares			(393)				(393)		(393)
Change in consolidation scope					(203)		(203)	203	-
Total operations with shareholders	-	-	(393)	-	(61,181)	60,978	(596)	203	(393)
Change in fair value reserve				31,650			31,650	-	31,650
Change in employment termination reserve					(637)		(637)	(1)	(638)
Net Result						(75,432)	(75,432)	(102)	(75,534)
Comprehensive Profit/(Loss) for the year	-	-	-	31,650	(637)	(75,432)	(44,419)	(103)	(44,522)
Other Changes						1	1		1
Balance at December 31st 2013	125,000	(18,865)	(833)	27,096	568,672	(75,431)	625,639	68	625,707
Balance at January 1st 2014	125,000	(18,865)	(833)	27,096	568,672	(75,431)	625,639	68	625,707
Dividends distributed							-		-
Previous year result carried forward					(75,431)	75,431			-
Acquisition of treasury shares			(501)				(501)		(501)
Change in consolidation scope							-		-
Total operations with shareholders	-	-	(501)	-	(75,431)	75,431	(501)	-	(501)
Change in fair value reserve				(956)			(956)	-	(956)
Change in employment termination reserve					(445)		(445)		(445)
Net Result						(37,194)	(37,194)	(66)	(37,260)
Comprehensive Profit/(Loss) for the year	-	-	-	(956)	(445)	(37,194)	(38,595)	(66)	(38,661)
Other Changes							-	(2)	(2)
Balance at December 31st 2014	125,000	(18,865)	(1,334)	26,140	492,796	(37,194)	586,543	-	586,543

Caltagirone Editore Group
Consolidated Cash Flow Statement



in Euro thousands

	31.12.2014	31.12.2013
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	186,633	188,902
Net loss for the year	(37,260)	(75,535)
Amortisation & Depreciation	7,986	8,564
(Revaluations) and write-downs	31,215	72,770
Net result of the share of associates	(127)	98
Net financial income/(charges)	(4,425)	(4,697)
(Gains)/losses on disposals	(15)	(3)
Income taxes	1,608	(2,592)
Changes in employee provisions	(2,878)	(4,173)
Changes in current and non-current provisions	(3,633)	(7,806)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(7,529)	(13,374)
(Increase) Decrease in inventories	(28)	999
(Increase) Decrease in Trade receivables	641	(1,178)
Increase (Decrease) in Trade payables	(2,121)	(2,535)
Change in other current and non-current liabilities	(1,904)	433
Change in deferred and current income taxes	1,031	(308)
OPERATING CASH FLOW	(9,910)	(15,963)
Dividends received	2,565	1,770
Interest received	3,322	5,146
Interest paid	(1,229)	(1,085)
Income taxes paid	(6,277)	(3,849)
A) CASH FLOW FROM OPERATING ACTIVITIES	(11,529)	(13,981)
Investments in intangible fixed assets	(210)	(270)
Investments in tangible fixed assets	(193)	(634)
Non-current investments and securities	-	(6)
Sale of intangible and tangible assets	22	26
Sale of equity investments and non-current securities	1,155	-
Change in non-current fin. assets	4	(15)
Change in current fin. assets	3	-
B) CASH FLOW FROM INVESTING ACTIVITIES	781	(899)
Change in non-current fin. liabilities	-	(5,097)
Change in current fin. liabilities	(19,890)	18,100
Other changes	(501)	(392)
C) CASH FLOW FROM FINANCING ACTIVITIES	(20,391)	12,611
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(31,139)	(2,269)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	155,494	186,633

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

31.12.2014 **31.12.2013**

Non-current assets

Property, plant and equipment	4,887	6,748
Equity investments valued at cost:		
<i>subsidiary companies</i>	267,270,360	327,466,813
<i>associated companies</i>	3,000	-
<i>other companies</i>	33,676	3,051,233
Equity investments and non-current securities	56,950,000	57,285,000
Deferred tax assets	34,097,171	30,226,217
TOTAL NON-CURRENT ASSETS	358,359,094	418,036,011

Current assets

Trade receivables	3,840	868,037
<i>of which related parties</i>	-	868,037
Current financial assets	55,388,934	34,038,934
<i>of which related parties</i>	55,388,934	34,038,934
Tax receivables	1,015,692	1,915,379
Other current assets	2,658,229	2,787,661
<i>of which related parties</i>	2,639,034	2,768,446
Cash and cash equivalents	149,719,334	181,130,506
<i>of which related parties</i>	185,517	657,810
TOTAL CURRENT ASSETS	208,786,029	220,740,517
TOTAL ASSETS	567,145,123	638,776,528



SHAREHOLDERS' EQUITY AND LIABILITIES

(in Euro)

31.12.2014

31.12.2013

Shareholders' Equity

Share capital	125,000,000	125,000,000
Share capital issue costs	(18,864,965)	(18,864,965)
Other reserves	458,498,174	512,856,219
Profit/(loss) for the year	(40,649,827)	(53,523,894)
SHAREHOLDERS' EQUITY	523,983,382	565,467,360

LIABILITIES

Non-current liabilities

Employee provisions	95,522	79,549
Deferred tax liabilities	144,707	151,079
TOTAL NON-CURRENT LIABILITIES	240,229	230,628

Current liabilities

Current provisions	-	17,799
Trade payables	833,734	2,709,278
<i>of which related parties</i>	698,133	2,623,973
Current financial liabilities	6,864,552	37,909,340
<i>of which related parties</i>	6,864,552	37,909,267
Current income tax payables	12,681	97,293
Other current liabilities	35,210,545	32,344,830
<i>of which related parties</i>	29,281,230	25,706,191
TOTAL CURRENT LIABILITIES	42,921,512	73,078,540

