



CAIRO COMMUNICATION

Press Release – Interim Management Report at 30 September 2013

- In 9M13 the Cairo Communication Group continued to achieve highly positive results in its traditional segments and on 30 April acquired control of La7, starting operations in the TV publishing field
- On a like-for-like basis with 2012 (magazine publishing and advertising):
 - consolidated gross revenue amounted to Euro 198.2 million (Euro 232.9 million in 2012);
 - consolidated gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent came to Euro 17.2 million, Euro 15.2 million and Euro 10.8 million (Euro 23.5 million, Euro 21.3 million and Euro 13.3 million in 2012)
- Considering the Group's scope of business in its entirety, including the TV publishing segment in the May-September five-month period of 2013, for current operations alone:
 - consolidated gross revenue amounted to Euro 201 million (Euro 232.9 million in 2012), slightly above Euro 198.2 million on a like-for-like basis, since over 90% of La7 revenue is and was generated by the existing advertising concession contract with Cairo Communication
 - consolidated gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent came to Euro 17.7 million, Euro 14.9 million and Euro 12.9 million (Euro 23.5 million, Euro 21.3 million and Euro 13.3 million in 2012), results that benefited in the consolidated financial statements from lower operating costs of Euro 0.8 million and lower depreciation and amortization of Euro 10.8 million due to valuation adjustments made in the purchase price allocation of La7
 - in the May-September five-month period of 2013, La7's gross operating profit (EBITDA) is substantially at break-even
- Including non-recurring income and charges from the acquisition of La7:
 - consolidated gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent came to Euro 15.8 million, Euro 13 million and Euro 60.9 million (Euro 23.5 million, Euro 21.3 million and Euro 13.3 million in 2012), the latter due to "non-recurring income from the acquisition of La7", amounting to Euro 49.9 million.

Milan, 13 November 2013: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Interim Management Report at 30 September 2013.

In 9M13, the Cairo Communication Group, despite the high degree of uncertainty of the economic context in general and specifically of its relevant markets (advertising and publishing):

- continued its development strategy with the launch of "Settimanale Giallo", the weekly led by Andrea Biavardi, which was launched on 11 April with good circulation figures,
- consolidated the results of "Settimanale Nuovo" and "F" launched in 2012,
- worked on improving the levels of efficiency reached in containing production, publishing and distribution costs, with a series of measures whose effects will extend into the fourth quarter of the year;
- achieved highly positive results in its traditional segments, despite the contraction in advertising revenue due to the relevant market trend;
- completed the acquisition of La7 and started operations as a TV publisher.

On 30 April 2013, the Group completed the acquisition of La7. The financial situation of the company called for the implementation of a restructuring plan aimed at reorganizing and streamlining the corporate structure and at curbing costs, while retaining the high quality levels of the programming schedule. Under the agreements, the seller undertook to contribute to the realization of this project, with Telecom Italia Media's commitment, at the date of finalization of the transaction, to achieve the agreed levels of net financial position, net working capital and equity.

In 9M13, **on a like-for-like basis** with 2012 (magazine publishing, advertising and Il Trovatore), consolidated gross revenue amounted to approximately Euro 198.2 million (Euro 232.9 million in 9M12), driven down mainly by the declining advertising market (January-September nine-month period of 2013, -13.1% and -24.3% the TV and magazine advertising markets, ACNielsen). Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 17.2 million and Euro 15.2 million, down versus 9M12 (Euro 23.5 million and Euro 21.3 million), also due to the absence in 2013 of the “paper subsidy” of Euro 0.9 million set out in the 2011 Stability Law and recognized in 9M12. Profit attributable to the owners of the parent came to approximately Euro 10.8 million (Euro 13.3 million in 9M12).

