Press Release - Results at 30 June 2018 approved

- **In first half 2018, the Group achieved:**
  - **consolidated gross revenue of Euro 678.1 million[1] (Euro 633.3 million in first half 2017), basically steady versus 30 June 2017 on a like-for-like basis (net of IFRS 15)**
  - **consolidated gross operating profit (EBITDA) and operating profit (EBIT) of Euro 96.5 million and Euro 67.4 million, up sharply versus first half 2017 (Euro 85.2 million and Euro 53.2 million)**
  - **profit attributable to the owners of the parent of Euro 29.6 million versus Euro 19.9 million in 2017**
- **RCS's margins grew strongly, in line with 2018 performance targets, with profit reaching Euro 45.4 million,[2] almost double versus Euro 24 million[2] in first half 2017 Gross operating profit (EBITDA), amounting to Euro 87.3 million[3] in the consolidated financial statements of Cairo Communication, grew by approximately Euro 13.7 million versus first half 2017**
- **The TV publishing segment (La7) reported a sharp increase in La7's audience in the period (+33% in all-day share and +46% in prime time). In May, La7 was the fifth national channel in terms of all-day share and third in prime time. Based on the order book at 8 August, advertising sales on La7 and La7d in July and August 2018 increase by over 8% versus 2017 to reach Euro 11.4 million. +10% is the growth target for advertising sales for the two channels in the last four months of 2018**
- **The Cairo Editore magazine publishing segment continued to achieve positive results, with gross operating profit (EBITDA) and operating profit (EBIT) of Euro 4.2 million and Euro 3.7 million (Euro 6.1 million and Euro 5.5 million in first half 2017)**

Milan, 8 August 2018: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the Half-Year Report at 30 June 2018.

In first half 2018:

- RCS continued its relaunch, with margins growing strongly versus the first half of the prior year, in line with the 2018 performance targets, thanks to the initiatives implemented to maintain and develop revenue and to the ongoing efficiency actions that generated benefits of approximately Euro 11.1 million in the first half. In first half 2018, RCS achieved a profit of Euro 45.4 million[2] (almost double versus Euro 24 million[2] in first half 2017). In Italy, the successful initiatives in 2017 (the new *L'Economia* and *7*, the free weekly insert *Buone Notizie - L'impresa del Bene*, the new local edition

[1] The Half-Year Report at 30 June 2018 incorporates the new IFRS 15, which came into effect as from 1 January 2018. The income statement figures of 2018, therefore, cannot be directly compared with the corresponding amounts of the same period of the prior year. Specifically, if this new standard had not been applied, consolidated gross revenue in first half 2018 would have amounted to Euro 631.6 million instead of Euro 678.1 million
The Half-Year Report at 30 June 2018 incorporates the new IFRS 9, whose impact produced a reduction in receivables of Euro 1.2 million, with a consequent reduction of Euro 0.6 million (net of the tax effect) in initial Group equity, with no significant changes in income statement figures in first half 2018.
For both of these standards, the Company opted not to restate comparative figures.

[2] Amounts and comparisons based on the RCS Half-Year Report at 30 June 2018, approved on 3 August 2018

[3] Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the section below "Alternative Performance Measures". As a result of these differences - regarding provisions for risks and the allowance for impairment, amounting to Euro 4.2 million in the period - EBITDA shown in the RCS Half-Year Report at 30 June 2018, approved on 3 August 2018, amounted to Euro 83.1 million.

Corriere Torino) were followed by the new monthly *Corriere Innovazione* (23 February), bundled with *Corriere della Sera*, and the weekly supplement *Liberi Tutti* (18 May). April 19 saw the launch of *Solferino - i libri del Corriere della Sera*. *La Gazzetta dello Sport* has enhanced its offer with daily windows, in the system of its back pages, on Genova, Torino and Cagliari, and with new initiatives such as *Gazza Mondo*, *Time Out* and the new free Sunday weekly *Fuorigioco*. In Spain, the daily newspaper *El Mundo* has renewed the supplement *Su Vivienda* and, from 5 March, *Actualidad Económica* has become the benchmark business weekly of *El Mundo*. Additionally, the *MarcaClaro* portals were launched in Colombia and Argentina, following on from those in Mexico in 2017, which brought significant growth in average monthly unique users in Latin America;

