



Board of Directors approves consolidated quarterly report at 31 March 2015.

Revenues of 18.79 million euro

Ebitda improves by 1.02 million to -0.91 million euro

Milan, 14 May 2015

The Board of Directors of Class Editori SpA met today and approved the consolidated results for the first three months of the year.

Revenues for the period amounted to 18.79 million euro (20.03 million euro in the first quarter of 2014), down 6.2%. On a consistent basis (excluding Class TV, the station broadcasting on digital terrestrial channel LCN 27 whose licence was sold in December 2014), the reduction was 3.7%.

Operating costs were 10.3% lower, declining from 21.96 to 19.71 million euro. The gross operating margin (Ebitda) improved by 1.02 million euro, from -1.93 million euro to -0.91 million euro in the first quarter of 2015.

The Group's net results for the period improved by 1.27 million euro (from -4.54 million euro to -3.27 million euro in the first quarter of 2015).

The net financial position reflects a decrease in net borrowing from 63.3 million euro at 31 December 2014 to 62.0 million euro at 31 March 2015.

Significant economic-financial events during the quarter

Official Nielsen data for the publishing market in which the Publishing House operates indicates a 3% contraction in the first quarter of 2015 compared with the same period in the prior year. In particular, both newspapers and periodicals have continued to contract (down respectively by 6.9% and 3.9% compared with the first quarter of 2014). Television and Internet advertising also declined (-2% and -2.4% respectively, compared with the first quarter of 2014).

On a consistent basis (excluding Class TV), the consolidated advertising revenues of the Publishing House declined in line with the market trend (-2.9%). To some extent, this was due to the reduced number of editions published by certain periodicals, as part of the related restructuring and relaunch programmes. Newspapers - the Publishing House's most important area - outperformed the market (-6.9%) with growth during the quarter of 0.2%.

Within the digital area, up 12.6% compared with the first quarter of 2014, turnover has continued to grow in the areas of business information, news agency and financial information for banks and on-line trading platforms.

Traffic on the Publishing House's website rose during the first quarter of 2015, with strong growth in the number of pages viewed by readers: 910 thousand per day on average (+10.6% compared with the first quarter of 2014) and 27.3 million per month (+10.7%). The daily number of individual users was essentially stable (113,461, -3.2% compared with the same period in 2014, but with a peak of 133,417 users in March), as was the monthly number (1.32 million, -3.6%). The number of readers following the news in real time on Twitter has risen: MF-Milano Finanza and Italia Oggi now have about 110 thousand followers. Both dailies can be read in digital format using any tablet available on the market.



With regard to distribution, Milano Finanza averaged 79 thousand copies during the first quarter, up from 72 thousand in the same period of 2014, while Class averaged about 48 thousand copies (average of 61 thousand in 2014) and Capital averaged 48 thousand copies (average of 62 thousand in 2014).

Key events in the first quarter included:

- in mid-March, Class Editori became the largest individual investor in WeToBusiness, the operating arm in Italy of WeChat, the most popular Chinese communications tool, as well as social network, e-commerce, video, music and CRM (customer relationship management) operator. This platform is able to manage relations with existing and potential customers in Italy, while also monitoring their profiles. With more than 1 billion registered users, controlled by the world's fourth largest Internet group (Tencent, 13 billion dollars in revenues, one of the three Chinese companies to obtain an on-line banking licence), WeChat guarantees privacy (by contrast with Whatsapp) and has already been downloaded 8 million times in Italy, with 1.3 million active accounts. In addition to participating in the capital of WeToBusiness, Class Editori sells two services to Italian companies: the first is an account for those wishing to be visible in the Chinese market, either from Italy or from China, with translation and training services included; the second is the Eccellenza Italia platform, for Italian firms that want to sell products and services to Chinese persons in Italy. WeChat's direct presence in Italy, not just for the Expo period, positions the country as a trampoline for developing the platform in Europe assisted by the offer of Class services;
- intensified effort by CCeC to select suppliers and acquire products for CCIGMall, the Chinese e-commerce platform, which is about to launch B2C activities alongside the existing B2B operations;
- three editions were held (in Milan, Monza and, for the first time, Naples) of the Student Fair, which is the Publishing House's primary event in the sector that provides information to young people. These fairs attracted more than 70 thousand students in total;
- from February, Class Pubblicità (known as ClassPi) adopted a new organisation based on the principles of integration, verticalisation, centrality and customer development, with the aim of responding more flexibly to changes in a market that is moving towards multiple media.

