Press release – Half-year financial report at 30 June 2013

- **In 1H13, 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 141 million (Euro 173.2 million in 2012)**
  - **consolidated gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent came respectively to Euro 12.1 million, Euro 11 million and Euro 8 million (Euro 16.7 million, Euro 15.4 million and Euro 10.1 million in 2012)**
- **Including TV publishing in the Group's scope of business in the May-June two-month period, for current operations only:**
  - **consolidated gross revenue amounted to Euro 143.4 million (Euro 173.2 million in 2012), a bit higher than Euro 141 million on a like-for-like basis as more than 90% of La7 revenue is intra-group**
  - **consolidated gross operating profit (EBITDA), operating profit (EBIT) and profit attributable to the owners of the parent came respectively to Euro 12.5 million, Euro 11 million and Euro 8.5 million (Euro 16.7 million, Euro 15.4 million and Euro 10.1 million in 2012), results that benefited from lower depreciation and amortization of Euro 4.2 million, owing to write-downs made in the purchase price allocation of La7**
- **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 respectively to Euro 10.6 million, Euro 9 million and Euro 61.3 million (Euro 16.7 million, Euro 15.4 million and Euro 10.1 million in 2012), the latter due to "non-recurring income from the acquisition of La7", amounting to Euro 54.7 million.**

Milano, 7 August 2013: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the half-year financial report at 30 June 2013.

In 1H13, the Cairo Communication Group, despite the high degree of uncertainty of the economic context in general and specifically of the 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 successful circulation figures,
- strengthened 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 continue into the second half 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, with the upstream integration of its concessionaire business for the sale of television advertising space, diversifying its publishing activities previously focused on magazines.

On 30 April 2013, the Group completed the acquisition of La7. The current financial situation of the company - which reported a negative operating profit of approximately Euro 43.5 million in the first four months of 2013 - calls 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 undertakes 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 1H13, **on a like-for-like basis** with 2012 (magazine publishing, advertising and Il Trovatore), consolidated gross revenue amounted to approximately Euro 141 million (Euro 173.2 million in 1H12), driven down mainly by the declining advertising market (in 1H13, -16.4% and -24.3% the TV and magazine advertising markets respectively, *ACNielsen*). Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 12.1 million and Euro 11 million respectively, down 27.4% and 28.7% versus 1H12 (Euro 16.7 million and Euro 15.4 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 1H12. Profit attributable to the owners of the parent came to approximately Euro 8 million.

Considering the Group's **scope of business in its entirety**, including the results in the May-June two-month period of the TV publishing segment (La7), in 1H13, looking at **current operations** alone, consolidated gross revenue amounted to approximately Euro 143.4 million (Euro 173.2 million in 1H12), a bit higher than Euro 141 million on a like-for-like basis as more than 90% of La7 revenue is referred to the advertising concession contract already existing with Cairo Communication. Gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 12.5 million and Euro 11 million respectively, dropping versus 1H12 (Euro 16.7 million and Euro 15.4 million respectively). Profit attributable to the owners of the parent came to approximately Euro 8.5 million. Regarding the TV publishing segment (La7), in the May-June two-month period of 2013, gross operating profit (EBITDA) and operating profit (EBIT) came respectively to approximately Euro 0.4 million and to a negative Euro 0.03 million. These results benefited from lower amortization and depreciation of Euro 4.2 million due to write-downs of tangible and intangible assets of La7 made in the purchase price allocation. Net of these impacts, the operating loss of La7 S.r.l. in the two-month period would have come to Euro 4.2 million, improving strongly however versus the trend reported over the previous months, also considering how each single month normally contributes differently to the annual results.

Including "non-recurring income and charges from the acquisition of La7", the Group's gross operating profit (EBITDA) and operating profit (EBIT) came respectively to Euro 10.6 million and Euro 9 million, impacted by the non-recurring accessory costs of the acquisition of La7, amounting to Euro 1,9 million. Profit attributable to the owners of the parent amounted to approximately Euro 61.3 million, mainly due to "non-recurring income from the acquisition of La7", amounting to Euro 54.7 million, 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 next years. The fair value of acquired assets and liabilities and, therefore, non-recurring income, have been for the time being determined provisionally on the basis of the best information available at the date of preparation of the half-year report, based on the financial statement of La7 S.r.l. at 30 April 2013 prepared by the buyer and subject, in accordance with the contractual provisions, to the seller's assessment.