- the TV publishing segment La7 reported a sharp increase in La7's audience (+33% in all-day share and +46% in prime time). The channel's news and discussion programmes continued to show remarkable and increasingly strong audience figures: *Otto e Mezzo* with 6.9% average share (+19% versus 2017), *TgLa7 edizione delle 20* 5.8% from Monday to Friday (+5% versus 2017) *diMartedì* 7.9% (+64% versus 2017), *Piazzapulita* 6% (+49% versus 2017), *Propaganda Liv*e 4.4%, *Non è l'Arena* 7.2%, *Omnibus Dibattito 4.7%* (+26% versus 2017), *Coffee Break* 5.1% (+27% versus 2017), *L'Aria che tira 7%* (+32% versus 2017), *Tagadà* 3.7% (+50% versus 2017), the marathons (14.27% share on 4 March) and the election specials. In March and April 2018, La7 was the sixth national channel for both all-day and prime-time audience shares (the latter slot confirmed its position for the sixth consecutive month), and in May the fifth national channel in terms of all-day share and third in prime time;
- the magazine publishing segment Cairo Editore posted positive results, achieved high circulation levels of the publications, and continued to work on improving the levels of efficiency reached in containing costs (production, publishing and distribution). At the end of the period, Cairo Editore returned to developing new products, with the launch in June, sold optionally with "*Diva e Donna*", of the fortnightly cooking magazine "*Diva e Donna Cucina*" (average estimated sales of approximately 178 thousand copies in the first four issues, of which the first two free with the mother publication (internal source) and in July of "*Enigmistica Mia*", a new weekly packed with puzzles, games and pastimes (average estimated sales of 111 thousand copies in the first two issues at the launch price of 50 cents - internal source).

In first half 2018, consolidated gross revenue amounted to approximately Euro 678.1 million (comprising gross operating revenue of Euro 664.6 million and other revenue and income of Euro 13.5 million) versus Euro 633.3 million in first half 2017 (comprising gross operating revenue of Euro 621 million and other revenue and income of Euro 12.3 million). Excluding from the comparison with the figures in first half 2017 the effects arising from the adoption of the new IFRS 15 (Euro +46.5 million, attributable to revenue from the sale of publications of Euro +64.5 million, to advertising revenue of Euro -7.7 million and to other revenue of Euro -10.3 million), consolidated gross revenue would be basically in line.

Consolidated gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 96.5 million and Euro 67.4 million (Euro 85.2 million and Euro 53.2 million in the first half of the prior year). Profit attributable to the owners of the parent came to approximately Euro 29.6 million (Euro 19.9 million in 2017). In first half 2018, the total net effect of non-recurring income and expense was basically zero.

Looking at the business segments, in first half 2018:

- in the **magazine publishing segment (Cairo Editore)**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 4.2 million and Euro 3.7 million (Euro 6.1 million and Euro 5.5 million in first half 2017). Regarding weeklies, with approximately 1.5 million average copies sold in the January-June six-month period of 2018 (*ADS*), Cairo Editore retains its position as the leading publisher in copies of weeklies sold at newsstands, with an approximately 30% market share. Including the average sales of titles out of the ADS survey (the copies sold of "Enigmistica Più"), average copies sold were approximately 1.6 million;
- in the **TV publishing segment (La7)**, the Group achieved gross operating profit (EBITDA) of approximately Euro 2.2 million, down versus the prior year (Euro 3.7 million in first half 2017), impacted also by increased programming costs of approximately Euro 3 million to improve programming quality, which contributed to the strong growth of the share. Advertising sales on La7 and La7d amounted to Euro 75.1 million in the first half, up versus the same period of 2017 (Euro 74 million).

