

**Caltagirone Editore: the Board of Directors approves  
the results for first half of 2019**

- Group net result: 1.6 million euros (2.2 million euros for first half of 2018)
- Revenues: 66.9 million euros (70.4 million euros for first half of 2018)
- Ebitda: -911 thousand euros (-2.6 million euros for first half of 2018)
- Internet advertising revenues increased by 17.3%

**Rome, July 29<sup>th</sup>, 2019** - The Board of Directors of Caltagirone Editore, chaired by Avv. Francesco Gianni, approved the results of the first half of 2019.

**Performance of operations**

**Group net profit** was positive for 1.6 million euros (2.2 million euros in the corresponding period 2018).

**Revenues** amounted to 66.9 million euros, down by 5% compared to the same period of 2018 due the contraction of both circulation and advertisement income.

Total revenues from the sale of the newspapers amounted to 30.3 million euros, down by 8.9% compared to the corresponding period of 2018.

Group advertising revenue declined by 2.5% and amounted to 33.7 million euros.

On May 2019, the Total Audience (PC or mobile) of Caltagirone Editore web sites recorded 3.3 million unique average daily users, up by 65% on the same month of 2018.

**Costs** decreased by 7.1% on the first half of 2018 and amounted to 67.8 million euros. Labor costs, that includes non-recurrent costs of 2 million euros (851 thousand euros as of June 30<sup>th</sup>, 2018) related to operations put in place by some controlled companies, increased by 1%. Comparing the homogeneous values without taking into account such extraordinary costs, labor costs decreased by about 3%. The other operating costs decreased by 14.5% due to the effects of the actions undertaken by controlled companies especially regarding costs for services and by the effect of the new accounting standard IFRS 16 concerning the accounting treatment of leasing contracts.

**EBITDA** was negative for 911 thousand euros (negative for 2.6 million euros as of June 30<sup>th</sup>, 2018).

**EBIT**, after amortization and write-downs of 3.5 million euros, recorded a negative balance of 4.4 million euros (-4 million euros in the first half of 2018).

**Net income from financial operations** was positive for 5.4 million euros (5.2 million euros in the corresponding period of 2018) mainly affected by dividends received on listed shares.

**The net financial position** amounted to 90.7 million euros, decreasing from 99.1 million euros as of December 31<sup>th</sup>, 2018 mainly due to the recognition of non-current and current financial liabilities relating to rights to use leased assets recorded for the same amount of tangible assets, in application of the new accounting standard IFRS 16, net of the collection of dividends on listed shares.

**Shareholders' equity** was 429.2 million euros (415.2 million euros as of December 31<sup>th</sup>, 2018). The increase is due to the positive effect achieved during the semester in the *fair value* valuation of the equity investments held net the profit.

### **Forecasts for the current year**

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. This negative trend will probably continue in the current year.

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*The Executive responsible for the preparation of the corporate accounting documents, Fabrizio Caprara, 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*

*Attached the statutory balance sheets and income statement currently under review of the Board of Statutory Auditors and the Independent Auditors.*

**CALTAGIRONE EDITORE GROUP  
CONSOLIDATED BALANCE SHEET**



**Assets**

(in Euro thousands)

**Non-current assets**

	<b>30.06.2019</b>	<b>31.12.2018</b>
Intangible assets with definite life	429	468
Intangible assets with indefinite life	200,203	200,203
<i>Newspaper titles</i>	<i>200,203</i>	<i>200,203</i>
Property, plant and equipment	49,494	37,352
Equity investments and non-current securities	108,858	96,118
Other non-current assets	105	105
Deferred tax assets	52,118	51,202
<b>TOTAL NON-CURRENT ASSETS</b>	<b>411,207</b>	<b>385,448</b>

**Current assets**

Inventories	1,831	1,743
Trade receivables	41,682	46,194
<i>of which related parties</i>	<i>246</i>	<i>225</i>
Other current assets	1,331	952
Cash and cash equivalents	111,729	109,656
<b>TOTAL CURRENT ASSETS</b>	<b>156,573</b>	<b>158,545</b>
<b>TOTAL ASSETS</b>	<b>567,780</b>	<b>543,993</b>

**CALTAGIRONE EDITORE GROUP  
CONSOLIDATED BALANCE SHEET**



**SHAREHOLDERS' EQUITY AND  
LIABILITIES**

(in Euro thousands)

	<b>30.06.2019</b>	<b>31.12.2018</b>
<b>Shareholders' Equity</b>		
Share capital	125,000	125,000
Share capital issue costs	(18,865)	(18,865)
Other reserves	321,454	317,338
Profit/(loss) for the year	1,647	(8,298)
<b>Group shareholders' equity</b>	<b>429,236</b>	<b>415,175</b>
Minority interest shareholders' equity	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>429,236</b>	<b>415,175</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Employee provisions	15,198	15,590
Other non-current provisions	6,382	5,481
Non-current financial liabilities	9,782	-
<i>of which related parties</i>	6,548	-
Other non-current liabilities	1,421	1,441
Deferred tax liabilities	48,846	48,232
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>81,629</b>	<b>70,744</b>
<b>Current liabilities</b>		
Current provisions	3,643	3,805
Trade payables	21,510	22,243
<i>of which related parties</i>	2,126	1,615
Current financial liabilities	11,242	10,557
<i>of which related parties</i>	1,972	-
Tax payables	255	205
Other current liabilities	20,265	21,264
<i>of which related parties</i>	84	14
<b>TOTAL CURRENT LIABILITIES</b>	<b>56,915</b>	<b>58,074</b>
<b>TOTAL LIABILITIES</b>	<b>138,544</b>	<b>128,818</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>567,780</b>	<b>543,993</b>

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



(in Euro thousands)