Principal events subsequent to period end

- The Shareholders' Meeting held on 30 April 2015 resolved to grant the Board of Directors a new mandate, valid for a period of 18 months, to purchase and make use of treasury shares, in one or more tranches, representing not more than 10% of share capital and, in all cases, without exceeding the distributable profits and the available reserves reported in the latest approved financial statements. Again on that date, the Extraordinary session of the Shareholders' Meeting resolved to eliminate the par value of the shares and to consolidate the outstanding ordinary shares on the basis of 1 new ordinary share for every 3 ordinary shares held. Following this consolidation, share capital is now represented by 94,406,358 shares. The Shareholders' Meeting also authorised the issue of shares with additional voting rights.
- The new edition of Case & Country, a monthly magazine, was launched at the Furniture Exhibition held in mid-April, with an excellent reception from both readers and advertisers.
- Embrace.it was formed in early May 2015, with a 50% interest held by Class Editori. The objective of the Publishing House is to penetrate further the sector of foreign language digital information for visitors to the principal Italian cities, with a particular focus on those coming from China and on the universe of English-speaking tourists. Embrace.it is a result of collaboration with Ipso Facto Synergy. The first step will be to promote, develop and disseminate the smartphone and tablet app known as China to Italy, already operational for more than one year, which has been contributed to the company by the founding quotaholders. Subsequent efforts will concentrate on other international markets.



- Work is continuing on the economic-financial information website established in collaboration with SkyTg24, as part of the partnership with Sky Italia established on the sale of digital terrestrial channel 27. This website will strengthen the position of the Publishing House in the Internet sector.
- The WeChat account named Eccellenza Italia Expo, already mentioned in the past, became operational on 1 May, with the start of the Expo. Via this account, the Publishing House intends to inform Chinese tourists visiting Milan and Italy about the main events, best hotels, best restaurants, best boutiques and best services available to them. At the same time, a number of other initiatives have been launched (newsletters, specials and events) that are based on Expo content and which will take place over the six-month period of the Universal Exposition. The *Class Expo Pavilion Heritage* awards have been launched together with Laureate, the largest university in the world, present in 29 countries with 86 faculties. These awards will celebrate the country and firms that leave the best inheritance to future generations of humanity on the Expo theme "Feeding the Planet, Energy for Life".

Business outlook

Despite the decline in revenues, the Publishing House has significantly lowered the operating losses reported. This reflects the cost-reduction actions implemented, which will be followed during the year by other important measures to contain expenditure, including payroll costs. The Publishing House has also decided to invest substantially in the sectors of the future, such as digital, e-commerce and special platforms like WeChat and CCIGMall.

Despite the uncertainties still affecting the advertising market, advertising revenues showed encouraging signs of growth during April. If confirmed, this should enable recovery of the reduction experienced during the first quarter, even though performance then was slightly better than that of the reference markets as a whole.

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The income statement and the statement of financial position are presented below.
The interim report on operations will be made available to the public on the website of the Publishing House, www.classeditori.it, prior to the legal deadline



Pursuant to art. 154 bis, para. 2, of the Consolidated Finance Law, the Executive responsible for preparing corporate accounting documents, Gianluca Fagiolo, confirms that the accounting information included in this release agrees with the documentary records, books and accounting entries.

Consolidated income statement for the period ended 31 March 2015

(in thousands of euro)

INCOME STATEMENT	31/03/2015	31/03/2014
REVENUES		
Revenues from sales	17,503	18,655
Other operating income	1,291	1,374
Total revenues	18,794	20,029
COSTS		
Operating costs	(19,706)	(21,958)
Gross operating margin – Ebitda	(912)	(1,929)
Non-recurring income/(expense)	66	(94)
Depreciation, amortisation and write-downs	(1,401)	(1,340)
Operating result - Ebit	(2,247)	(3,363)
Financial income (charges), net	(884)	(1,016)
Net result	(3,131)	(4,379)
Non-controlling interest	(143)	(161)
Net result attributable to the Group	(3,274)	(4,540)



Revenues for the period are analysed as follows:

<i>(€/millions)</i>	31/03/2015	31/03/2014	Change %
Revenues from subscriptions and copies	7.12	7.06	0.8%
Advertising revenues	9.59	10.53	-8.9% (*)
Other revenues	2.08	2.44	-14.7%
Total	18.79	20.03	-6.2% (**)

(*) -2.9% on a consistent basis (excluding Class TV, the station broadcasting on digital terrestrial channel LCN 27 that was sold in December 2014).

(**) on a consistent basis, total revenues fell by 3.7% compared with the first quarter of 2014.

The financial position at 31 March 2015 is as follows:

<i>€ (thousands)</i>	31/03/2015	31/12/2014	31/03/2014
Net long-term borrowing	(2,030)	(2,897)	(5,844)
Net short-term borrowing/liquid funds	(59,994)	(60,332)	(63,907)
<i>Of which:</i>			
<i>Financial payables</i>	<i>(80,805)</i>	<i>(77,762)</i>	<i>(81,339)</i>
<i>Liquid funds and financial receivables</i>	<i>18,261</i>	<i>14,880</i>	<i>17,432</i>
<i>Securities</i>	<i>2,550</i>	<i>2,550</i>	<i>-</i>
Net financial position: net borrowing/liquid funds	(62,024)	(63,229)	(69,751)