

## **Caltagirone Editore: the Board of Directors approves the 2015 first half results**

- Revenues: Euro 80.3 million (Euro 83.3 million as of June 30<sup>th</sup> 2014);
- Positive EBITDA and EBIT equal to Euro 67 thousands and Euro 614 thousands respectively (both negative in the first half of 2014: the former Euro -2.9 million and the latter Euro -5 million);
- The pace of decline of advertising revenues continued to slow as recorded in the first quarter of the year.

**Rome, 28 July 2015** – The Board of Directors of Caltagirone Editore, chaired by Cav. Lav. Francesco Gaetano Caltagirone, today approved the first half 2015 results. The Group ended the first half with results up in all the major income statement categories, as a consequence of the slowdown of the decline in revenues, however, effectively offset by the reduction in operating costs.

**Revenues** reached Euro 80.3 million, down 3.7% over the corresponding period of 2014.

In particular circulation revenue reached Euro 32.3 million, down by 7.3% compared to 2014, reflecting the ongoing structural trend of daily newspapers market which recorded a decline of 7.73% between January and May 2015 compared to the same period 2014 (last available data).

The websites of the Caltagirone Editore network continue to perform positively, exceeding one million unique daily users in April, up 4.2% over April 2014 (last available data).

Group advertising revenues fell by 0.9% to Euro 44.9 million in the first half of 2015, positively influenced by the effects of the advertising collection on some local editions of the RCS newspapers started in March. At constant perimeter Group advertising revenues decreased 4.1% compared to the first half of 2014.

Internet advertising revenues increase by 11.4% on the same period of 2014, against an industry decline of 3.1%, and today accounts for around 11% of overall advertising revenues.

**EBITDA** improved to Euro 67 thousands (negative Euro 2.9 million as of June 30<sup>th</sup> 2014), thanks to the reduction in operating costs (-7%). In particular raw material costs declined by 16.5%, labor costs decreased by 7.2% showing the effects of the actions begun in prior years.

**EBIT**, after amortization, depreciation and provisions, reported a loss of Euro 4.7 million (loss of Euro 7.8 million in the first half of 2014) with an increase of 38.9%.

**Net financial result**, reached Euro 4.3 million (Euro 4.2 million in the corresponding period of 2014) including dividends received on listed shares.

**Group pretax loss** was Euro 443 thousands (loss of Euro 3.4 million as of June 30<sup>th</sup> 2014).

**Group net profit** reached Euro 614 thousands (loss of Euro 5 million in the corresponding period of 2014).

**Net cash position** reached Euro 125.1 million with a reduction of approximately Euro 1.1 million compared to the figure of 31 December 2014 as a result of cash outflow from operating activities net of dividends received on listed shares.

**Group shareholders' equity** amounted to Euro 586.5 million, substantially unchanged from December 31<sup>st</sup> 2014.

### **2015 Outlook and events after the first half**

The publishing sector is still characterized by great uncertainty due to the negative economic situation. However Group advertising revenues showed a reduction in the pace of the negative trend thanks, above all, to the contribution of internet advertising. In this scenario, the Group continues to closely monitoring and reducing costs and undertaking all necessary actions in order to develop multimedia versions and internet activities.

*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)

**30 June  
2015**      **31 December  
2014**

**Non-current assets**

Intangible assets with definite life	280	314
Intangible assets with indefinite life	317,277	317,277
<i>Goodwill</i>	66,374	66,374
<i>Newspaper titles</i>	250,903	250,903
Property, plant and equipment	48,695	51,586
Equity investments valued at net equity	2	3
Equity investments and non-current securities	137,377	136,171
Non-current financial assets	60	39
Other non-current assets	115	127
Deferred tax assets	49,092	47,751
<b>TOTAL NON-CURRENT ASSETS</b>	<b>552,898</b>	<b>553,268</b>

**Current assets**

Inventories	2,090	2,345
Trade receivables	52,685	56,652
<i>of which related parties</i>	764	745
Current financial assets	4	-
Tax receivables	4,378	4,685
Other current assets	2,645	1,802
<i>of which related parties</i>	-	-
Cash and cash equivalents	158,089	155,494
<i>of which related parties</i>	642	214
<b>TOTAL CURRENT ASSETS</b>	<b>219,891</b>	<b>220,978</b>

