



CAIRO COMMUNICATION

Press Release – Interim Management Report at 30 September 2014

In 9M14 the Cairo Communication Group continued to achieve positive results in its traditional segments (magazine publishing and advertising) and worked on strengthening the results of the cost rationalization measures in the TV publishing segment (La7) implemented in 2013:

- **consolidated gross revenue amounted to Euro 198.6 million (Euro 200.9 million in 2013)**
- **consolidated gross operating profit (EBITDA) and operating profit (EBIT) grew to Euro 21.6 million and Euro 17.6 million (+21.4% and +17.8% versus the same results of current operations in 9M13)**
- **consolidated profit grew strongly to approximately Euro 18.9 million (+46% versus consolidated profit of current operations in 9M13)**
- **La7 operations generated a positive gross operating profit (EBITDA) of Euro 5.9 million (versus a gross operating loss of Euro 28.5 million in the January-September nine-month period of 2013)**
- **gross operating profit (EBITDA) and operating profit (EBIT) from the magazine publishing segment grew to Euro 10.9 million and Euro 10.1 million, up 17.6% and 20.2% versus 9M13**

Milan, 14 November 2014: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Interim Management Report at 30 September 2014.

In 9M14, 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):

- strengthened the results of the cost rationalization measures in the TV publishing segment (La7) implemented during the eight months of activity in 2013, succeeding in achieving also in 9M14 a positive gross operating profit (EBITDA) of Euro 5.9 million, while in the January-September nine-month period of 2013 (when La7 in the first four months had not been included yet in the scope of consolidation of the Cairo Communication Group), gross operating loss had amounted to Euro 28.5 million;
- strengthened the results of “F”, “Settimanale Nuovo” and “Settimanale Giallo”, confirmed the high circulation levels of the other publications, and worked on improving the levels of efficiency reached in containing costs in the magazine publishing segment (production, publishing and distribution);
- kept advertising revenue levels high, despite the general market trend;
- achieved highly positive results in its traditional segments (magazine publishing and advertising), despite the general economic and financial context and relevant market trend;
- took part with the subsidiary Cairo Network in the tender procedure opened by the Ministry of Economic Development for the assignment of rights to use TV frequencies for digital terrestrial broadcasting systems, submitting its binding bid and winning the rights to use a lot of frequencies ("Mux") for a period of 20 years.

To provide a better understanding of the figures for comparative purposes, it should be noted that the 9M13 income statement included the results of La7 S.r.l., which entered the Group's scope of

consolidation on 1 May 2013, with regard only to the May-September five-month period of 2013. In addition, profit in 9M13 had benefited from the recognition in the income statement of “non-recurring income from the acquisition of La7”, recognized for an amount of Euro 49.9 million in the Interim Management Report at 30 September 2013, and then retrospectively adjusted to Euro 57.1 million, as shown in the financial statements attached to this press release.

In **9M14**, consolidated gross revenue came to approximately Euro 198.6 million, basically in line with 9M13 (Euro 200.9 million). The consolidation of La7 S.r.l. for the entire nine months (with respect to the May-September five-month period of 2013 included in the same period last year) brought no significant change to revenue, since over 90% of La7 S.r.l. revenue comes from advertising sales generated by Cairo Communication under the advertising concession contract in effect before the acquisition. Looking at current operations, consolidated gross operating profit (EBITDA) and operating profit (EBIT), amounting to approximately Euro 21.6 million and Euro 17.6 million, grew by 21.4% and 17.8% versus the same results of current operations in 9M13 (Euro 17.8 million and Euro 14.9 million). Consolidated profit, amounting to approximately Euro 18.9 million, grew strongly by approximately 46% versus the current operations in 9M13 (Euro 12.9 million). In 9M13, profit (Euro 68.1 million) included Euro 55.1 million, that is, non-recurring income and charges from the acquisition of La7.