Considering the Group’s **scope of business in its entirety**, including the results of the TV publishing segment (La7) in the May-September five-month period of 2013, in 9M13, looking at **current operations** alone, consolidated gross revenue amounted to approximately Euro 201 million (Euro 232.9 million in 9M12), slightly above Euro 198.2 million on a like-for-like basis, since over 90% of La7 revenue is generated by the existing advertising concession contract with Cairo Communication. Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 17.7 million and Euro 14.9 million, dropping versus 9M12 (Euro 23.5 million and Euro 21.3 million). Profit attributable to the owners of the parent came to approximately Euro 12.9 million (Euro 13.3 million in 9M12). Specifically:

- regarding the **TV publishing segment**, starting from May, the Group began to implement its plan to restructure La7, with the aim of curbing losses as early as 2013 and achieving a turnaround. In the May-September five-month period of 2013, gross operating profit (EBITDA) and operating profit (EBIT) in this segment came to approximately Euro 0.6 million and to a negative Euro 0.2 million. These results benefited in the consolidated financial statements from lower operating costs of Euro 0.8 million and from lower amortization and depreciation of Euro 10.8 million (for a total of Euro 11.6 million) due to valuation adjustments made in the purchase price allocation of the investment. Net of these effects, in the May-September five-month period of 2013 La7’s gross operating profit (EBITDA) would have been substantially at break-even (a negative Euro 0.2 million), while operating loss would have come to approximately Euro 11.9 million, improving strongly versus the trend reported over the previous months, also considering how each single month normally contributes differently to the year’s results (in the April-September six-month period of 2012, gross operating loss and operating loss had amounted to approximately Euro 33 million and to approximately Euro 47 million¹). In 9M13, La7’s all-day share shot up by 12.9% and by as much as 30.1% in prime time (3.84% average all-day share and 4.84% average prime-time share, from 8.30 PM to 11.30 PM), with a high-quality target audience;
- looking at the **magazine publishing segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 9.2 million and Euro 8.4 million (Euro 11.3 million and Euro 10.2 million in 9M12, when the “paper subsidy” of Euro 0.9 million had been recognized). In 9M13, circulation figures were basically in line with 9M12. With approximately 2.1 million average weekly copies sold in August 2013, the Group is the leading publisher in copies of weeklies sold at newsstands, with an approximately 23% market share. “Settimanale Giallo” in the first 25 issues reported average sales of approximately 163 thousand copies. Total costs of approximately Euro 1 million were incurred for its launch, which was supported by an advertising campaign also at newsstands;
- as for the **advertising segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 7.9 million and Euro 6.8 million (Euro 12.3 million and Euro 11.1 million in 9M12), due mainly to the advertising market trend. Starting from June 2013, advertising revenue began picking up pace; in 3Q13 in particular, advertising sales on La7 and La7d reached Euro 26.6 million, growing by approximately 3.5% versus 3Q12 (Euro 25.7 million), continuing the trend that had started in June, and rebounding versus the performance reported in the first five

¹ Source: Figure estimated on the basis of segment information drawn from the 2012 interim report at 31 March 2012 and the interim report at 30 September 2012 of Telecom Italia Media S.p.A available on the websites of Borsa Italiana and Telecom Italia Media

months of the year. Advertising sales on La7 and La7d in October 2013, amounting to Euro 18.5 million and increasing by 2.5% versus October 2012, confirmed this trend.

Including “non-recurring income and charges from the acquisition of La7”, the Group’s gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 15.8 million and Euro 13 million. Profit attributable to the owners of the parent amounted to approximately Euro 60.9 million, as a result mainly of “non-recurring income from the acquisition of La7”, recognized under IFRS 3 through the acquisition method, which refers to the difference between the fair value of acquired assets and liabilities assumed at the date of acquisition and the purchase price, and is explained, in financial terms, primarily by the future operating losses that may show in the following years, before conclusion of the restructuring plan. “Non-recurring income from the acquisition of La7 S.r.l.”, which had been recognized at 30 June 2013 for an amount of Euro 54.7 million, was written down for an amount of Euro 4.8 million, which is the price adjustment agreed by the Cairo Communication Group and Telecom Italia Media, following conclusion, on 25 October 2013, of the procedure for the review of the financial statements of La7 at the effective date of the disposal, considering that the net equity of La7 recorded at that date was higher than the value provided in the agreement. This price adjustment adjusted the provisional amounts recognized in the half-year position at 30 June 2013 and is, therefore, not reflected in the 3Q13 results below. Mention must be made that the fair value of acquired assets and liabilities and, therefore, non-recurring income, have been for the time being determined provisionally based on the best information available at the date of preparation of the interim report at 30 September 2013