There is usually a certain time gap between audience trends and advertising sales results. Based on the order book at 8 August, sales from advertising aired and to be aired on La7 and La7d in July and August 2018, amounting to Euro 11.4 million, increase by over 8% versus the same two-month period of 2017 (Euro 10.5 million). Given also the audience figures in the first half, total advertising sales for the two channels are expected to grow by at least 10% in the last four months of 2018 versus Euro 52.9 million reported in the same period of 2017, assuming the current market conditions. Operating profit (EBIT) came to approximately Euro -2.7 million and benefited in the consolidated financial statements, with respect to the separate financial statements of La7 S.p.A., from lower amortization and depreciation of Euro 0.9 million, due to the write-down of tangible and intangible assets made in 2013 in the purchase price allocation of the investment in La7. In 2017, operating profit (EBIT) had come to Euro -0.9 million, benefiting in the consolidated financial statements from lower amortization and depreciation of Euro 1.7 million;

- in the **advertising segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 1.9 million and Euro 1.8 million (Euro 1.7 million and Euro 1.5 million in 2017);
- in the **network operator segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 0.8 million and Euro -0.3 million (Euro 0.3 million and Euro -0.8 million in 2017);
- in the **RCS segment**, in the consolidated financial statements of Cairo Communication, gross operating profit (EBITDA) and operating profit (EBIT) amounted to Euro 87.3 million[4] and Euro 64.8 million, rising sharply by Euro 13.7 million and Euro 16.9 million versus first half 2017 (Euro 73.6 million and Euro 47.9 million). Net operating revenue amounted to Euro 503.6 million. Excluding from the comparison with the figures in first half 2017 the effects arising from the adoption of the new IFRS 15 (Euro +34.5 million), RCS total revenue would be basically steady.

Consolidated **net financial debt** at 30 June 2018 amounted to approximately Euro 243.2 million (Euro 263.1 million at 31 December 2017), down by Euro 19.9 million versus 31 December 2017 and by Euro 102.4 million versus 30 June 2017. At 30 June 2018, the net financial debt of RCS came to Euro 245.9 million (Euro 287.4 million at 31 December 2017). The improvement in net financial debt versus 31 December 2017 of Euro 19.9 million is attributable mainly to cash flows from ordinary operations, comprising net working capital dynamics, offset by the distribution of dividends approved by the Shareholders' Meeting held on 27 April 2018 for a total of Euro 13.4 million, and by outlays for capital expenditure and net non-recurring expense.

In the following months of 2018, the Cairo Communication Group, with regard to the scope of its traditional activities, will continue to:

- pursue the development of its Cairo Editore publishing and advertising sales segments, continuing for Cairo Editore with its strategy aimed at attracting market segments with greater potential and strengthening the results of its publications. In these segments, despite the economic and competitive backdrop, given the high quality of the publications and of the media under concession, the Group considers it a feasible target to continue to achieve positive operating results;
- work towards developing its activities in the TV publishing segment, forecast to achieve a positive gross operating profit (EBITDA) also in 2018.

As for RCS, on the approval of the Half-Year Report at 30 June 2018, its directors announced that, in light of the actions already implemented and those planned to maintain and develop revenue and to continue pursuing operating efficiency, and of the positive results achieved in the first half, in the absence of events unforeseeable at this time, RCS confirms it can achieve a growth in 2018 in gross operating profit and in cash flows from current operations versus 2017, which would allow it to reduce financial debt below Euro 200 million at end 2018.

Developments in the overall economic climate and in the core segments could, however, affect the full achievement of these targets.

[4] Mention should be made that RCS adopts a different definition of EBITDA from the one used by the Cairo Communication Group, as indicated in the above section “Alternative Performance Measures”. As a result of these differences - regarding provisions for risks and the allowance for impairment, amounting to Euro 4.2 million in the period - EBITDA shown in the RCS Half-Year Report at 30 June 2018, approved on 3 August 2018, amounted to Euro 83.1 million.

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 magazines and expanding later into free, digital and pay TV and the Internet. With the acquisition of the control of RCS MediaGroup, Cairo Communication establishes itself as a major multimedia publishing group, well-positioned to become the main player on the Italian market, with a strong international presence in Spain, by leveraging on the high quality and diversification of products in the dailies, magazines, television, web and sport events segments.