TOTAL LIABILITIES

43,161,741

73,309,168

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

567,145,123

638,776,528

CALTAGIRONE EDITORE SPA
INCOME STATEMENT



<i>(in Euro)</i>	2014	2013
Other operating revenues	797,704	710,143
<i>of which related parties</i>	701,357	701,306
TOTAL REVENUES	797,704	710,143
Personnel costs	476,355	518,682
Other operating charges	2,469,532	2,420,161
<i>of which related parties</i>	1,404,854	1,433,357
TOTAL COSTS	2,945,887	2,938,843
EBITDA	(2,148,183)	(2,228,700)
Amortisation, depreciation and provisions	1,860	2,329
EBIT	(2,150,043)	(2,231,029)
Financial income	26,639,345	24,485,379
<i>of which related parties</i>	22,474,987	1,433,083
Financial charges	64,585,950	75,419,221
<i>of which related parties</i>	427,709	1,710,050
Net financial result	(37,946,605)	(50,933,842)
PROFIT/(LOSS) BEFORE TAX	(40,096,648)	(53,164,871)
Income taxes for the period	553,179	359,023
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(40,649,827)	(53,523,894)
NET PROFIT/(LOSS) FOR THE YEAR	(40,649,827)	(53,523,894)

Comprehensive Income Statement

(in Euro)

	2014	2013
Net loss for the year	(40,649,827)	(53,523,894)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	(2,726)	3,317
Items which may be reclassified subsequently to profit/(loss) for the period		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	(330,394)	11,107,142
Total other items of the Comprehensive Income Statement	(333,120)	11,110,459
Total comprehensive loss for the year	(40,982,947)	(42,413,435)

CALTAGIRONE EDITORE SPA
Statement of changes in shareholders' equity 2014



<i>(in Euro)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserve	Net Profit/Loss	Net equity
Balance at January 1st 2013	125,000,000	(18,864,965)	(440,382)	(429,974)	528,965,878	(26,713,206)	607,517,351
Previous year result carried forward					(26,713,206)	26,713,206	-
Acquisition of treasury shares			(392,540)				(392,540)
Other Changes					755,983		755,983
Total operations with shareholders	125,000,000	(18,864,965)	(832,922)	(429,974)	503,008,655	0	607,880,794
Change in fair value reserve				11,107,142			11,107,142
Change in employment termination reserve					3,317		3,317
Net Result						(53,523,894)	(53,523,894)
Comprehensive Profit/(Loss) for the year	-	-	-	11,107,142	3,317	(53,523,894)	(42,413,435)
Other Changes					1		1
Balance at December 31st 2013	125,000,000	(18,864,965)	(832,922)	10,677,168	503,011,973	(53,523,894)	565,467,360
Balance at January 1st 2014	125,000,000	(18,864,965)	(832,922)	10,677,168	503,011,973	(53,523,894)	565,467,360
Previous year result carried forward					(53,523,894)	53,523,894	-
Acquisition of treasury shares			(501,031)				(501,031)
Total operations with shareholders	125,000,000	(18,864,965)	(1,333,953)	10,677,168	449,488,079	-	564,966,329
Change in fair value reserve				(330,394)			(330,394)
Change in employment termination reserve					(2,726)		(2,726)
Net Result						(40,649,827)	(40,649,827)
Comprehensive Profit/(Loss) for the year	-	-	-	(330,394)	(2,726)	(40,649,827)	(40,982,947)
Balance at December 31st 2014	125,000,000	(18,864,965)	(1,333,953)	10,346,774	449,485,353	(40,649,827)	523,983,382

Caltagirone Editore SpA
Cash Flow Statement



in euro

	31.12.2014	31.12.2013
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	181,130,506	183,559,478
Net loss for the year	(40,649,827)	(53,523,894)
Amortisation & Depreciation	1,860	2,328
(Revaluations) and write-downs	63,192,607	54,918,401
Net financial income/(charges)	(25,247,066)	(3,984,557)
<i>of which related parties</i>	1,228,645	946,967
(Gains)/losses on disposals	1,064	-
Income taxes	553,179	359,022
Changes in employee provisions	12,215	9,221
Changes in current and non-current provisions	(20,799)	(1,697,950)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(2,156,767)	(3,917,429)
(Increase) Decrease in Trade receivables	864,198	(579,963)
Increase (Decrease) in Trade payables	(1,875,543)	127,887
Change in other current and non-current liabilities	2,995,149	4,405,624
Change in deferred and current income taxes	(3,353,111)	(3,881,791)
OPERATING CASH FLOW	(3,526,074)	(3,845,672)
Dividends received	1,644,852	670,000
<i>of which related parties</i>	1,644,852	670,000
Interest received	3,208,497	5,030,604
<i>of which related parties</i>	11,502	93,083
Interest paid	(229,686)	(886,182)
<i>of which related parties</i>	(427,709)	(882,539)
Income taxes paid	(256,680)	(75,595)
A) CASH FLOW FROM OPERATING ACTIVITIES	840,909	893,155
Non-current investments and securities	-	(3,161,377)
Sale of equity investments and non-current securities	20,337	500
Change in current fin. assets	(521,387)	140,430
Other changes	-	34,877
B) CASH FLOW FROM INVESTING ACTIVITIES	(501,050)	(2,985,570)
Change in current fin. liabilities	(31,249,999)	(700,000)
Other changes	(501,032)	363,443
C) CASH FLOW FROM FINANCING ACTIVITIES	(31,751,031)	(336,557)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(31,411,172)	(2,428,972)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	149,719,334	181,130,506