	<b>1st half 2019</b>	<b>1st half 2018</b>
<b>Revenues</b>		
Revenues from sales and supply of services	64,788	68,379
<i>of which related parties</i>	123	132
Other operating revenues	2,098	1,993
<i>of which related parties</i>	23	30
<b>TOTAL REVENUES</b>	<b>66,886</b>	<b>70,372</b>
<b>Costs</b>		
Raw material costs	(5,953)	(6,013)
Personnel costs	(30,047)	(29,759)
<i>of which non-recurring charges</i>	(1,997)	(851)
Other operating charges	(31,797)	(37,168)
<i>of which related parties</i>	(1,094)	(2,776)
<b>TOTAL COSTS</b>	<b>(67,797)</b>	<b>(72,940)</b>
<b>EBITDA</b>	<b>(911)</b>	<b>(2,568)</b>
Amortisation, depreciation and other write-downs	(3,450)	(1,436)
<b>EBIT</b>	<b>(4,361)</b>	<b>(4,004)</b>
Financial income	5,890	5,645
<i>of which related parties</i>	5,850	5,525
Financial charges	(524)	(486)
<i>of which related parties</i>	(21)	-
<b>Net financial result</b>	<b>5,366</b>	<b>5,159</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>1,005</b>	<b>1,155</b>
Income taxes for the period	642	1,062
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1,647</b>	<b>2,217</b>
Group net loss	1,647	2,217
Minority interest share	-	-
Earnings per share	0.015	0.018
Diluted earnings per share	0.015	0.018

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



*(in Euro thousands)*

	<b>1st half 2019</b>	<b>1st half 2018</b>
<b>Net loss for the year</b>	<b>1,647</b>	<b>2,217</b>
<b>Items which are not reclassified subsequently to profit/(loss) for the period</b>		
Gain/(loss) from recalculation of capital instruments assets, net of fiscal effect	12,304	(5,093)
<b>Total other items of the Comprehensive Income Statement</b>	<b>12,304</b>	<b>(5,093)</b>
<b>Total comprehensive loss for the year</b>	<b>13,951</b>	<b>(2,876)</b>
<b>Attributable to:</b>		
Parent Company shareholders	13,951	(2,876)
Minority interest	-	-

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



<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
<b>Balance at January 1st 2018</b>	125,000	(18,865)	(2,224)	660	373,830	(29,633)	448,768	-	448,768
IFRS 9 application					(570)		(570)		(570)
<b>Balance at January 1st 2018 redefined</b>	125,000	(18,865)	(2,224)	660	373,260	(29,633)	448,198	-	448,198
Previous year result carried forward					(29,633)	29,633	-		-
Acquisition of treasury shares			141		54		195		195
<b>Total operations with shareholders</b>	-	-	141	-	(29,579)	29,633	195	-	195
Change in fair value reserve				(5,093)			(5,093)		(5,093)
Net Result						2,217	2,217		2,217
<b>Comprehensive Profit/(Loss) for the year</b>	-	-	-	(5,093)	-	2,217	(2,876)	-	(2,876)
Other Changes					4		4		4
<b>Balance at June 30th 2018</b>	125,000	(18,865)	(2,083)	(4,433)	343,685	2,217	445,521	-	445,521
<b>Balance at January 1st 2019</b>	125,000	(18,865)	(23,641)	(3,002)	343,981	(8,298)	415,175	-	415,175
Previous year result carried forward					(8,298)	8,298	-		-
<b>Total operations with shareholders</b>	-	-	-	-	(8,298)	8,298	-	-	-
Change in fair value reserve				12,304			12,304		12,304
Net Result						1,647	1,647		1,647
<b>Comprehensive Profit/(Loss) for the year</b>	-	-	-	12,304	-	1,647	13,951	-	13,951
Other Changes					110		110		110
<b>Balance at June 30th 2019</b>	125,000	(18,865)	(23,641)	9,302	335,793	1,647	429,236	-	429,236

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



(in Euro thousands)

	<b>1st half 2019</b>	<b>1st half 2018</b>
<b>CASH AND CASH EQUIV. AT BEGINNING OF YEAR</b>	<b>109,656</b>	<b>136,498</b>
Net loss for the year	1,647	2,217
Amortisation & Depreciation	3,085	1,376
(Revaluations) and write-downs	335	14
Net financial income/(charges)	(5,366)	(5,159)
(Gains)/losses on disposals	(1)	-
Income taxes	(642)	(1,062)
Changes in employee provisions	(571)	(753)
Changes in current and non-current provisions	739	(189)
<b>OPER. CASH FLOW BEFORE CHAN. IN W.CAPITAL</b>	<b>(774)</b>	<b>(3,556)</b>
(Increase) Decrease in inventories	(88)	(13)
(Increase) Decrease in Trade receivables	4,177	6,358
Increase (Decrease) in Trade payables	(2,396)	384
Change in other current and non-current liabilities	(1,412)	(2,911)
Change in deferred and current income taxes	213	45
<b>OPERATING CASH FLOW</b>	<b>(280)</b>	<b>307</b>
Dividends received	5,850	5,525
Interest received	40	120
Interest paid	(345)	(287)
Income taxes paid	(258)	(38)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>5,007</b>	<b>5,627</b>
Investments in intangible fixed assets	(108)	(106)
Investments in tangible fixed assets	(180)	(96)
Non-current investments and securities	-	(12,287)
Sale of intangible and tangible assets	-	8
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(288)</b>	<b>(12,481)</b>
Change in current fin. liabilities	(2,646)	167
Other changes	-	195
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(2,646)</b>	<b>362</b>
D) Effect exc. diffs. on cash & cash equivalents	-	-
<b>Change in net liquidity</b>	<b>2,073</b>	<b>(6,492)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>111,729</b>	<b>130,006</b>