Specifically, in 9M14:

- in the **TV publishing segment** (La7), the Group worked on strengthening the results of the rationalization and cost-curbing measures implemented in 2013. Gross operating profit (EBITDA) and operating profit (EBIT) came to approximately Euro 5.9 million and Euro 3.9 million, while La7 operations did not absorb cash (positive net financial position of Euro 118.8 million at 30 September 2014 versus Euro 115.8 million at 31 December 2013). Operating profit (EBIT) benefited in the consolidated financial statements from lower amortization and depreciation of Euro 15.5 million due to the write-down of tangible and intangible assets made in 2013 in the purchase price allocation of the investment. Net of these effects, it would have shown a negative figure of approximately Euro 11.6 million. In the January-September nine-month period of 2013 - when La7 had not been included yet for the entire period in the scope of consolidation of the Cairo Communication Group - gross operating loss had amounted to approximately Euro 28.5 million. In 9M14, La7's average all-day share was 3.32% and 3.88% in prime time (from 8:30 PM to 11:30 PM), with a high-quality target audience. La7d's share maintained its level at 0.5%;
- in the **magazine publishing segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 10.9 million and Euro 10.1 million, up by 17.6% and 20.2% versus the same results of 9M13 (Euro 9.2 million and Euro 8.4 million). The 9M14 period confirmed the excellent circulation results, with revenue at Euro 56 million (Euro 57.2 million in 3Q13). Regarding weeklies, with approximately 1.9 million average copies sold in the January-September nine-month period of 2014, the Group retains its position as the leading publisher in copies of weeklies sold at newsstands, with an over 25% market share;
- in the **advertising segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 4.8 million and Euro 3.6 million (Euro 7.9 million and Euro 6.8 million in 9M13). In 9M14, advertising sales on La7 and La7d, amounting to Euro 107.4 million, basically confirmed (-1.6%) the 9M13 result (Euro 109.1 million).

In **3Q14**, consolidated gross revenue amounted to approximately Euro 56.4 million (Euro 57.5 million in 3Q13). Gross operating profit (EBITDA) and operating profit (EBIT) came to approximately Euro 5.6 million and Euro 3.6 million, up 6.7% and down 8.7% versus 3Q13 (Euro 5.2 million and Euro 4 million). The change in operating profit is attributable mainly to the increase in the amortization of La7 TV rights acquired as from 1 May 2013. Profit attributable to the owners of the parent came to approximately Euro 4.4 million (Euro 4.5 million in 3Q13).

In July 2014, **Cairo Network** made the payment of Euro 31.6 million to the Ministry of Economic Development offered in its bid for the acquisition of the rights to use TV frequencies, using own funds of Euro 6.6 million and by means of a bank loan for the remaining amount of Euro 25 million, granted by Unicredit S.p.A. The loan is secured by a guarantee issued by the parent Cairo Communication, and calls for the payment of an interest rate equal to the 3-month Euribor plus 225 basis points and certain constraints (negative pledges) and commitments (covenants) on the part of the company, which are typical of these transactions.

The consolidated net financial position at 30 September 2014 came to a positive figure of approximately Euro 132 million (approximately Euro 172.9 million at 31 December 2013). The change in the net financial position versus 31 December 2013 is mainly due to the investment made by Cairo Network (Euro 31.6 million) for the acquisition of the Mux and to the distribution of dividends approved by the Shareholders' Meeting on 29 April 2014 (0.27 Euro per share, with coupon detachment date on 12 May 2014, for a total of Euro 21.2 million).

In 4Q14, the Cairo Communication Group will continue to develop its traditional businesses (magazine publishing and advertising sales). Despite the current economic and competitive context, and given the high quality of the publications and the media under concession, the Group considers it a feasible target to continue to achieve positive operating results. Looking at the TV publishing segment, in the final part of 2014, the Group will continue to work on strengthening the results of the rationalization and cost-cutting measures achieved in the first seventeen months of activity.