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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 June 2018

The main **consolidated income statement figures** in first half 2018 can be compared as follows with those of 2017:

(€ millions)	**30/06/2018**	**30/06/2017**
Gross operating revenue	664.6	621.0
Advertising agency discounts	(38.4)	(39.5)
Net operating revenue	**626.2**	**581.5**
Change in inventories	0.6	(0.2)
Other revenue and income	13.5	12.3
Total revenue	**640.4**	**593.6**
Production cost	(379.3)	(344.3)
Personnel expense	(165.5)	(164.4)
Income (expense) from equity-accounted investees	0.9	0.4
Non-recurring income (expense)	-	-
Gross operating profit (EBITDA)	**96.5**	**85.2**
Amortization, depreciation, provisions and impairment losses	(29.1)	(32.0)
EBIT	**67.4**	**53.2**
Income (loss) on investments	1.5	1.2
Net financial income	(11.0)	(13.1)
Profit (loss) before taxes	**57.9**	**41.3**
Income taxes	(10.4)	(10.6)
Non-controlling interests	(18.1)	(10.8)
Profit from continuing operations attributable to the owners of the parent	**29.4**	**19.9**
Profit / (loss) from discontinued operations	0.2	-
Profit attributable to the owners of the parent	**29.6**	**19.9**

Unaudited reclassified statements

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

€ millions	**Half-year ended 30/06/2018**	**Half-year ended 30/06/2017**
Profit for the period	**47.7**	**30.7**
Reclassifiable items of the comprehensive income statement		
Gains (losses) from the translation of financial statements denominated in foreign	-	(0.1)
Gains (losses) on cash flow hedges	(1.0)	(0.5)
Reclassification of profit (loss) on cash flow hedges	0.8	2.0
Non-reclassifiable items of the comprehensive income statement		
Gains (losses) from the fair value measurement of equity instruments	1.3	-
Actuarial profit (loss) from defined benefit plans	0.2	-
Tax effect	-	-
Total comprehensive income for the period	**49.0**	**32.1**
- Owners of the parent	30.4	20.8
- Non-controlling interests - continuing and discontinued operations	18.6	11.3
	49.0	**32.1**

Unaudited reclassified statements

Summary of the main consolidated statement of financial position figures at 30 June 2018

The main **consolidated statement of financial position figures** at 30 June 2018 can be analyzed versus the situation at 31 December 2017:

(€ millions)	**30/06/2018**	**31/12/2017**
Statement of financial position		
Property, plant and equipment	94.0	97.7
Intangible assets	997.8	1,008.2
Financial assets	64.9	65.0
Deferred tax assets	107.3	113.3
Net working capital	(59.8)	(87.1)
Total assets	**1,204.2**	**1,197.1**
Non-current borrowings and provisions	113.8	121.9
Deferred tax provision	170.3	169.7
(Net financial position)/Net debt	243.2	263.1
Equity attributable to the owners of the parent	407.9	391.6
Equity attributable to non-controlling interests	269.0	250.8
Total equity and liabilities	**1,204.2**	**1,197.1**

Unaudited reclassified statements

The consolidated **net financial position** at 30 June 2018, versus the situation at 31 December 2017, can be summarized as follows:

Net financial debt (€ millions)	**30/06/2018**	**31/12/2017**	**Changes**
Cash and cash equivalents	99.0	128.1	(29.1)
Other current financial assets and financial receivables	7.0	0.9	6.1
Current financial assets (liabilities) from derivative instruments	-	(1.0)	1.0
Current financial payables	(57.5)	(72.0)	14.5
Current net financial position (net financial debt)	**48.5**	**56.0**	**(7.5)**
Non-current financial payables	(290.9)	(319.0)	28.1
Non-current financial assets (liabilities) from derivative instruments	(0.8)	(0.1)	(0.7)
Non-current net financial position (net financial debt)	**(291.7)**	**(319.1)**	**27.4**
Net financial position (Net financial debt) from continuing operations	**(243.2)**	**(263.1)**	**19.9**

