

**Caltagirone Editore:
the Board of Directors approves 2018 results**

- Revenues: Euro 143.9 million (Euro 155.3 million in 2017)
- Ebitda reached Euro 810 thousand (Euro -122 thousand in 2017)
- Group net loss of Euro 8.3 million after Euro 14.6 million goodwill write-down (negative Euro 29.6 million in 2017 after Euro 35.1 million write-down)

Rome, March 8th 2019 – The Board of Directors of Caltagirone Editore, chaired by Mr. Francesco Gianni, examined and approved the draft financial statements for the year ended December 31st, 2018.

Group Performance

Starting from January 1, 2018, the Group adopted the new accounting standards IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The application of IFRS 15 involved the recognition of circulation revenues at their cover price or in any case at the actual price paid by the final buyer gross of all margins, including the part retained by the newsagent.

Consequently, and this is where the difference from the previous accounting treatment lies, the commission is recognized separately as a distribution cost and is not deducted from the revenue figure as was previously the case; moreover, consolidated advertising revenues are stated net of the publisher fees resulting from the collection of advertising on behalf of third-party publishers, previously reported in costs for services.

To guarantee that the data are comparable, the items of circulation and advertising revenues in the income statement for the 2017 has been restated, and the item costs for services has also been adjusted for the same amount, according to the new indications introduced by IFRS 15. This restatement does not have any impact on operating income, net income or shareholders' equity.

Operating revenues reached Euro 143.9 million, down by 7.3% compared to 2017 (Euro 155.3 million).

Circulation revenues reached Euro 65.8 million and decreased by 8.2% compared to previous year.

The Group's advertising revenues were down by 7.8% compared to 2017 and reached Euro 70.4 million. Advertising revenues on paper editions, including advertising on behalf of third parties, were down by 9.9%. The impact of advertising sales on the internet, including advertising on behalf of third parties, on the overall

advertising revenues increased by 2.1% and is now 14.1% of the total advertising revenues. The total Audience (PC or mobile) of the Group's web sites recorded, on November 2018, 3.43 million unique average daily users.

Ebitda reached Euro 810 thousand (Euro -122 thousand in 2017). The costs for personnel, including non-recurring charges that amounts to Euro 1.7 million (Euro 3.7 million in 2017) linked to the personnel reorganization plan in some subsidiaries, decreased by 9.9% compared to 2017. Excluding such non-recurring costs, the costs for personnel decreased by 7.2%. The other Operating Costs decreased by 6.1% due to the actions taken in the Group reorganization process that have enabled cost savings, particularly in service costs.

Ebit recorded a loss of Euro 17.4 million (Euro -43.4 million as of December 2017) after the intangible impairment charge of Euro 14.6 million (Euro 35.1 million in 2017) amortizations of Euro 2.8 million (Euro 6.6 million of 2017) provisions of Euro 361 thousand (Euro 209 thousand of 2017) and depreciations for Euro 479 thousand (Euro 1.4 million of 2017).

Net financial result reached Euro 4.9 million (Euro 3.8 million at December 31st 2017) and includes dividends received on listed shares net of financial charges connected to operational needs.

Group net loss reached Euro 8.3 million (loss of Euro 29.6 million in 2017).

Net cash position reached Euro 99.1 million and decreased by Euro 29.4 million (Euro 128.5 million in as of December 31th, 2017). The decrease is mainly due to the purchase, pursuant to current legislation, of company shares for Euro 21.6 million, arising from the exercise of the right of withdrawal exercised by shareholders following the change in the corporate purpose, as well as investments in listed shares net of the dividends on listed shares.

Consolidated Group Shareholders' Equity reached Euro 415.2 million (Euro 448.8 million on December 31st 2017). The decrease is mainly due to the purchase of the Company's shares coming from the exercise of the shareholders' right to withdraw, to the yearly loss and to the *fair value* valuation of the financial stakes of the Group.

At December 31st 2018 the Group employed 640 people (671 at December 31st 2017).

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 15th, 2019 and on second call on May the 8th, 2019 to

approve the financial statements at December 31st, 2018 and the remuneration report in accordance with article 123 ter, paragraph 6 of D. Lgs. 58/98.

The Board of Directors has approved the Report on corporate governance pursuant to Art. 123-bis of Legislative Decree n. 58/1998 as well as the Remuneration Report pursuant to art. 123-ter of Legislative Decree n. 58/1998 and article 84-quater of the Issuers Regulation, which will be made available, together with the Annual Report 2018, in the time required by law at the registered office, on the Company website of www.caltagironeeditore.com in the Investors section, and on the storage mechanism authorized operated by Spafid Connect Spa at www.emarketstorage.com.