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

Summary of the main consolidated income statement figures at 30 September 2014

The main consolidated income statement figures of 9M14 and of 3Q14 can be compared as follows with those of the same periods of 2013:

(€ thousands)	30/09/2014			30/09/2013		
	(Nine months)			(Nine months)		
	Current operations	Non-recurring items	Total	Current operations	Non-recurring items	Total
Gross operating revenue	190,804	-	190,804	197,315	-	197,315
Advertising agency discounts	(18,309)	-	(18,309)	(19,245)	-	(19,245)
Net operating revenue	172,495	-	172,495	178,070	-	178,070
Change in inventory	(27)	-	(27)	(65)	-	(65)
Other revenue and income	7,799	-	7,799	3,637	-	3,637
Total revenue	180,267	-	180,267	181,642	-	181,642
Production cost	(114,632)	-	(114,632)	(130,979)	(1,917)	(132,896)
Personnel expense	(44,079)	-	(44,079)	(32,908)	-	(32,908)
Gross operating profit (EBITDA)	21,556	-	21,556	17,755	(1,917)	15,838
Amortization, depreciation, provisions and impairment losses	(3,967)	-	(3,967)	(2,821)	-	(2,821)
Operating profit (EBIT)	17,589	-	17,589	14,934	(1,917)	13,017
Net financial income	1,723	-	1,723	2,278	-	2,278
Income / (loss) on investments	(1)	-	(1)	699	-	699
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	57,066	57,066
Pre-tax profit	19,311	-	19,311	17,911	55,149	73,060
Income tax	(378)	-	(378)	(4,954)	-	(4,954)
Non-controlling interests	(14)	-	(14)	(1)	-	(1)
Profit from continuing operations attributable to the owners of the parent	18,919	-	18,919	12,956	55,149	68,105
Profit / (loss) from discontinued operations	-	-	-	(1)	-	(1)
Profit attributable to the owners of the parent	18,919	-	18,919	12,955	55,149	68,104

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(€ thousands)	30/09/2014 (Three months)			30/09/2013 (Three months)		
	Current operations	Non-recurring items	Total	Current operations	Non-recurring items	Total
Gross operating revenue	53,609	-	53,609	56,766	-	56,766
Advertising agency discounts	(4,480)	-	(4,480)	(4,711)	-	(4,711)
Net operating revenue	49,129	-	49,129	52,055	-	52,055
Change in inventory	8	-	8	12	-	12
Other revenue and income	2,756	-	2,756	741	-	741
Total revenue	51,893	-	51,893	52,808	-	52,808
Production cost	(33,276)	-	(33,276)	(33,708)	-	(33,708)
Personnel expense	(13,043)	-	(13,043)	(13,874)	-	(13,874)
Gross operating profit (EBITDA)	5,574	-	5,574	5,226	-	5,226
Amortization, depreciation, provisions and impairment losses	(1,939)	-	(1,939)	(1,243)	-	(1,243)
Operating profit (EBIT)	3,635	-	3,635	3,983	-	3,983
Net financial income	516	-	516	898	-	898
Income / (loss) on investments	(1)	-	(1)	136	-	136
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-
Pre-tax profit	4,150	-	4,150	5,017	-	5,017
Income tax	272	-	272	(525)	-	(525)
Non-controlling interests	(6)	-	(6)	(1)	-	(1)
Profit from continuing operations attributable to the owners of the parent	4,416	-	4,416	4,491	-	4,491
Profit / (loss) from discontinued operations	-	-	-	(1)	-	(1)
Profit attributable to the owners of the parent	4,416	-	4,416	4,490	-	4,490

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

(€ thousands)	30/09/2014 (Nine months)	30/09/2014 (Quarter)	30/09/2013 (Nine months)	30/09/2013 (Quarter)
Consolidated statement of comprehensive income				
Profit attributable to owners of the parent	18,919	4,416	68,104	4,490
<i>Other reclassifiable items of the comprehensive income statement</i>				
Profit on measurement of available-for-sale financial assets		-	-	(156)
<i>Other non-reclassifiable items of the comprehensive income statement</i>				
Actuarial profit (loss) from defined benefit plans	(695)	-	77	-
Tax effect	191	-	(21)	-
Total comprehensive income	18,415	4,416	68,160	4,334