In 3Q13:

- **on a like-for-like basis** with 2012 (magazine publishing, advertising and Il Trovatore), consolidated gross revenue amounted to approximately Euro 54.8 million (Euro 59.7 million in 3Q12). Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 5.1 million and Euro 4.2 million (Euro 6.8 million and Euro 5.9 million);
- considering the Group’s **scope of business in its entirety**, including the results in 3Q13 of the TV publishing segment (La7), consolidated gross revenue amounted to approximately Euro 57.5 million (Euro 59.7 million in 3Q12). Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 5.2 million and Euro 4 million (Euro 6.8 million and Euro 5.9 million in 3Q12). Profit attributable to the owners of the parent came to approximately Euro 4.5 million (Euro 3.2 million in 3Q12). Specifically, gross operating profit (EBITDA) and operating profit (EBIT) in the TV publishing segment came to approximately Euro 0.2 million and to a negative Euro 0.2 million. These results benefited in the consolidated financial statements from lower operating costs of Euro 0.8 million and from lower amortization and depreciation of Euro 6.7 million (for a total of Euro 7.5 million) due to valuation adjustments made in the purchase price allocation of La7. Net of these impacts, the gross operating profit (EBITDA) and operating profit (EBIT) of La7 S.r.l. in the quarter would have come to a negative Euro 0.6 million and to a negative Euro 7.7 million respectively, when in the same quarter of 2012 the gross operating loss and operating loss had exceeded Euro 13 million and Euro 20 million respectively².

The consolidated **net financial position** at 30 September 2013 showed a positive figure of approximately Euro 185.2 million (approximately Euro 61.2 million at 31 December 2012). Mention must be made of the coupon detachment on 13 May and the distribution of the balance of the dividend, amounting to Euro 0.14 per share for a total of Euro 10.9 million, under the resolution adopted by the Shareholders’ Meeting on 29 April 2013. The acquisition of La7 S.r.l. generated, at 30 April 2013, an increase in consolidated cash and cash equivalents of Euro 114 million. As mentioned earlier, after 3Q13, Telecom Italia Media and Cairo Communication agreed on payment by the Cairo Communication Group of Euro 4.8 million to Telecom Italia Media as a price adjustment.

² Source: Figure estimated on the basis of segment information drawn from the 2012 half-year report and the interim report at 30 September 2012 of Telecom Italia Media S.p.A available on the websites of Borsa Italiana and Telecom Italia Media.

In 2013, the general economic and financial climate, marked by a high degree of uncertainty, is continuing to show its effects, creating an increasingly complex competitive scenario.

Despite this backdrop, looking at the traditional segments (magazine publishing and advertising sales), and given the high quality of the publications and of the media under concession, the Group considers it a feasible target to achieve highly positive operating results also in the second half of 2013.

Regarding the TV publishing segment, starting from May, the Group began to implement its plan to restructure La7 and succeeded as early as in the May-September five-month period of 2013 to achieve a substantial break-even of EBITDA. In 4Q12, excluding the impairment of goodwill and non-current assets, La7 had reported gross operating loss (EBITDA) and operating loss (EBIT) pro-forma of respectively Euro 18 million and Euro 26.5 million³.

In 4Q13, the Group will continue to execute the restructuring plan with the aim of achieving a turnaround by adopting the following main guidelines:

- confirming the current editorial line and those programs that represent the main strength of the channel,
- curbing costs, focusing in particular on “unproductive” cost items and items that exceed the cost/benefit ratio, and on recovering efficiency,
- enhancing the high quality of the La7 target audience, to maintain and develop the high level of advertising revenue against the general market backdrop.

However, the evolution of the general economic situation could affect the full achievement of these targets.

The Financial Reporting Manager of Cairo Communication S.p.A., Marco Pompignoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Law, that the accounting information contained in this press release is consistent with the underlying accounting documents, books and records.

Cairo Communication is one of the leading groups in the weekly magazine, TV publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach, beginning with magazine and expanding later into free, digital and pay TV and the Internet.