**TOTAL ASSETS**

**772,789**      **774,246**

**CALTAGIRONE EDITORE GROUP**  
**CONSOLIDATED BALANCE SHEET**



**SHAREHOLDERS' EQUITY AND LIABILITIES**

(in thousands of Euro)

	<b>30 June 2015</b>	<b>31 December 2014</b>
<b>Shareholders' Equity</b>		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	479,796	517,602
Profit/(loss) for the year	614	(37,194)
<b>Group shareholders' equity</b>	<b>586,545</b>	<b>586,543</b>
Minority interest shareholders' equity	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>586,545</b>	<b>586,543</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Employee provisions	27,524	28,011
Other non-current provisions	5,388	5,642
Non-current financial liabilities	10,916	13,516
Other non-current liabilities	2,258	2,403
Deferred tax liabilities	66,492	66,282
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>112,578</b>	<b>115,854</b>
<b>Current liabilities</b>		
Current provisions	3,094	3,271
Trade payables	23,030	22,455
<i>of which related parties</i>	1,654	888
Current financial liabilities	22,115	15,789
<i>of which related parties</i>	2,210	3,556
Other current liabilities	25,427	30,334
<i>of which related parties</i>	25	11
<b>TOTAL CURRENT LIABILITIES</b>	<b>73,666</b>	<b>71,849</b>
<b>TOTAL LIABILITIES</b>	<b>186,244</b>	<b>187,703</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>772,789</b>	<b>774,246</b>

**CALTAGIRONE EDITORE GROUP**  
**CONSOLIDATED INCOME STATEMENT**



<i>(in thousands of Euro)</i>	<b>1<sup>st</sup> half 2015</b>	<b>1<sup>st</sup> half 2014</b>
<b>Revenues</b>		
Revenues from sales and supply of services	77,403	80,460
<i>of which related parties</i>	577	769
Other operating revenues	2,850	2,885
<i>of which related parties</i>	62	48
<b>TOTAL REVENUES</b>	<b>80,253</b>	<b>83,345</b>
<b>Costs</b>		
Raw material costs	7,885	9,440
Personnel costs	37,534	40,450
<i>of which restructuring charges</i>	666	816
Other operating charges	34,767	36,315
<i>of which related parties</i>	3,381	3,403
<b>TOTAL COSTS</b>	<b>80,186</b>	<b>86,205</b>
<b>EBITDA</b>	<b>67</b>	<b>(2,860)</b>
Amortisation, depreciation and other write-downs	4,817	4,912
<b>EBIT</b>	<b>(4,750)</b>	<b>(7,772)</b>
<b>Net result of the share of associates</b>	<b>-</b>	<b>127</b>
Financial income	5,230	5,258
<i>of which related parties</i>	4,282	3,266
Financial charges	(923)	(1,030)
<i>of which related parties</i>	(82)	(111)
<b>Net financial result</b>	<b>4,307</b>	<b>4,228</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(443)</b>	<b>(3,417)</b>
Income taxes for the period	1,057	(1,650)
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>614</b>	<b>(5,067)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>614</b>	<b>(5,067)</b>
Group net loss	614	(5,024)
Minority interest share	0	(43)
Earnings per share (Euro per share)	0.005	(0.040)
Diluted earnings per share (Euro per share)	0.005	(0.040)



## Consolidated Comprehensive Income Statement

(in Euro thousands)

	1 <sup>st</sup> half 2015	1 <sup>st</sup> half 2014
<b>Net loss for the year</b>	<b>614</b>	<b>(5,067)</b>
<b>Items which may be reclassified subsequently to profit/(loss) for the period</b>		
Gain/(loss) from recalculation of AFS financial assets, net of fiscal effect	(387)	(1,072)
<b>Total other items of the Comprehensive Income Statement</b>	<b>(387)</b>	<b>(1,072)</b>
<b>Total comprehensive loss for the period</b>	<b>(387)</b>	<b>(1,072)</b>
<b>Attributable to:</b>		
Parent Company shareholders	227	(6,096)
Minority interest	-	(43)