The Board of Directors confirmed that the Chief of Directors Francesco Gianni and the Directors Antonio Catricalà, Massimo Confortini, Annamaria Malato, Valeria Ninfadoro and Giacomo Scribani Rossi are Independent Directors according to the provisions contained in the Legislative Decree n. 58 of February 24th, 1998.

The Board of Directors confirmed Mr. Fabrizio Caprara as the Executive responsible for preparing the Company's financial reports.

Outlook

The negative trend in circulation and advertising revenues continues both at the market and at the company level and there are no signs of an inversion at the moment.

Fabrizio Caprara, 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.

Enclosed the financial statements, currently being examined by the independent audit firm and by the Board of Statutory Auditors.

**CALTAGIRONE EDITORE GROUP
CONSOLIDATED BALANCE SHEET**



Assets

(in Euro thousands)

Non-current assets

	31.12.2018	31.12.2017
Intangible assets with definite life	468	457
Intangible assets with indefinite life	200,203	214,803
<i>Newspaper titles</i>	200,203	214,803
Property, plant and equipment	37,352	39,433
Equity investments valued at net equity	-	2
Equity investments and non-current securities	96,118	87,858
Other non-current assets	105	106
Deferred tax assets	51,202	49,014
TOTAL NON-CURRENT ASSETS	385,448	391,673

Current assets

Inventories	1,743	1,324
Trade receivables	46,194	50,779
<i>of which related parties</i>	225	705
Tax receivables	-	34
Other current assets	952	943
Cash and cash equivalents	109,656	136,498
<i>of which related parties</i>	-	718
TOTAL CURRENT ASSETS	158,545	189,578

TOTAL ASSETS

543,993	581,251
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CALTAGIRONE EDITORE GROUP
CONSOLIDATED INCOME STATEMENT



(in Euro thousands)

	2018	2017
Revenues		
Revenues from sales and supply of services	139,174	150,412
<i>of which related parties</i>	332	929
Other operating revenues	4,790	4,897
<i>of which related parties</i>	120	109
TOTAL REVENUES	143,964	155,309
Costs		
Raw material costs	(12,368)	(13,548)
Personnel costs	(58,005)	(64,395)
<i>of which restructuring charges</i>	(1,715)	(3,740)
Other operating charges	(72,781)	(77,488)
<i>of which related parties</i>	(5,324)	(5,423)
TOTAL COSTS	(143,154)	(155,431)
EBITDA	810	(122)
Amortisation	(2,807)	(6,612)
Depreciation	(361)	(209)
Intangible assets with indefinite life depreciation	(14,600)	(35,100)
Other write-downs	(479)	(1,371)
EBIT	(17,437)	(43,414)
Financial income	5,699	4,641
<i>of which related parties</i>	5,525	4,560
Financial charges	(740)	(867)
<i>of which related parties</i>	-	(38)
Net financial result	4,959	3,774
PROFIT/(LOSS) BEFORE TAX	(12,478)	(39,640)
Income taxes for the period	4,180	10,007
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(8,298)	(29,633)
NET PROFIT/(LOSS) FOR THE YEAR	(8,298)	(29,633)
Group net loss	(8,298)	(29,633)
Minority interest share	-	-
Earnings per share	(0.069)	(0.241)
Diluted earnings per share	(0.069)	(0.241)

CALTAGIRONE EDITORE GROUP
Consolidated Comprehensive Income Statement



(in Euro thousands)

	2018	2017
Net loss for the year	(8,298)	(29,633)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	223	95
Gain/(loss) from recalculation of capital instruments assets, net of fiscal effect	(3,662)	6,113
Total other items of the Comprehensive Income Statement	(3,439)	6,208
Total comprehensive loss for the year	(11,737)	(23,425)
Attributable to:		
Parent Company shareholders	(11,737)	(23,425)
Minority interest	-	-