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This press release is also available on the Company's website www.cairocommunication.it
in the section NOTICES AND DOCUMENTS / PRESS RELEASES

³ Source: Figure estimated on the basis of segment information drawn from the 2012 annual financial report and from the interim report at 30 September 2012 of Telecom Italia Media S.p.A. available on the websites of Borsa Italiana and Telecom Italia Media

Summary of the main consolidated income statement figures at 30 September 2013

The main consolidated income statement figures of 9M13 and of 3Q13 can be compared as follows with those of the same periods of 2012:

(€ thousands)	30/09/2013 (Nine months)		30/09/2012 (Nine months)	
	Current operations	Non- recurring items	Total	
Gross operating revenue	197,315	-	197,315	230,407
Advertising agency discounts	(19,245)	-	(19,245)	(24,929)
Net operating revenue	178,070	-	178,070	205,478
Change in inventory	(65)	-	(65)	(4)
Other revenue and income	3,637	-	3,637	2,502
Total revenue	181,642	-	181,642	207,976
Production cost	(130,979)	(1,917)	(132,896)	(166,093)
Personnel expense	(32,908)	-	(32,908)	(18,342)
Gross operating profit (EBITDA)	17,755	(1,917)	15,838	23,541
Amortization, depreciation, provisions and impairment losses	(2,821)	-	(2,821)	(2,209)
Operating profit (EBIT)	14,934	(1,917)	13,017	21,332
Net financial income	2,278	-	2,278	1,189
Income / (loss) on investments	699	-	699	(1,461)
Non-recurring income from acquisition of La7 S.r.l.	-	49,912	49,912	-
Pre-tax profit	17,911	47,995	65,906	21,060
Income tax	(4,954)	-	(4,954)	(7,725)
Non-controlling interests	(1)	-	(1)	1
Profit from continuing operations attributable to the owners of the parent	12,956	47,995	60,951	13,336
Profit / (loss) from discontinued operations	(1)	-	(1)	(1)
Profit attributable to the owners of the parent	12,955	47,995	60,950	13,335

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(€ thousands)	30/09/2013 (Three months)		30/09/2012 (Three months)	
	Current operations	Non- recurring items	Total	
Gross operating revenue	56,766	-	56,766	59,101
Advertising agency discounts	(4,711)	-	(4,711)	(5,298)
Net operating revenue	52,055	-	52,055	53,803
Change in inventory	12	-	12	(36)
Other revenue and income	741	-	741	584
Total revenue	52,808	-	52,808	54,351
Production cost	(33,708)	-	(33,708)	(41,719)
Personnel expense	(13,874)	-	(13,874)	(5,815)
Gross operating profit (EBITDA)	5,226	-	5,226	6,817
Amortization, depreciation, provisions and impairment losses	(1,243)	-	(1,243)	(888)
Operating profit (EBIT)	3,983	-	3,983	5,929
Net financial income	898	-	898	305
Income / (loss) on investments	136	-	136	(841)
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-
Pre-tax profit	5,017	-	5,017	5,393
Income tax	(525)	-	(525)	(2,166)
Non-controlling interests	(1)	-	(1)	-
Profit from continuing operations attributable to the owners of the parent	4,491	-	4,491	3,227
Profit / (loss) from discontinued operations	(1)	-	(1)	-
Profit attributable to the owners of the parent	4,490	-	4,490	3,227

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The Group **statement of comprehensive income** can be analyzed as follows

(€ thousands)	30/09/2013 (Nine months)	30/09/2013 (Quarter)	30/09/2012 (Nine months)	30/09/2012 (Quarter)
Consolidated statement of comprehensive income				
Profit attributable to owners of the parent	60,950	4,490	13,335	3,227
Profit on measurement of available-for-sale financial assets	-	(156)	-	-
Actuarial profit (loss) from defined benefit plans	77	-	-	-
Tax effect	(21)	-	-	-
Total comprehensive income	61,006	4,334	13,335	3,227

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Summary of the main figures of the consolidated statement of financial position at 30 September 2013

The main figures of the **consolidated statement of financial position** at 30 September 2013 can be compared with the situation at 31 December 2012:

(€ thousands)	30/09/2013	31/12/2012
Balance sheet		
Property, plant and equipment	3,004	2,942
Intangible assets	11,274	9,107
Financial assets	585	79
Deferred tax assets	4,199	4,263
Net current assets	(40,554)	(10,906)
Total assets	(26,492)	5,485
Non-current borrowings and provisions	52,006	6,365
(Net financial assets)/Net debt	(185,260)	(61,234)
Equity attributable to the owners of the parent	111,757	60,350
Equity attributable to non-controlling interests	5	4
Total equity and liabilities	(26,492)	5,485

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The consolidated **net financial position** at 30 September 2013, versus the situation at 31 December 2012, can be summarized as follows:

(€ thousands)	30/09/2013	31/12/2012	Change
Cash and cash equivalents	185,260	61,234	124,026
Current financial assets	-	-	-
Total	185,260	61,234	124,026

Segment reporting at 30 September 2013

The results in **9M13** and in **3Q13** for **each main business segment** (magazine publishing, advertising and Il Trovatore), can be analyzed as follows with those of the same periods of 2012:

30/09/2013 (Nine months)	Magazine publishing	Advertising	TV publishing La7 (*)	Trovato- re	Unallocate d operations	Intra- group	Total	
(€ thousands)			Current operations	Non- recurring items				
Gross operating revenue	74,497	134,202	41,510	-	276	-	(53,170)	197,315
Advertising agency discounts	0	(19,245)	-	-	-	-	-	(19,245)
Net operating revenue	74,497	114,957	41,510	-	276	-	(53,170)	178,070
Change in inventory	(65)	-	-	-	-	-	-	(65)
Other income	1,899	3,988	508	-	1	-	(2,759)	3,637
Total revenue	76,331	118,945	42,018	-	277	-	(55,929)	181,642
Production cost	(53,010)	(106,572)	(27,085)	(1,917)	(241)	-	55,929	(132,896)
Personnel expense	(14,080)	(4,433)	(14,371)	-	(24)	-	-	(32,908)
Gross operating profit (EBITDA)	9,241	7,940	562	(1,917)	12	-	-	15,838
Amortization, depreciation, provisions and impairment losses	(850)	(1,174)	(797)	-	-	-	-	(2,821)
Operating profit (EBIT)	8,391	6,766	(235)	(1,917)	12	-	-	13,017
Income / (loss) on investments	-	699	-	-	-	-	-	699
Net financial income	49	1,004	1,226	-	(1)	-	-	2,278
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	49,912	-	-	-	49,912
Pre-tax profit	8,440	8,469	991	47,995	11	-	-	65,906
Income tax	(3,217)	(2,941)	1,208	-	(4)	-	-	(4,954)
Non-controlling interests	-	-	-	-	(1)	-	-	(1)
Profit from continuing operations attributable to the owners of the parent	5,223	5,528	2,199	47,995	6	-	-	60,951
Profit / (loss) from discontinued operations	-	-	-	-	-	(1)	-	(1)
Profit	5,223	5,528	2,199	47,995	6	(1)	-	60,950

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(*) The amounts shown for the "TV Publishing" segment refer to the five-month period from 1 May 2013 to 30 September 2013

30/09/2012 (Nine months)	Magazine publishing	Advertising	TV publishing La7	Trovato- re	Unallocated operations	Intra- group	Total	
(€ thousands)			Current operations	Non- recurring items				
Gross operating revenue	83,212	171,289	-	-	261	-	(24,355)	230,407
Advertising agency discounts	-	(24,929)	-	-	-	-	-	(24,929)
Net operating revenue	83,212	146,360	-	-	261	-	(24,355)	205,478
Change in inventory	(4)	-	-	-	-	-	-	(4)
Other income	2,400	101	-	-	1	-	-	2,502
Total revenue	85,608	146,461	-	-	262	-	(24,355)	207,976
Production cost	(60,216)	(129,989)	-	-	(243)	-	24,355	(166,093)
Personnel expense	(14,110)	(4,207)	-	-	(25)	-	-	(18,342)
Gross operating profit (EBITDA)	11,282	12,265	-	-	(6)	-	-	23,541
Amortization, depreciation, provisions and impairment losses	(1,065)	(1,140)	-	-	(4)	-	-	(2,209)
Operating profit (EBIT)	10,217	11,125	-	-	(10)	-	-	21,332
Net financial income	173	1,018	-	-	(2)	-	-	1,189
Income (loss) on investments	-	(1,461)	-	-	-	-	-	(1,461)
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-	-
Pre-tax profit	10,390	10,682	-	-	(12)	-	-	21,060
Income tax	(3,519)	(4,199)	-	-	(7)	-	-	(7,725)
Non-controlling interests	-	-	-	-	1	-	-	1
Profit from continuing operations attributable to the owners of the parent	6,871	6,483	-	-	(18)	-	-	13,336
Loss from discontinued operations	-	-	-	-	-	(1)	-	(1)
Profit	6,871	6,483	-	-	(18)	(1)	-	13,335