Unaudited reclassified statements

Consolidated statement of cash flows

The consolidated statement of cash flows at 30 June 2018 can be compared with the statement of cash flows at 30 June 2017:

Statement of cash flows *(€ millions)*	**30/06/2018**	**30/06/2017**
Cash and cash equivalents	**111.3**	**85.9**
OPERATIONS		
Profit	47.7	30.7
Amortization/Depreciation	24.7	27.1
Income (expense) on investments	(2.0)	(1.6)
Net financial income (expense)	11.0	13.1
Dividends from equity-accounted investees	1.6	1.7
Income taxes	11.0	10.6
Change in provision for post-employment benefits	(1.4)	(0.9)
Change in provisions for risks and charges	(5.8)	(8.9)
Cash flow from operations before changes in working capital	**86.8**	**71.8**
(Increase) decrease in trade and other receivables	(5.5)	3.8
Increase (decrease) in trade and other payables	(24.9)	(40.9)
(Increase) decrease in inventories	(2.4)	0.0
Total cash flow from operations	**54.0**	**34.7**
Income taxes received (paid)	(0.1)	1.6
Net financial expense paid	(8.1)	(13.1)
Total cash flow from operations (A)	**45.8**	**23.2**
INVESTING ACTIVITIES		
(Acquisition) disposal net of PPE and intangible assets	(13.4)	(10.9)
Consideration from the disposal of investments	0.2	0.0
Net increase in other non-current assets	1.1	1.4
Net cash flow used in investing activities (B)	**(12.1)**	**(9.5)**
FINANCING ACTIVITIES		
Dividends paid	(13.4)	(6.7)
Change in financial payables and other financial assets	(47.3)	(1.6)
Increase (decrease) in non-controlling interests' share capital and reserves	0.1	(1.0)
Other changes in equity	(0.4)	1.0
Net cash flow used in financing activities (C)	**(61.0)**	**(8.3)**
Cash flow for the period (A)+(B)+(C)	**(27.3)**	**5.4**
Net cash and cash equivalents closing balance	**84.0**	**91.3**

CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	99.0	114.5
Bank overdrafts	(15.0)	(23.2)
	84.0	**91.3**

Unaudited reclassified statements

Segment reporting at 30 June 2018

Analysis of the first half 2018 results by **main business segment**:

2018 (€ millions)	Magazine Cairo Editore	Advertising	TV publishing La7	RCS	Trovatore	Network operator (Cairo Network)	Intra and un allocated	Total
Gross operating revenue	53.8	91.9	53.9	529.2	0.4	6.0	(70.6)	664.6
Advertising agency discounts	-	(13.0)	-	(25.6)	-	-	0.2	(38.4)
Net operating revenue	**53.8**	**78.9**	**53.9**	**503.6**	**0.4**	**6.0**	**(70.4)**	**626.2**
Change in inventories	0.0	-	-	0.6	-	-	-	0.6
Other revenue and income	1.4	0.6	2.9	9.4	0.0	0.0	(0.8)	13.5
Total revenue	**55.2**	**79.5**	**56.8**	**513.6**	**0.4**	**6.1**	**(71.2)**	**640.4**
Production cost	(41.0)	(73.3)	(36.3)	(294.4)	(0.3)	(5.2)	71.2	(379.3)
Personnel expense	(10.0)	(4.3)	(18.3)	(132.8)	(0.0)	(0.1)	-	(165.5)
Income (expense) from equity-accounted investees	-	-	-	0.9	-	-	-	0.9
Non-recurring income (expense)	-	-	-	-	-	-	-	-
Gross operating profit (EBITDA)	**4.2**	**1.9**	**2.2**	**87.3**	**0.0**	**0.8**	**0.0**	**96.5**
Amortization, depreciation, provisions and impairment losses	(0.5)	(0.2)	(4.8)	(22.5)	0.0	(1.1)	-	(29.1)
EBIT	**3.7**	**1.8**	**(2.7)**	**64.8**	**0.0**	**(0.3)**	**0.0**	**67.4**
Income (loss) on investments	-	-	-	1.5	-	-	-	1.5
Net financial income	(0.0)	(0.2)	(0.1)	(10.6)	(0.0)	(0.0)	-	(11.0)
Profit (loss) before taxes	**3.7**	**1.5**	**(2.7)**	**55.6**	**0.0**	**(0.3)**	**0.0**	**57.9**
Income taxes	(0.4)	(0.6)	1.4	(10.9)	(0.0)	0.1	-	(10.4)
Non-controlling interests	-	-	-	(18.1)	(0.0)	-		(18.1)
Profit for the period attributable to the owners of the parent	**3.3**	**0.9**	**(1.3)**	**26.7**	**0.0**	**(0.2)**	**0.0**	**29.4**
Profit (loss) from discontinued operations	-	-	-	-	-	-	0.2	0.2
Profit for the period attributable to the owners of	**3.3**	**0.9**	**(1.3)**	**26.7**	**0.0**	**(0.2)**	**0.2**	**29.6**