<i>(in Euro thousands)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserves	Net profit/loss	Group net equity	Minority interest net equity	Total net equity
Balance at January 1st 2017	125,000	(18,865)	(2,063)	(5,453)	436,154	(62,439)	472,334		472,334
Previous year result carried forward					(62,439)	62,439	-		-
Acquisition of treasury shares			(161)				(161)		(161)
Total operations with shareholders	-	-	(161)	-	(62,439)	62,439	(161)	-	(161)
Change in fair value reserve				6,113			6,113		6,113
Change in employment termination reserve					95		95		95
Net Result						(29,633)	(29,633)		(29,633)
Comprehensive Profit/(Loss) for the year	-	-	-	6,113	95	(29,633)	(23,425)	-	(23,425)
Other Changes					20		20		20
Balance at December 31st 2017	125,000	(18,865)	(2,224)	660	373,830	(29,633)	448,768	-	448,768
Balance at December 31st 2017	125,000	(18,865)	(2,224)	660	373,830	(29,633)	448,768	-	448,768
IFRS 9 application					(493)		(493)		(493)
Balance at December 31st 2017 redefined	125,000	(18,865)	(2,224)	660	373,337	(29,633)	448,275	-	448,275
Previous year result carried forward					(29,633)	29,633	-		-
Acquisition of treasury shares			(21,417)		54		(21,363)		(21,363)
Total operations with shareholders	-	-	(21,417)	-	(29,579)	29,633	(21,363)	-	(21,363)
Change in fair value reserve				(3,662)			(3,662)		(3,662)
Change in employment termination reserve					223		223		223
Net Result						(8,298)	(8,298)		(8,298)
Comprehensive Profit/(Loss) for the year	-	-	-	(3,662)	223	(8,298)	(11,737)	-	(11,737)
Balance at December 31st 2018	125,000	(18,865)	(23,641)	(3,002)	343,981	(8,298)	415,175	-	415,175

Caltagirone Editore Group
Consolidated Cash Flow Statement



(in Euro thousands)

	2018	2017
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	136,498	151,030
Net loss for the year	(8,298)	(29,633)
Amortisation & Depreciation	2,807	6,612
(Revaluations) and write-downs	15,079	36,471
Net financial income/(charges)	(4,958)	(3,774)
(Gains)/losses on disposals	(30)	-
Income taxes	(4,180)	(10,007)
Changes in employee provisions	(1,664)	(4,173)
Changes in current and non-current provisions	(1,300)	(1,731)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(2,544)	(6,235)
(Increase) Decrease in inventories	(419)	408
(Increase) Decrease in Trade receivables	3,613	(594)
Increase (Decrease) in Trade payables	771	(634)
Change in other current and non-current liabilities	(1,369)	1,097
Change in deferred and current income taxes	(11)	108
OPERATING CASH FLOW	41	(5,850)
Dividends received	5,525	4,560
Interest received	174	55
Interest paid	(526)	(532)
Other incomes received/(expenses paid)	-	(43)
Income taxes paid	(233)	(74)
A) CASH FLOW FROM OPERATING ACTIVITIES	4,981	(1,884)
Investments in intangible fixed assets	(273)	(190)
Investments in tangible fixed assets	(538)	(3,916)
Non-current investments and securities	(12,299)	-
Sale of intangible and tangible assets	104	189
B) CASH FLOW FROM INVESTING ACTIVITIES	(13,006)	(3,917)
Change in current fin. liabilities	2,546	(8,590)
Other changes	(21,363)	(141)
C) CASH FLOW FROM FINANCING ACTIVITIES	(18,817)	(8,731)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(26,842)	(14,532)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	109,656	136,498

CALTAGIRONE EDITORE SPA
BALANCE SHEET



Assets

(in Euro)

Non-current assets

	31.12.2018	31.12.2017
Property, plant and equipment	-	650
Equity investments valued at cost:		
<i>subsidiary companies</i>	290,712,246	299,509,946
<i>associated companies</i>	-	3,000
<i>other companies</i>	10	10
Equity investments and non-current securities	48,910,000	50,920,000
Deferred tax assets	40,561,880	37,904,995
TOTAL NON-CURRENT ASSETS	380,184,136	388,338,601

Current assets

Trade receivables	512,981	1,126,507
<i>of which related parties</i>	504,542	1,122,948
Current financial assets	62,928,093	88,967,557
<i>of which related parties</i>	62,928,093	88,967,557
Tax receivables	175,531	169,009
Other current assets	3,755,659	3,913,071
<i>of which related parties</i>	3,702,956	3,770,254
Cash and cash equivalents	1,681,854	2,327,332
<i>of which related parties</i>	-	27,713
TOTAL CURRENT ASSETS	69,054,118	96,503,476
TOTAL ASSETS	449,238,254	484,842,077

INCOME STATEMENT

(in Euro)

	2018	2017
Other operating revenues	515,758	512,001
<i>of which related parties</i>	<i>508,000</i>	<i>511,077</i>
TOTAL REVENUES	515,758	512,001
Personnel costs	(223,437)	(254,841)
Other operating charges	(2,279,287)	(2,257,361)
<i>of which related parties</i>	<i>(1,032,178)</i>	<i>(999,264)</i>
TOTAL COSTS	(2,502,724)	(2,512,202)
EBITDA	(1,986,966)	(2,000,201)
Amortisation, depreciation and provisions	(650)	(1,115)
EBIT	(1,987,616)	(2,001,316)
Financial income	3,456,289	2,727,241
<i>of which related parties</i>	<i>3,449,741</i>	<i>2,680,748</i>
Financial charges	(17,619,277)	(38,110,354)
<i>of which related parties</i>	<i>(490)</i>	<i>(5,944)</i>
Net financial result	(14,162,988)	(35,383,113)
PROFIT/(LOSS) BEFORE TAX	(16,150,604)	(37,384,429)
Income taxes for the period	439,189	436,972
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(15,711,415)	(36,947,457)
NET PROFIT/(LOSS) FOR THE YEAR	(15,711,415)	(36,947,457)



