

**Caltagirone Editore: the Board of Directors approves  
nine months results to September 30th, 2012**

- Revenues: Euro 145.2 million (Euro 167.6 million as of September 30<sup>th</sup> 2011)
- Ebitda: Euro -10.8 million (Euro +6.5 million as of September 30<sup>th</sup> 2011)
- Pretax profit: Euro -23.4 million (Euro +1.7 million as of September 30<sup>th</sup> 2011)

**Rome, November 12<sup>th</sup> 2012** - The Board of Directors of Caltagirone Editore, chaired by Francesco Gaetano Caltagirone, today approved the results for the first nine months of 2012.

Caltagirone Editore Group ended 2012 third quarter with results still suffering from effects of the economic downturn which struck all markets and had repercussions on the publishing industry. In this scenario the Group focused on the restyling and strengthening of its products as demonstrated at Il Messaggero where the graphics have been completely renewed and the content enriched, as well as a more intense effort on the internet segment, which produced good results in terms of both daily users and advertising revenue, and the reorganization of Piemme, advertising agency.

**Revenues** declined to Euro 145.2 million (Euro 167.6 million as of September 30<sup>th</sup> 2011) due to lower advertising revenues. In particular, circulation revenues declined by 4.4% compared to the corresponding period of 2011, however well above the average circulation trend. About the circulation revenues the Group, at the moment, has not raised its newspapers cover price like almost all of its competitors. It is worth highlighting that Group internet websites recorded good results in terms of daily users: in particular according to Audiweb data, against an average sector increase of 11.6% Il Messaggero.it website recorded an increase of 76.8%, Leggo.it of 68.2%, Il Gazzettino.it of 55.1% and Il Mattino of 13.6%. Advertising revenues, strongly influenced by the persistent crisis, declined by 19.1% compared to the first nine months of 2011. On the contrary the positive trend of Internet advertising revenues that, despite volumes being not yet significant compared to the total advertising revenue, recorded an increase of +34.2% against a market average of +9.8%.

**Ebitda** was negative for Euro 10.8 million (Euro +6.5 million as of September 30<sup>th</sup> 2011) due to lower revenues only partly offset by operating costs reduction which recorded -3.2% compared to previous year. It is worth highlighting that the period included one off charges equal to Euro 4.5 million related to the reorganization plans undertaken by some companies within the Group.

**Ebit**, net of amortization, depreciation and provisions, amounted to negative Euro 19.1 million (negative Euro 2.9 million in the corresponding period of 2011).

**Net financial result** yielded a negative Euro 4.2 million (Euro +4.7 million as of September 30<sup>th</sup> 2011).

**Group Pretax Profit** came to negative Euro 23.4 million (Euro +1.7 million as of September 30<sup>th</sup> 2011).

**Net cash position** stood at Euro 164.5 million, a reduction of Euro 16.4 million.

**Total Equity** was Euro 694.5 million (Euro 720.4 million as of September 30<sup>th</sup> 2011), down due to the loss recorded in the period and dividends distribution net of the valuation at *fair value* of equity investments held by the Group.

### **Performance in the third quarter of 2012**

In the third quarter Caltagirone Editore Group recorded **revenues** of Euro 43.7 million (Euro 51.2 million in the third quarter of 2011). **Ebitda** was negative for Euro 3.4 million (negative Euro 357 thousands in the third quarter of 2011). **Ebit** was negative for Euro 6.2 million, **pretax profit** was negative for 8.1 million (negative for Euro 3.7 million and Euro 3 million respectively in the third quarter of 2011).

### **Outlook**

The publishing sector is affected by significant uncertainty against which the Group will continue to undertake a strict cost control 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.*

Consolidated P&L statement is attached.

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



<i>In Euro thousands</i>	<b>Jan-Sept 2012</b>	<b>Jan-Sept 2011</b>	<b>Δ %</b>	<b>Q3 2012</b>	<b>Q3 2011</b>	<b>Δ %</b>
Circulation revenues	56,509	59,102	(4.4%)	20,041	21,585	(7.2%)
Promotions revenues	477	738	(35.4%)	7	61	(88.5%)
Advertising revenues	82,318	101,743	(19.1%)	22,102	27,684	(20.2%)
Other operating revenues	5,864	6,016	(2.5%)	1,592	1,898	(16.1%)
<b>TOTAL OPERATING REVENUES</b>	<b>145,168</b>	<b>167,599</b>	<b>(13.4%)</b>	<b>43,742</b>	<b>51,228</b>	<b>(14.6%)</b>
Raw materials costs	(20,330)	(20,660)	(1.6%)	(6,356)	(7,115)	(10.7%)
Labour costs	(71,071)	(70,254)	1.2%	(20,162)	(21,944)	(8.1%)
Other operating costs	(64,580)	(70,226)	(8.0%)	(20,623)	(22,526)	(8.4%)
<b>TOTAL OPERATING COSTS</b>	<b>(155,981)</b>	<b>(161,140)</b>	<b>(3.2%)</b>	<b>(47,141)</b>	<b>(51,585)</b>	<b>(8.6%)</b>
<b>EBITDA</b>	<b>(10,813)</b>	<b>6,459</b>	<b>n.a.</b>	<b>(3,399)</b>	<b>(357)</b>	<b>n.a.</b>
Amortisation, depreciation & provisions	(8,312)	(9,384)	(11.4%)	(2,840)	(3,331)	(14.7%)
<b>EBIT</b>	<b>(19,125)</b>	<b>(2,925)</b>	<b>n.a.</b>	<b>(6,239)</b>	<b>(3,688)</b>	<b>69.2%</b>
Net result of the share of associates	(2)	(2)	0.0%	(1)	(1)	0.0%
Net financial income/(charges)	(4,242)	4,669	n.a.	(1,838)	663	n.a.
<b>Profit/(Loss) before taxes</b>	<b>(23,369)</b>	<b>1,742</b>	<b>n.a.</b>	<b>(8,078)</b>	<b>(3,026)</b>	<b>n.a.</b>
Group Net Income (Loss)	(22,907)	2,190	n.a.	(7,950)	(2,881)	n.a.
Minority interest share	(462)	(448)	3.1%	(128)	(145)	(11.7%)