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Summary of the main figures of the consolidated statement of financial position at 30 September 2014

The main figures of the **consolidated statement of financial position** at 30 September 2014 can be compared with the situation at 31 December 2013:

(€ thousands)	30/09/2014	31/12/2013
Balance sheet		
Property, plant and equipment	3,142	2,829
Intangible assets	49,619	12,986
Financial assets	457	555
Deferred tax assets	3,246	4,589
Net current assets	(21,704)	(22,390)
Total assets	34,760	(1,431)
Non-current borrowings and provisions	44,756	46,814
(Net financial assets)/Net debt	(131,954)	(172,915)
Equity attributable to the owners of the parent	121,932	124,658
Equity attributable to non-controlling interests	26	12
Total equity and liabilities	34,760	(1,431)

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The consolidated **net financial position** at 30 September 2014, versus the situation at 31 December 2013, can be summarized as follows:

(€ thousands)	30/09/2014	31/12/2013	Change
Cash and cash equivalents	156,954	172,915	(15,961)
Current financial assets	-	-	-
Bank loans	(25,000)	-	(25,000)
Total	131,954	172,915	(40,961)

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Segment reporting at 30 September 2014

The results in **9M14** and in **3Q14** for **each main business segment** (magazine publishing, advertising, TV publishing (La7), network operator (Cairo Network) and Il Trovatore), can be analyzed as follows with those of the same periods of 2013:

2014 (Nine months) (€ thousands)	Magazine publishing	Advertising	TV publishing La7		Trovatore	Network operator Cairo Network	Intra-group and unallocated	Total
			Current operations	Non-recurring items				
Gross operating revenue	72,650	127,708	77,273	-	611	-	(87,438)	190,804
Advertising agency discounts	-	(18,309)	-	-	-	-	-	(18,309)
Net operating revenue	72,650	109,399	77,273		611		(87,438)	172,495
Change in inventory	(27)	-	-	-	-	-	-	(27)
Other income	1,118	605	6,075	-	-	1	-	7,799
Total revenue	73,741	110,004	83,348		611	1	(87,438)	180,267
Production cost	(48,774)	(100,444)	(52,283)	-	(486)	(83)	87,438	(114,632)
Personnel expense	(14,098)	(4,766)	(25,190)	-	(25)	-	-	(44,079)
Gross operating profit (EBITDA)	10,869	4,794	5,875		100	(82)	-	21,556
Amortization, depreciation, provisions and impairment losses	(786)	(1,157)	(2,023)	-	-	(1)	-	(3,967)
Operating profit (EBIT)	10,083	3,637	3,852	-	100	(83)	-	17,589
Income / (loss) on investments	-	(1)	-	-	-	-	-	(1)
Net financial income	36	377	1,310	-	-	-	-	1,723
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-	-
Pre-tax profit	10,119	4,013	5,162		100	(83)	-	19,311
Income tax	(3,727)	(1,482)	4,862	-	(31)	-	-	(378)
Non-controlling interests	-	-	-	-	(14)	-	-	(14)
Profit from continuing operations attributable to the owners of the parent	6,392	2,531	10,024	-	55	(83)	-	18,919
Profit / (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit	6,392	2,531	10,024	-	55	(83)	-	18,919

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2013 (Nine months) (€ thousands)	Magazine publishing	Advertising	TV publishing La7 *		Trovatore	Network operator Cairo Network	Intra-group and unallocated	Total
			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.	-	-	-	57,066	-	-	-	57,066
Pre-tax profit	8,440	8,469	991	55,149	11	-	-	73,060
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	55,149	6	-	-	68,105
Profit / (loss) from discontinued operations	-	-	-	-	-	-	(1)	(1)
Profit	5,223	5,528	2,199	55,149	6	-	(1)	68,104