Comprehensive Income Statement

(in Euro)

	31.12.2018	31.12.2017
Net profit/(loss) for the year	(15,711,415)	(36,947,457)
Items which are not reclassified subsequently to profit/(loss) for the period		
Effect of actuarial gain/loss, net of tax effect	797	2,430
Gain/(loss) from recalculation of capital instruments assets, net of fiscal effect	(1,985,880)	3,574,584
Total other items of the Comprehensive Income Statement	(1,985,083)	3,577,014
Total comprehensive profit/(loss) for the year	(17,696,498)	(33,370,443)



<i>(in Euro)</i>	Share Capital	Quotation charges	Treasury shares	Fair Value reserve	Other reserve	Net Profit/Loss	Net equity
Balance at January 1st 2017	125,000,000	(18,864,965)	(2,063,010)	832,910	394,045,095	(23,906,890)	475,043,140
Previous year result carried forward					(23,906,890)	23,906,890	-
Acquisition of treasury shares			(161,165)		16,653		(144,512)
Total operations with shareholders	125,000,000	(18,864,965)	(2,224,175)	832,910	370,154,858	-	474,898,628
Change in fair value reserve				3,574,584			3,574,584
Change in employment termination reserve					2,430		2,430
Net Result						(36,947,457)	(36,947,457)
Comprehensive Profit/(Loss) for the year	-	-	-	3,574,584	2,430	(36,947,457)	(33,370,443)
Other Changes					(1)		(1)
Balance at December 31st 2017	125,000,000	(18,864,965)	(2,224,175)	4,407,494	370,157,287	(36,947,457)	441,528,184
Balance at January 1st 2018	125,000,000	(18,864,965)	(2,224,175)	4,407,494	370,157,287	(36,947,457)	441,528,184
Previous year result carried forward					(36,947,457)	36,947,457	-
Acquisition of treasury shares			(21,416,749)		53,297		(21,363,452)
Total operations with shareholders	125,000,000	(18,864,965)	(23,640,924)	4,407,494	333,263,127	-	420,164,732
Change in fair value reserve				(1,985,880)			(1,985,880)
Change in employment termination reserve					797		797
Net Result						(15,711,415)	(15,711,415)
Comprehensive Profit/(Loss) for the year	-	-	-	(1,985,880)	797	(15,711,415)	(17,696,498)
Other Changes					(1)		(1)
Balance at December 31st 2018	125,000,000	(18,864,965)	(23,640,924)	2,421,614	333,263,923	(15,711,415)	402,468,233

Caltagirone Editore SpA
Cash Flow Statement



(in Euro)

	31.12.2018	31.12.2017
CASH AND CASH EQUIV. AT BEGINNING OF YEAR	2,327,332	122,219,635
Net loss for the year	(15,711,415)	(36,947,457)
Amortisation & Depreciation	650	1,115
(Revaluations) and write-downs	17,574,746	38,061,866
Net financial income/(charges)	(3,411,758)	(2,678,753)
Income taxes	(439,189)	(436,972)
Changes in employee provisions	4,810	(24,388)
Changes in current and non-current provisions	-	(49,485)
OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL	(1,982,156)	(2,074,074)
(Increase) Decrease in Trade receivables	613,883	(489,328)
Increase (Decrease) in Trade payables	606,880	675,950
Change in other current and non-current liabilities	3,832,600	1,393,666
Change in deferred and current income taxes	(2,234,603)	(1,689,661)
OPERATING CASH FLOW	836,604	(2,183,447)
Dividends received	3,447,440	2,680,000
Interest received	8,492	46,493
Interest paid	(43,225)	(36,806)
A) CASH FLOW FROM OPERATING ACTIVITIES	4,249,311	506,240
Non-current investments and securities	(331,937)	(90,092,149)
Change in current fin. assets	17,300,600	(30,161,882)
B) CASH FLOW FROM INVESTING ACTIVITIES	16,968,663	(120,254,031)
Change in current fin. liabilities	(500,000)	-
Other changes	(21,363,452)	(144,512)
C) CASH FLOW FROM FINANCING ACTIVITIES	(21,863,452)	(144,512)
D) Effect exc. diffs. on cash & cash equivalents	-	-
Change in net liquidity	(645,478)	(119,892,303)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,681,854	2,327,332