Looking at the **magazine publishing segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 4.6 million and Euro 4.1 million (Euro 6.3 million and Euro 5.6 million respectively in 1H12). In 1H13, circulation figures rose by +1% versus 1H12. With approximately 1.9 million average weekly copies sold in May 2013 (ADS data, with the exception of "Settimanale Giallo" not yet reported), the Group is the leading publisher in copies of weeklies sold at newsstands, with an approximately 25% market share. "Settimanale Giallo" in the first 15 issues reported average sales of approximately 170 thousand copies. In 1H13, total costs of approximately Euro 1 million were incurred for its launch, which was supported by an advertising campaign also at newsstands.

Looking at the **advertising segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 7.5 million and Euro 6.9 million respectively (Euro 10.4 million and Euro 9.8 million respectively in 1H12), due mainly to the negative advertising market trend.

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 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 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.

In 1H13, La7’s all-day share shot up to a remarkable 20.5% and to as much as 38.7% in prime time (4.18% average all-day share and 5.38% average prime-time share), with a high-quality target audience.

The consolidated net financial position at 30 June 2013 showed a positive figure of approximately Euro 178.5 million (approximately Euro 61.2 million at 31 December 2012). As shown in the statement of cash flows, the acquisition of La7 S.r.l. generated an increase in consolidated cash and cash equivalents of Euro 114 million. 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 main changes in the figures of the statement of financial position versus 31 December 2012 refer to the consolidation of La7.

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.

Based on the order book as at 6 August 2013 for advertising aired an to be aired on La7 and La7 d in the July-August two month period, amounting to Euro 13 million, revenues achieved in the same two month period of 2012 (Euro 12,2 million) have already been exceeded by over 6,5%.

Looking at the TV publishing segment, in 2H13 the Group will continue to implement its plan to restructure the company (which, in 2H12, excluding the impairment of goodwill and non-current assets, had reported a pro-forma operating loss higher than Euro 47 million[1]) with the aim of curbing losses versus those incurred in 1H12 and to achieve its turnaround.

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 print media 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 this section NOTICES AND DOCUMENTS / PRESS RELEASES

[1] *Source: Figure estimated by difference on the basis of segment information drawn from the 2012 half-year report and the annual financial report 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 June 2013

The main **consolidated income statement figures** of 1H13 can be compared as follows with those of 1H12:

(€ thousands)	30/06/2013 (Half-year)			30/06/2012 (Half-year)
	Current operations	**Non-recurring items**	**Total**	
Gross operating revenue	140,549	-	140,549	171,306
Advertising agency discounts	(14,534)	-	(14,534)	(19,631)
Net operating revenue	**126,015**	**-**	**126,015**	**151,675**
Change in inventory	(77)	-	(77)	32
Other revenue and income	2,896		2,896	1,918
Total revenue	**128,834**	**-**	**128,834**	**153,625**
Production cost	(97,271)	(1,917)	(99,188)	(124,374)
Personnel expense	(19,034)	-	(19,034)	(12,527)
Gross operating profit (EBITDA)	**12,529**	**(1,917)**	**10,612**	**16,724**
Amortization, depreciation, provisions and impairment losses	(1,578)	-	(1,578)	(1,321)
Operating profit (EBIT)	**10,951**	**(1,917)**	**9,034**	**15,403**
Net financial income	1,380	-	1,380	884
Income / (loss) on investments	563	-	563	(620)
Non-recurring income from acquisition of La7 S.r.l.	-	54,712	54,712	-
Pre-tax profit	**12,894**	**54,795**	**65,689**	**15,667**
Income tax	(4,429)	-	(4,429)	(5,559)
Non-controlling interests	-	-	-	1
Profit from continuing operations attributable to the owners of the parent	**8,465**	**54,795**	**61,260**	**10,109**
Profit / (loss) from discontinued operations	-	-	-	(1)
Profit attributable to the owners of the parent	**8,465**	**54,795**	**61,260**	**10,108**