30/09/2013 (Three months) (€ thousands)	Magazine publishing	Advertising	TV publishing La7 (*)	Trovat o-re	Unallocated operations	Intra- group	Total
			Current operations	Non- recurring items			
Gross operating revenue	26,459	32,978	19,282	-	92	(22,045)	56,766
Advertising agency discounts	-	(4,711)	-	-	-	-	(4,711)
Net operating revenue	26,459	28,267	19,282	-	92	(22,045)	52,055
Change in inventory	12	-	-	-	-	-	12
Other income	432	236	227	-	1	(155)	741
Total revenue	26,903	28,503	19,509	-	93	(22,200)	52,808
Production cost	(17,934)	(26,512)	(11,387)	-	(75)	22,200	(33,708)
Personnel expense	(4,362)	(1,550)	(7,955)	-	(7)	-	(13,874)
Gross operating profit (EBITDA)	4,607	441	167	-	11	-	5,226
Amortization, depreciation, provisions and impairment losses	(281)	(589)	(373)	-	-	-	(1,243)
Operating profit (EBIT)	4,326	(148)	(206)	-	11	-	3,983
Income / (loss) on investments	-	136	-	-	-	-	136
Net financial income	29	174	695	-	-	-	898
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-
Pre-tax profit	4,355	162	489	-	11	-	5,017
Income tax	(1,628)	(103)	1,208	-	(2)	-	(525)
Non-controlling interests	-	-	-	-	(1)	-	(1)
Profit from continuing operations attributable to the owners of the parent	2,727	59	1,697	-	8	-	4,491
Profit / (loss) from discontinued operations	-	-	-	-	-	(1)	(1)
Profit	2,727	59	1,697	-	8	(1)	4,490

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30/09/2012 (Three months) (€ thousands)	Magazine publishing	Advertising	TV publishing La7	Trovato- re	Unallocated operations	Intra-group	Total
			Current operations				
Gross operating revenue	29,725	36,865	-	-	86	(7,575)	59,101
Advertising agency discounts	-	(5,298)	-	-	-	-	(5,298)
Net operating revenue	29,725	31,567	-	-	86	(7,575)	53,803
Change in inventory	(36)	-	-	-	-	-	(36)
Other income	544	39	-	-	1	-	584
Total revenue	30,233	31,606	-	-	87	(7,575)	54,351
Production cost	(20,725)	(28,489)	-	-	(80)	7,575	(41,719)
Personnel expense	(4,579)	(1,228)	-	-	(8)	-	(5,815)
Gross operating profit (EBITDA)	4,929	1,889	-	-	(1)	-	6,817
Amortization, depreciation, provisions and impairment losses	(342)	(546)	-	-	-	-	(888)
Operating profit (EBIT)	4,587	1,343	-	-	(1)	-	5,929
Net financial income	46	260	-	-	(1)	-	305
Income / (loss) on investments	-	(841)	-	-	-	-	(841)
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-
Pre-tax profit	4,633	762	-	-	(2)	-	5,393
Income tax	(1,596)	(567)	-	-	(3)	-	(2,166)
Non-controlling interests	-	(1)	-	-	1	-	-
Profit from continuing operations attributable to the owners of the parent	3,037	194	-	-	(4)	-	3,227
Profit / (loss) from discontinued operations	-	-	-	-	-	-	-
Profit	3,037	194	-	-	(4)	-	3,227

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Details of consolidated revenue at 30 September 2013

The breakdown of **gross operating revenue** in **9M13** and in **3Q13**, split up by main business segment (magazine publishing, advertising, TV publishing (La7) and Il Trovatore) can be analyzed as follows by comparing the amounts with the same periods of 2012:

Gross revenue (€ thousands)	Quarter at 30/09/2013					
	(Nine months)					
	Magazine publishing	Advertising	TV publishing (La7)	Trovatore	Intra-group eliminations	Total
Magazine over-the-counter sales	57,216	-	-	-	-	57,216
Print media advertising	15,789	20,815	-	-	(15,614)	20,990
TV advertising	-	110,934	39,287	-	(36,942)	113,279
Stadium signage	-	1,773	-	-	-	1,773
Internet advertising	-	245	268	21	-	534
Revenue from concession of programming schedule spaces	-	-	1,026	-	-	1,026
Other TV revenue	-	-	929	-	-	929
Subscriptions	2,260	-	-	-	-	2,260
Books and catalogues	318	-	-	-	-	318
Other revenue	-	435	-	255	(614)	76
VAT relating to publications	(1,086)	-	-	-	-	(1,086)
Total gross operating revenue	74,497	134,202	41,510	276	(53,170)	197,315
Other revenue	1,899	3,988	508	1	(2,759)	3,637
Total revenue	76,396	138,190	42,018	277	(55,929)	200,952

Gross revenue (€ thousands)	Quarter at 30/09/2012					
	(Nine months)					
	Magazine publishing	Advertising	TV publishing (La7)	Trovatore	Intra-group eliminations	Total
Magazine over-the-counter sales	57,730	-	-	-	-	57,730
Print media advertising	23,862	27,744	-	-	(23,741)	27,865
TV advertising	-	140,700	-	-	-	140,700
Stadium signage	-	1,284	-	-	-	1,284
Internet advertising	-	1,110	-	23	-	1,133
Revenue from concession of programming schedule spaces	-	-	-	-	-	-
Other TV revenue	-	-	-	-	-	-
Subscriptions	2,284	-	-	-	-	2,284
Books and catalogues	457	-	-	-	-	457
Other revenue	4	451	-	238	(614)	79
VAT relating to publications	(1,125)	-	-	-	-	(1,125)
Total gross operating revenue	83,212	171,289	-	261	(24,355)	230,407
Other revenue	2,400	101	-	1	-	2,502
Total revenue	85,612	171,390	-	262	(24,355)	232,909

Gross revenue		Quarter at 30/09/2013					Total
		(€ thousands)					
		Magazine publishing	Advertising	TV publishing	Trovatore	Intra-group eliminations	
		(La7)					
Magazine over-the-counter sales		21,251	-	-	-	-	21,251
Print media advertising		4,877	6,563	-	-	(4,988)	6,452
TV advertising		-	25,684	18,356	-	(16,852)	27,188
Stadium signage		-	431	-	-	-	431
Internet advertising		-	155	63	6	-	224
Revenue from concession of programming schedule spaces		-	-	556	-	-	556
Other TV revenue		-	-	307	-	-	307
Subscriptions		740	-	-	-	-	740
Books and catalogues		69	-	-	-	-	69
Other revenue		-	145	-	86	(205)	26
VAT relating to publications		(478)	-	-	-	-	(478)
Total gross operating revenue		26,459	32,978	19,282	92	(22,045)	56,766
Other revenue		432	236	227	1	(155)	741
Total revenue		26,891	33,214	19,509	93	(22,200)	57,507

Gross revenue		Quarter at 30/09/2012					Total
		(€ thousands)					
		Magazine publishing	Advertising	TV publishing	Trovatore	Intra-group eliminations	
		(La7)					
Magazine over-the-counter sales		22,085	-	-	-	-	22,085
Print media advertising		7,393	7,964	-	-	(7,370)	7,987
TV advertising		-	28,024	-	-	-	28,024
Stadium signage		-	412	-	-	-	412
Internet advertising		-	315	-	6	-	321
Revenue from concession of programming schedule spaces		-	-	-	-	-	-
Other TV revenue		-	-	-	-	-	-
Subscriptions		720	-	-	-	-	720
Books and catalogues		45	-	-	-	-	45
Other revenue		4	150	-	80	(205)	29
VAT relating to publications		(522)	-	-	-	-	(522)
Total gross operating revenue		29,725	36,865	-	86	(7,575)	59,101
Other revenue		544	39	-	1	-	584
Total revenue		30,269	36,904	-	87	(7,575)	59,685