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

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2014 (Three months) (€ thousands)	Magazine publishing	Advertisin g	TV publishing La7		Trovato- re	Network operator Cairo Network	Intra- group and unallocated	Total
			Current operation s	Non- recurring items				
Gross operating revenue	26,107	30,970	17,912	-	179	-	(21,559)	53,609
Advertising agency discounts	-	(4,480)	-	-	-	-	-	(4,480)
Net operating revenue	26,107	26,490	17,912		179		(21,559)	49,129
Change in inventory	8	-	-	-	-	-	-	8
Other income	253	124	2,378	-	-	1	-	2,756
Total revenue	26,368	26,614	20,290		179	1	(21,559)	51,893
Production cost	(17,336)	(25,156)	(12,128)	-	(132)	(83)	21,559	(33,276)
Personnel expense	(4,432)	(1,449)	(7,155)	-	(7)	-	-	(13,043)
Gross operating profit (EBITDA)	4,600	9	1,007		40	(82)		5,574
Amortization, depreciation, provisions and impairment losses	(241)	(551)	(1,146)	-	-	(1)	-	(1,939)
Operating profit (EBIT)	4,359	(542)	(139)		40	(83)		3,635
Income / (loss) on investments	-	(1)	-	-	-	-	-	(1)
Net financial income	19	52	445	-	-	-	-	516
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-	-
Pre-tax profit	4,378	(491)	306		40	(83)		4,150
Income tax	(1,664)	54	1,892	-	(10)	-	-	272
Non-controlling interests	-	-	-	-	(6)	-	-	(6)
Profit from continuing operations attributable to the owners of the parent	2,714	(437)	2,198		24	(83)		4,416
Profit / (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit	2,714	(437)	2,198		24	(83)		4,416

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2013 (Three months) (€ thousands)	Magazine publishing	Advertising	TV publishing La7		Trovato- re	Network operator Cairo Network	Intra-group and unallocated	Total
			Current operation s	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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Details of consolidated revenue at 30 September 2014

The breakdown of **gross operating revenue** in **9M14** and in **3Q14**, split up by main business segment (magazine publishing, advertising, TV publishing (La7), network operator (Cairo Network) and Il Trovatore) can be analyzed as follows by comparing the amounts with the same periods of 2013:

Gross revenue (€ thousands)	30/09/2014 (Nine months)						
	Magazine publishing	Advertising	TV publishing (La7)	Trovatore	Network operator Cairo Network	Intra-group eliminations and unallocated	Total
Magazine over-the-counter sales	56,004	-	-	-	-	-	56,004
Print media advertising	15,158	20,101	-	-	-	(15,110)	20,149
TV advertising	-	105,005	74,839	-	-	(71,035)	108,809
Stadium signage	-	1,481	-	-	-	-	1,481
Internet advertising	-	669	314	357	-	(663)	677
Revenue from concession of programming schedule spaces	-	-	655	-	-	-	655
Other TV revenue	-	-	1,465	-	-	-	1,465
Subscriptions	2,178	-	-	-	-	-	2,178
Books and catalogues	445	-	-	-	-	-	445
Other revenue	-	452	-	254	-	(630)	76
VAT relating to publications	(1,135)	-	-	-	-	-	(1,135)
Total gross operating revenue	72,650	127,708	77,273	611	-	(87,438)	190,804
Other revenue	1,118	605	6,075	-	1	-	7,799
Total revenue	73,768	128,313	83,348	611	1	(87,438)	198,603
Gross revenue (€ thousands)	30/09/2013 (Nine months)						
	Magazine publishing	Advertising	TV publishing (La7)*	Trovatore	Network operator Cairo Network	Intra-group eliminations and unallocated	Magazine publishing
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