Unaudited reclassified statements

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

(€ thousands)	30/06/2013 (Half-year)	30/06/2012 (Half-year)
Profit attributable to the owners of the parent	**61,260**	**10,107**
Other components of comprehensive income, reclassifiable		
Profit on measurement of available-for-sale financial assets	156	-
Tax effect	-	-
Other components of comprehensive income, non-reclassifiable		
Actuarial profit (loss) from defined benefit plans	77	-
Tax effect	(21)	-
Total comprehensive income	**61,472**	**10,107**

Unaudited reclassified statements

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

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

(€ thousands)	**30/06/2013**	**31/12/2012**
Balance sheet		
Property, plant and equipment	2,854	2,942
Intangible assets	11,610	9,107
Financial assets	1,327	79
Deferred tax assets	4,079	4,263
Net current assets	(33,603)	(10,906)
Total assets	**(13,733)**	**5,485**
Non-current borrowings and provisions	52,523	6,365
(Net financial assets)/Net debt	(178,519)	(61,234)
Equity attributable to the owners of the parent	112,259	60,350
Equity attributable to non-controlling interests	4	4
Total equity and liabilities	**(13,733)**	**5,485**

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

(€ thousands)	**30/06/2013**	**31/12/2012**	**Change**
Cash and cash equivalents	178,519	61,234	117,285
Current financial assets	-	-	-
Total	**178,519**	**61,234**	**117,285**

Consolidated statement of cash flows

The consolidated **statement of cash flows** at 30 June 2013 can be analyzed versus the statement of cash flows at 30 June 2012:

Consolidated statement of cash flows (€ thousands)	30/06/2013 (six months)	30/06/2012 (six months)
Cash and cash equivalents	**61,234**	**54,701**
OPERATING ACTIVITIES		
Profit	61,260	10,107
Non-recurring income from acquisition of La7 S.r.l.	(54,712)	-
Amortization and depreciation	430	441
Income / (loss) on investments	(563)	620
Net financial income	(1,380)	(884)
Income tax	4,429	5,559
Change in post-employment benefits	(206)	18
Change in provisions for risks and charges	(146)	(293)
Cash flow from operating activities before changes in working capital	**9,112**	**15,568**
(Increase) decrease in trade and other receivables	11,407	3,336
Increase (decrease) in trade and other payables	(8,339)	(1,253)
(Increase) decrease in inventories	1,801	(1,281)
Total cash flow from operating activities	**13,981**	**16,370**
Income tax paid	(206)	(2,053)
Financial expense paid	(180)	(63)
Total net cash from operating activities (A)	**13,595**	**14,254**
INVESTING ACTIVITIES		
(Acquisition) disposal net of plant and equipment and intangible assets	(2,845)	(717)
Cash and cash equivalents acquired net of purchase price of La7 S.r.l. (*)	113,999	-
Interest and financial income received	1,560	947
Net increase in other non-current assets	327	-
Net cash used in investing activities (B)	**113,041**	**230**
FINANCING ACTIVITIES		
Dividends paid	(10,905)	(11,695)
(Acquisition) disposal of treasury shares	1,344	(214)
Increase (decrease) in available-for-sale financial assets reserve	156	-
New measurement of defined benefit plans including tax effect	56	-
Other changes in equity	(2)	(4)
Net cash used in financing activities (C)	**(9,351)**	**(11,913)**
Cash flow of the period (A) + (B) + (C)	**117,285**	**2,571**
Closing cash and cash equivalents	**178,519**	**57,272**

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(*) Highlights of the consolidated statement of La7 S.r.l. at 30 April 2013:

Other non-current assets	(1,013)
Inventory	(1,557)
Trade receivables and other current assets	(59,707)
Trade payables and other current liabilities	75,074
Provisions for risks and charges	39,329
Post-employment benefits	7,181
Non-recurring income from the acquisition of La7 S.r.l.	54,712
Cash and cash equivalents acquired net of purchase price of La7 S.r.l.	**113,999**

Analysis of traditional segment operating results at 30 June 2013

The results in 1H13 by **each main business segment** (magazine publishing, advertising, TV publishing and Il Trovatore) can be analyzed as follows with those of 1H12:

2013 (Half-year)	**Print media publishing**	**Advertising**	**TV publishing La7 (*)**		**Trovato-re**	**Unallocated operations**	**Intra-group**	**Total**
(€ thousands)			**Current operations**	**Non-recurring items**				
Gross operating revenue	48,038	101,224	22,228	-	184	-	(31,125)	140,549
Advertising agency discounts	-	(14,534)	-	-	-	-		(14,534)
Net operating revenue	**48,038**	**86,690**	**22,228**	**-**	**184**	**-**	**(31,125)**	**126,015**
Change in inventory	(77)	-	-	-	-	-	-	(77)
Other income	1,467	3,752	281	-	-	-	(2,604)	2,896
Total revenue	**49,428**	**90,442**	**22,509**	**-**	**184**	**-**	**(33,729)**	**128,834**
Production cost	(35,076)	(80,060)	(15,698)	(1,917)	(166)	-	33,729	(99,188)
Personnel expense	(9,718)	(2,883)	(6,416)	-	(17)	-	-	(19,034)
Gross operating profit (EBITDA)	**4,634**	**7,499**	**395**	**(1,917)**	**1**	**-**	**-**	**10,612**
Amortization, depreciation, provisions and impairment losses	(569)	(585)	(424)	-	-	-	-	1,578
Operating profit (EBIT)	**4,065**	**6,914**	**(29)**	**(1,917)**	**1**	**-**	**-**	**9,034**
Income / (loss) on investments	-	563	-	-	-	-	-	563
Net financial income	20	830	531		(1)	-	-	1,380
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	54,712	-	-	-	54,712
Pre-tax profit	**4,085**	**8,307**	**502**	**52,795**	**-**	**-**	**-**	**65,689**
Income tax	(1,589)	(2,838)	-	-	(2)	-	-	(4,429)
Non-controlling interests	-	-	-	-	-	-	-	-
Profit from continuing operations attributable to the owners of the parent	**2,496**	**5,469**	**502**	**52,795**	**(2)**	**-**	**-**	**61,260**
Profit / (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit	**2,496**	**5,469**	**502**	**52,795**	**(2)**	**-**	**-**	**61,260**

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

2012 (Half-year) (€ thousands)	**Print media publishing**	**Advertising**	**TV publishing La7**		**Trovato-re**	**Unallocated operations**	**Intra-group**	**Total**
			Current operations	**Non-recurring items**				
Gross operating revenue	53,487	134,424	-	-	175	-	(16,780)	171,306
Advertising agency discounts	-	(19,631)	-	-	-	-	-	(19,631)
Net operating revenue	**53,487**	**114,793**	**-**	-	**175**	**-**	**(16,780)**	**151,675**
Change in inventory	32	-	-	-	-	-	-	32
Other income	1,856	62	-	-	-	-	-	1,918
Total revenue	**55,375**	**114,855**	**-**	-	**175**	**-**	**(16,780)**	**153,625**
Production cost	(39,491)	(101,500)	-	-	(163)	-	16,780	(124,374)
Personnel expense	(9,531)	(2,979)	-	-	(17)	-	-	(12,527)
Gross operating profit (EBITDA)	**6,353**	**10,376**	**-**	-	**(5)**	**-**	**-**	**16,724**
Amortization, depreciation, provisions and impairment losses	(723)	(594)	-	-	(4)	-	-	(1,321)
Operating profit (EBIT)	**5,630**	**9,782**	**-**	-	**(9)**	**-**	**-**	**15,403**
Net financial income	127	758	-	-	(1)	-	-	884
Income (loss) on investments	-	(620)	-	-	-	-	-	(620)
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-	-
Pre-tax profit	**5,757**	**9,920**	**-**	-	**(10)**	**-**	**-**	**15,667**
Income tax	(1,923)	(3,632)	-	-	(4)	-	-	(5,559)
Non-controlling interests	-	1	-	-	-	-	-	1
Profit from continuing operations attributable to the owners of the parent	**3,834**	**6,289**	**-**	-	**(14)**	**-**	**-**	**10,109**
Loss from discontinued operations	-	-	-	-	-	(1)	-	(1)
Profit	**3,834**	**6,289**	**-**	-	**(14)**	**(1)**	**-**	**10,108**

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Details of consolidated revenue at 30 June 2013

The breakdown of gross operating revenue in 1H13, 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 1H12:

Gross revenue (€ thousands)	Half-year at 30/06/2013 (six months)					
	Magazine publishing	**Advertising**	**TV publishing**	**Trovatore**	**Intra-group eliminations**	**Total**
Magazine over-the-counter sales	35,965	-	-	-		35,965
Print media advertising	10,912	14,252	-	-	(10,625)	14,538
TV advertising	-	85,250	-	-		85,250
Advertising revenue	-	-	20,090	-	(20,090)	-
Stadium signage	-	1,342	-	-	-	1,342
Internet advertising	-	90	-	15	-	105
Revenue from concession of programming schedule spaces	-	-	1,516	-	-	1,516
Other TV revenue	-	-	622	-	-	622
Subscriptions	1,520	-	-	-	-	1,520
Books and catalogues	249	-	-	-	-	249
Other revenue	-	290	-	169	(409)	50
VAT relating to publications.	(608)	-	-	-	-	(608)
Total gross operating revenue	**48,038**	**101,224**	**22,228**	**184**	**(31,125)**	**140,549**
Other revenue	1,467	3,752	281	-	(2,604)	2,896
Total revenue	**49,505**	**104,976**	**22,509**	**184**	**(33,729)**	**143,445**

Gross revenue (€ thousands)	Half-year at 30/06/2012 (six months)					
	Magazine publishing	**Advertising**	**TV publishing**	**Trovatore**	**Intra-group eliminations**	**Total**
Magazine over-the-counter sales	35,645	-	-	-	-	35,645
Print media advertising	16,469	19,780	-	-	(16,371)	19,878
TV advertising	-	112,676	-	-	-	112,676
Advertising revenue	-	-	-	-	-	-
Stadium signage	-	872	-	-	-	872
Internet advertising	-	795	-	17	-	812
Revenue from concession of programming schedule spaces	-	-	-	-	-	-
Other TV revenue	-	-	-	-	-	-
Subscriptions	1,564	-	-	-	-	1,564
Books and catalogues	412	-	-	-	-	412
Other revenue	-	301	-	158	(409)	50
VAT relating to publications	(603)	-	-	-	-	(603)
Total gross operating revenue	**53,487**	**134,424**	-	**175**	**(16,780)**	**171,306**
Other revenue	1,856	62	-	-	-	1,918
Total revenue	**55,343**	**134,486**	-	**175**	**(16,780)**	**173,224**

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

The main **income statement figures of the Parent** in 1H13 can be compared with those in 1H12:

(€ thousands)	**30/06/2013 (Half-year)**	**30/06/2012 (Half-year)**
Gross operating revenue	63.544	80.263
Advertising agency discounts	-	-
Net operating revenue	**63,544**	**80,263**
Other revenue and income	3,283	12
Total revenue	**66,827**	**80,275**
Production cost	(60,610)	(72,918)
Personnel expense	(1,416)	(1,376)
Gross operating profit (EBITDA)	**4,801**	**5,981**
Amortization, depreciation, provisions and impairment losses	(79)	(98)
Operating profit (EBIT)	**4,722**	**5,883**
Net financial income	757	622
Income (loss) on investments	3,729	15,059
Pre-tax profit	**9,208**	**21,564**
Income tax	(1,919)	(2,302)
Non-controlling interests	-	-
Profit from continuing operations	**7,289**	**19,262**
Loss from discontinued operations	-	(1)
Profit	**7,289**	**19,261**

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

(€ thousands)	**30/06/2013 (Half-year)**	**30/06/2012 (Half-year)**
Statement of comprehensive income of the Parent		
Profit	**7,289**	**19,261**
Profit on measurement of available-for-sale financial assets	69	-
Total statement of comprehensive income	**7,358**	**19,261**

Unaudited reclassified statements

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

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

(€ thousands)	**30/06/2013**	**31/12/2012**
Balance sheet		
Property, plant and equipment	489	520
Intangible assets	157	159
Financial assets	14,886	14,032
Other non-current assets	399	399
Net current assets	12,865	(160)
Total assets	**28,796**	**14,950**
Non-current borrowings and provisions	1,033	1,008
(Net financial position)/Net debt	(29,404)	(45,426)
Equity	57,167	59,368
Total equity and liabilities	**28,796**	**14,950**

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

(€ thousands)	**30/06/2013**	**31/12/2012**	**Change**
Cash and cash equivalents	29,404	45,426	(16,022)
Current financial assets	-	-	-
Total	**29,404**	**45,426**	**(16,022)**

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