Summary of the main income statement figures of the Parent at 30 September 2013

The main **income statement figures of the Parent** in **9M13** and in **3Q13** can be compared with those in the same periods of 2012:

(€ thousands)	30/09/2013 (Nine months)	30/09/2013 (Quarter)	30/09/2012 (Nine months)	30/09/2012 (Quarter)
Gross operating revenue	83,625	20,081	100,328	20,065
Advertising agency discounts	-	-	-	-
Net operating revenue	83,625	20,081	100,328	20,065
Other revenue and income	3,283	-	11	(1)
Total revenue	86,908	20,081	100,339	20,064
Production cost	(79,118)	(18,508)	(90,342)	(17,424)
Personnel expense	(2,060)	(644)	(1,984)	(608)
Gross operating profit (EBITDA)	5,730	929	8,013	2,032
Amortization, depreciation, provisions and impairment losses	(166)	(87)	(148)	(50)
Operating profit (EBIT)	5,564	842	7,865	1,982
Net financial income	888	130	812	190
Income (loss) on investments	3,774	45	14,600	(459)
Pre-tax profit	10,226	1,017	23,277	1,713
Income tax	(2,268)	(350)	(2,992)	(690)
Profit from continuing operations	7,958	668	20,285	1,023
Loss from discontinued operations	-	-	(1)	-
Profit	7,958	668	20,284	1,023

Unaudited reclassified statements

The **statement of comprehensive income** of the Parent can be analyzed as follows:

(€ thousands)	30/09/2013 (Nine months)	30/09/2013 (Quarter)	30/09/2012 (Nine months)	30/09/2012 (Quarter)
Statement of comprehensive income of the Parent				
Profit	7,958	668	20,284	1,023
Profit on measurement of available-for-sale financial assets	-	(69)	-	-
Total statement of comprehensive income	7,958	599	20,284	1,023

Unaudited reclassified statements

Summary of the main figures of the statement of financial position of the Parent at 30 September 2013

The main figures of the **statement of financial position** at 30 September 2013 of Cairo Communication S.p.A. can be analyzed versus the situation at 31 December 2012:

(€ thousands)	30/09/2013	31/12/2012
Balance sheet		
Property, plant and equipment	526	520
Intangible assets	374	159
Financial assets	17,618	14,032
Other non-current assets	13	399
Net current assets	5,761	(160)
Total assets	24,292	14,950
Non-current borrowings and provisions	1,048	1,008
(Net financial position)/Net debt	(34,524)	(45,426)
Equity	57,768	59,368
Total equity and liabilities	24,292	14,950

Unaudited reclassified statements

The **net financial position** of the Parent at 30 September 2013 versus the situation at 31 December 2012 is summarized below:

(€ thousands)	30/09/2013	31/12/2012	Change
Cash and cash equivalents	34,524	45,426	(10,902)
Current financial assets	-	-	-
Total	34,524	45,426	(10,902)

Alternative performance indicators

In order to provide a better reading of the financial performance of the Cairo Communication Group, besides of the conventional IFRS financial indicators, alternative performance indicators appear in this press release, but must not be considered to replace those of the IFRS.

The indicators are:

- **Gross operating profit (EBITDA):** adopted by Cairo Communication as a target to monitor internal management and for public presentations (for analysts and investors), representing a unit of measurement to assess operating performance of the Group and Parent Company, alongside **operating profit (EBIT)**. These indicators are calculated as follows:

Profit from continuing operations, pre-tax

+/- Net finance income

+/- Share in associates

EBIT- Operating profit

+ Amortization and depreciation

+ Bad debt impairment losses

+ Provisions for risks

EBITDA - Operating profit, before amortization, depreciation, write-downs and impairment losses.

The Cairo Communication Group also considers **net financial position** as a valid indicator of the Group's ability to meet financial obligations, both current and future. As seen in the table included in this press release, which details the equity figures used for the calculation of Group net financial position, this figure includes cash and other cash equivalents, bank deposits, securities and other current financial assets, reduced by current and non-current bank borrowings