**CALTAGIRONE EDITORE GROUP**
**Statement of changes in consolidated shareholders' equity 30 June 2015**


<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
<b>Balance at January 1st 2014</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(833)</b>	<b>27,096</b>	<b>568,672</b>	<b>(75,431)</b>	<b>625,639</b>	<b>68</b>	<b>625,707</b>
Previous year result carried forward					(75,431)	75,431	-		-
Acquisition of treasury shares			(291)				(291)		(291)
<b>Total operations with shareholders</b>	<b>-</b>	<b>-</b>	<b>(291)</b>	<b>-</b>	<b>(75,431)</b>	<b>75,431</b>	<b>(291)</b>	<b>-</b>	<b>(291)</b>
Change in fair value reserve				(1,072)			(1,072)		(1,072)
Net Result						(5,024)	(5,024)	(43)	(5,067)
<b>Comprehensive Profit/(Loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,072)</b>	<b>0</b>	<b>(5,024)</b>	<b>(6,096)</b>	<b>(43)</b>	<b>(6,139)</b>
Other Changes					1		1		1
<b>Balance at June 30th 2014</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(1,124)</b>	<b>26,024</b>	<b>493,242</b>	<b>(5,024)</b>	<b>619,253</b>	<b>25</b>	<b>619,278</b>
<b>Balance at January 1st 2015</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(1,334)</b>	<b>26,140</b>	<b>492,796</b>	<b>(37,194)</b>	<b>586,543</b>	<b>-</b>	<b>586,543</b>
Previous year result carried forward					(37,194)	37,194	-		-
Acquisition of treasury shares			(225)				(225)		(225)
<b>Total operations with shareholders</b>	<b>-</b>	<b>-</b>	<b>(225)</b>	<b>-</b>	<b>(37,194)</b>	<b>37,194</b>	<b>(225)</b>	<b>-</b>	<b>(225)</b>
Change in fair value reserve				(387)			(387)		(387)
Net Result						614	614		614
<b>Comprehensive Profit/(Loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(387)</b>	<b>0</b>	<b>614</b>	<b>227</b>	<b>-</b>	<b>227</b>
<b>Balance at June 30th 2015</b>	<b>125,000</b>	<b>(18,865)</b>	<b>(1,559)</b>	<b>25,753</b>	<b>455,602</b>	<b>614</b>	<b>586,545</b>	<b>-</b>	<b>586,545</b>

**Caltagirone Editore Group**  
**Consolidated Cash Flow Statement**



*in Euro thousands*

	<b>30 June 2015</b>	<b>30 June 2014</b>
<b>CASH AND CASH EQUIV. AT BEGINNING OF YEAR</b>	<b>155,494</b>	<b>186,633</b>
Net loss for the year	614	(5,067)
Amortisation & Depreciation	3,306	4,173
(Revaluations) and write-downs	1,195	637
Net result of the share of associates	-	(127)
Net financial income/(charges)	(3,837)	(4,230)
(Gains)/losses on disposals	(491)	(5)
Income taxes	(1,057)	1,650
Changes in employee provisions	(716)	(1,364)
Changes in current and non-current provisions	(430)	(1,141)
<b>OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL</b>	<b>(1,416)</b>	<b>(5,474)</b>
(Increase) Decrease in inventories	255	(177)
(Increase) Decrease in Trade receivables	2,794	1,963
Increase (Decrease) in Trade payables	474	(1,067)
Change in other current and non-current liabilities	(5,887)	(2,547)
Change in deferred and current income taxes	653	1,225
<b>OPERATING CASH FLOW</b>	<b>(3,127)</b>	<b>(6,077)</b>
Dividends received	3,420	2,565
Interest received	456	1,977
Interest paid	(495)	(655)
Income taxes paid	(447)	(2,266)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(193)</b>	<b>(4,456)</b>
Investments in intangible fixed assets	(57)	(90)
Investments in tangible fixed assets	(225)	(226)
Non-current investments and securities	(1,197)	-
Sale of intangible and tangible assets	3	27
Sale of equity investments and non-current securities	964	176
Change in non-current fin. assets	(21)	4
Change in current fin. assets	(4)	7
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(537)</b>	<b>(102)</b>
Change in non-current fin. liabilities	-	-
Change in current fin. liabilities	3,727	5,296
Other changes	(225)	(291)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>3,502</b>	<b>5,005</b>
D) Effect exc. diffs. on cash & cash equivalents	(177)	-
<b>Change in net liquidity</b>	<b>2,595</b>	<b>447</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>158,089</b>	<b>187,080</b>