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

Gross revenue (€ thousands)	Quarter at 30/09/2014 (Three months)						
	Magazine publishing	Advertising	TV publishing (La7)	Trovatore	Network operator Cairo Network	Intra-group eliminations and unallocated	Magazine publishing
Magazine over-the-counter sales	21,155	-	-	-	-	-	21,155
Print media advertising	4,641	6,088	-	-	-	(4,615)	6,114
TV advertising	-	24,261	17,528	-	-	(16,557)	25,232
Stadium signage	-	322	-	-	-	-	322
Internet advertising	-	148	83	96	-	(178)	149
Revenue from concession of programming schedule spaces	-	-	134	-	-	-	134
Other TV revenue	-	-	167	-	-	-	167
Subscriptions	718	-	-	-	-	-	718
Books and catalogues	115	-	-	-	-	-	115
Other revenue	-	151	-	83	-	(209)	25
VAT relating to publications	(522)	-	-	-	-	-	(522)
Total gross operating revenue	26,107	30,970	17,912	179	-	(21,559)	53,609
Other revenue	253	124	2,378	-	1	-	2,756
Total revenue	26,360	31,094	20,290	179	1	(21,559)	56,365

Gross revenue (€ thousands)	Quarter at 30/09/2013 (Three months)						
	Magazine publishing	Advertising	TV publishing (La7) *	Trovatore	Network operator Cairo Network	Intra-group eliminations and unallocated	Magazine publishing
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

Summary of the main income statement figures of the Parent at 30 September 2014

The main **income statement figures of the Parent** in **9M14** and in **3Q14** can be compared with those in the same periods of 2013:

(€ thousands)	30/09/2014 (Nine months)	30/09/2014 (Quarter)	30/09/2013 (Nine months)	30/09/2013 (Quarter)
Gross operating revenue	81,789	19,211	83,625	20,081
Advertising agency discounts	-	-	-	-
Net operating revenue	81,789	19,211	83,625	20,081
Other revenue and income	186	42	3,283	-
Total revenue	81,975	19,253	86,908	20,081
Production cost	(75,742)	(17,862)	(79,118)	(18,508)
Personnel expense	(2,149)	(669)	(2,060)	(644)
Gross operating profit (EBITDA)	4,084	722	5,730	929
Amortization, depreciation, provisions and impairment losses	(149)	(49)	(166)	(87)
Operating profit (EBIT)	3,935	673	5,564	842
Net financial income	363	53	888	130
Income (loss) on investments	1,039	-	3,774	45
Pre-tax profit	5,337	726	10,226	1,017
Income tax	(1,450)	(279)	(2,268)	(350)
Profit from continuing operations	3,887	447	7,958	668
Loss from discontinued operations	-	-	-	-
Profit	3,887	447	7,958	668

Unaudited reclassified statements

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

(€ thousands)	30/09/2014 (Nine months)	30/09/2014 (Quarter)	30/09/2013 (Nine months)	30/09/2013 (Quarter)
Statement of comprehensive income of the Parent				
Profit	3,887	447	7,958	668
<i>Other reclassifiable items of the comprehensive income statement</i>				
Profit on measurement of available-for-sale financial assets	-	-	-	(69)
<i>Other non-reclassifiable items of the comprehensive income statement</i>				
Actuarial profit (loss) from defined benefit plans	(39)	-	-	-
Tax effect	11	-	-	-
Total comprehensive income	3,859	447	7,958	599

Unaudited reclassified statements

Summary of the main figures of the statement of financial position of the Parent at 30 September 2014

The main figures of the **statement of financial position** at 30 September 2014 of Cairo Communication S.p.A. can be analyzed versus the situation at 31 December 2013:

(€ thousands)	30/09/2014	31/12/2013
Balance sheet		
Property, plant and equipment	488	549
Intangible assets	341	356
Financial assets	23,123	17,614
Other non-current assets	13	13
Net current assets	7,315	14,961
Total assets	31,280	33,493
Non-current borrowings and provisions	1,076	1,346
(Net financial position)/Net debt	(20,440)	(35,690)
Equity	50,644	67,837
Total equity and liabilities	31,280	33,493

Unaudited reclassified statements

The **net financial position** of the Parent at 30 September 2014 versus the situation at 31 December 2013 is summarized below:

(€ thousands)	30/09/2014	31/12/2013	Change
Cash and cash equivalents	20,440	35,690	(15,250)
Current financial assets	-	-	-
Total	20,440	35,690	(15,250)

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.