Unaudited reclassified statements

2017 (€ millions)	Magazine Cairo Editore	Advertising	TV publishi La7	RCS	Trovatore	Network operator (Cairo Network)	Intra and un allocated	Total
Gross operating revenue	43.7	90.9	52.9	495.8	0.5	3.9	(66.7)	621.0
Advertising agency discounts	-	(12.9)	-	(26.7)	-	-	0.1	(39.5)
Net operating revenue	**43.7**	**78.0**	**52.9**	**469.2**	**0.5**	**3.9**	**(66.7)**	**581.5**
Change in inventories	(0.0)	-	-	(0.2)	-	-	-	(0.2)
Other revenue and income	1.6	0.2	0.5	10.1	0.0	0.0	(0.2)	12.3
Total revenue	**45.3**	**78.2**	**53.4**	**479.1**	**0.5**	**4.0**	**(66.9)**	**593.6**
Production cost	(29.2)	(72.4)	(31.3)	(274.2)	(0.5)	(3.6)	66.9	(344.3)
Personnel expense	(10.0)	(4.1)	(18.5)	(131.7)	(0.0)	(0.1)	-	(164.4)
Income (expense) from equity-accounted investees	-	-	-	0.4	-	-	-	0.4
Non-recurring income (expense)	-	-	-	-	-	-	-	-
Gross operating profit (EBITDA)	**6.1**	**1.7**	**3.7**	**73.6**	**(0.0)**	**0.3**	**-**	**85.2**
Amortization, depreciation, provisions and impairment losses	(0.6)	(0.1)	(4.6)	(25.7)	0.0	(1.1)	-	(32.0)
EBIT	**5.5**	**1.5**	**(0.9)**	**47.9**	**(0.0)**	**(0.8)**	**-**	**53.2**
Income (loss) on investments	-	-	-	1.2	-	-	-	1.2
Net financial income	(0.0)	(0.1)	0.1	(13.0)	(0.0)	(0.0)	-	(13.1)
Profit (loss) before taxes	**5.5**	**1.5**	**(0.8)**	**36.1**	**(0.0)**	**(0.8)**	**-**	**41.3**
Income taxes	(1.6)	(0.9)	0.7	(9.1)	(0.0)	0.2	-	(10.6)
Non-controlling interests	-	-	-	(10.8)	0.0	-	0.0	(10.8)
Profit for the period attributable to the owners of the parent	**3.9**	**0.6**	**(0.1)**	**16.2**	**(0.0)**	**(0.6)**	**0.0**	**19.9**
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit for the period attributable to the owners of	**3.9**	**0.6**	**(0.1)**	**16.2**	**(0.0)**	**(0.6)**	**0.0**	**19.9**

Details of consolidated revenue at 30 June 2018

Gross operating revenue in first half 2018, split up by main business segment, can be analyzed as follows versus the amounts of 2017:

2018 (€ millions)	**Magazine publishing Cairo Ed.**	**Advertising**	**TV publishi La7**	**RCS**	**Trovatore**	**Network operator**	**Intra and un allocated**	**Total**
TV advertising	-	76.4	52.0	1.1	-	-	(53.6)	**75.9**
Advertising on print media, Internet and sporting events	9.6	15.2	0.7	230.6	-	-	(10.1)	**245.9**
Other TV revenue	-	-	1.2	4.0	-	-	-	**5.2**
Magazine over-the-counter sales and subsc	44.8		-	215.1	-	-	(0.1)	**259.8**
VAT relating to publications	(0.6)	-	-	(2.5)	-	-	-	**(3.2)**
Other revenue	-	0.3	-	81.0	0.4	6.0	(6.7)	**81.1**
Total gross operating revenue	**53.8**	**91.9**	**53.9**	**529.2**	**0.4**	**6.0**	**(70.6)**	**664.6**
Other revenue	1.4	0.6	2.9	9.4	0.0	0.0	(0.8)	13.5
Total gross operating revenue	**55.2**	**92.5**	**56.8**	**538.6**	**0.4**	**6.1**	**(71.4)**	**678.1**

2017 (€ millions)	**Magazine publishing Cairo Ed.**	**Advertising**	**TV publishing La7**	**RCS**	**Trovatore**	**Network operator**	**Intra and un allocated**	**Total**
TV advertising	-	75.7	51.3	1.5	-	-	(51.8)	**76.7**
Advertising on print media, Internet and sporting events	9.7	14.8	0.7	237.6	-	-	(10.0)	**252.8**
Other TV revenue	-	-	0.9	4.8	-	-	-	**5.7**
Magazine over-the-counter sales and subsc	34.6	-	-	172.8	-	-	(0.1)	**207.3**
VAT relating to publications	(0.6)	-	-	(2.5)	-	-	-	**(3.1)**
Other revenue	-	0.3	-	81.6	0.5	3.9	(4.7)	**81.6**
Total gross operating revenue	**43.7**	**90.8**	**52.9**	**495.8**	**0.5**	**3.9**	**(66.7)**	**621.0**
Other revenue	1.6	0.2	0.5	10.1	0.0	0.0	(0.2)	12.3
Total gross operating revenue	**45.3**	**91.0**	**53.4**	**505.9**	**0.5**	**3.9**	**(66.9)**	**633.3**

Alternative performance measures
In this press release, in order to provide a clearer picture of the financial performance of the Cairo Communication Group, besides of the conventional financial measures required by IFRS, a number of alternative performance measures are shown that should, however, not be considered substitutes of those adopted by IFRS.
The alternative measures are:
· **EBITDA:** used by Cairo Communication as a target to monitor internal management, and in public presentations (to financial analysts and investors). It serves as a unit of measurement to evaluate Group and Parent operational performance, with the EBIT, and is calculated as follows:
Result from continuing operations, before taxes
+/- Net finance income
+/- Share in associates
EBIT - Operating profit
+ Amortization & depreciation
+ Bad debt impairment losses
+ Provisions for risks
+ Income (expense) from equity-accounted investees
EBITDA – Operating profit, before amortization, depreciation, write-downs and impairment losses.

EBITDA (earnings before interest, taxes, depreciation and amortization) is not classified as an accounting measure under IFRS, therefore, the criteria adopted for its measurement may not be consistent among companies or different groups.
RCS defines EBITDA as operating profit (EBIT) before depreciation, amortization and impairment losses on fixed assets, and also includes income and expense from equity-accounted investees.
The main differences between the two definitions of EBITDA lie in the provisions for risks and in the allowance for impairment, included in the EBITDA definition adopted by RCS, while they are excluded from the EBITDA definition adopted by Cairo Communication. Owing to the differences between EBITDA definitions adopted, in the Half-Year Report at 30 June 2018, consolidated EBITDA has been determined consistently with the definition adopted by Cairo Communication.

The Cairo Communication Group also considers the **net financial position** (**net financial debt**) as a valid measure of the Group's financial structure determined as a result of current and non-current financial liabilities, net of cash and cash equivalents and current financial assets.