Board approves
consolidated Quarterly Report at 31 March 2017
Group EBITDA and final net result improve

Milan, 15 May 2017 - The Board of Directors of Class Editori SpA met today and approved the consolidated results for the first three months of the year.

Operating performance

Total revenues amounted to 16.30 million euro, compared with 17.93 million euro in the first quarter of 2016 (-9.1%), in part because special editorial operations were postponed to subsequent months.

Thanks to containment actions, operating costs fell by about 9.6% compared with the same period in 2016, to 17.08 million euro (18.89 million euro in the same period the previous year).

EBITDA was -0.78 million euro, an improvement on the result for the corresponding period in 2016 (-0.96 million euro).

Net non-core income totalled 81 thousand euro (-193 thousand euro at 31 March 2016), whereas depreciation/amortisation and write-downs amounted to 1.73 million euro (1.78 million euros in 2016). Financial charges for the quarter totalled 0.45 million euro (0.88 million euro in 2016).

The Group's net loss was 2.31 million euro, a 38% improvement on the close of the corresponding period in 2016 (loss of 3.73 million euro).

The above analysis of the Publishing House's net financial position shows an improvement, with a reduction in net borrowing from 67.3 million euro at 31 December 2016 to 64.4 million euro at 31 March 2017.

Significant economic and financial events during the quarter

The advertising market in Italy ended the first quarter down 1.6% compared with the same period in 2016 (Nielsen data). The only stable media during the quarter (compared with 2016) was TV (+0.6%), which remained the most important media with 63% of the total market share; print, however, continued its negative trend, with dailies down 8.9% and periodicals down 7.7%. GO TV sales increased during March and was the media with the best performance for the month (up 6.8%), reversing the trend of the first two months of 2017 and finishing the quarter down 6.5%, for the sector, whereas Class's GO TV showed clear growth during the same period. The web, with regard to the scope monitored by Nielsen, recorded a fall of 2.6% during the quarter, whereas it grew on search and social media by an estimated 7.9% overall.

As editorial initiatives were pushed back to the second quarter, the Publishing House's advertising revenues fell by 7% (down 3% with the same media scope). Against the excellent sales results on Internet sites (+21%), GO TV (+5%, with two-figure growth in March of 11%) and Class CNBC (+3%), there was a fall in daily print, albeit less than the market fall (-6%) and, within it, commercial advertising ended the quarter up 4%. The fall was mainly due to financial and legal advertising: there were no special financial and legal transactions due to the delayed reintroduction of obligations for calls for tender.

As certified by the actual Analytics data for digital system traffic, activity on the website of Milano Finanza (www.milanofinanza.it) grew by 14.5% during the first three months of the year, with a daily average of 139,217 unique users (121,634 in the first three months of 2016). At the time of preparing this report, Audiweb Database (which uses samples and not the certified Analytics data) had not yet released the latest data inclusive of March 2017; however, during the first two months of 2017, all the websites of the Publishing House, taken together, averaged 94,317 daily unique users and 702 thousand daily page visits whereas the actual Analytics data for digital system traffic recorded, in the same period and for the Milano Finanza website alone, a daily average of 1.67 million page visits and growth of 15.8% of unique users, up from 124,269 in the first two months of 2016 to 143,900.

The number of readers following the news from the websites in real time on Twitter now exceeds 97 thousand for MF-Milano Finanza and 35 thousand for Italia Oggi.
The combined hard-copy/digital distribution of MF-Milano Finanza during the quarter averaged about 68 thousand copies, while Class averaged about 37 thousand copies and Capital 38 thousand.

Significant events in the first quarter of this year include:
• On 16 February 2017 Borsa Italiana SpA admitted Telesia ordinary shares and warrants for 2017-2019 for listing on AIM Italia, a multilateral trading system organised and managed by Borsa Italiana for small and medium-sized Italian companies. Telesia operates in the digital media and technology sector and is a leader in GO TV with a 50% market share. The total value of the investment was 3.99 million euro. Telesia SpA's post-admission float amounts to 22.83% of the share capital. Class Editori SpA holds the remainder.

• In March 2017, Class Editori signed a Memorandum of Understanding (MoU) with Shenzhen Garment Industry Association aimed at promoting a strategic joint venture in the fashion sector. Shenzhen Garment Industry Association (SGIA) is a not-for-profit organisation with over 800 members and promotes, represents and protects the interests of the fashion and clothing sector of China's most dynamic city, facilitates communications between the government and companies and improves economic and technical cooperation in China and abroad. SGIA organises Shenzhen Fashion Week, now on its third edition, and aims to make it the leading event of this type in China. By signing this MoU Class Editori has become its exclusive Italian media partner in Italy and the official media partner for Shenzhen Fashion Week. Class Editori will carry out editorial initiatives and special events for SGIA through MF Fashion and the Publishing House's TV stations.

Subsequent events and outlook for operations

• During its extraordinary meeting of 27th April 2017, the Board of Directors of Class Editori exercised the mandate granted by the Shareholders' Meeting held on 27 April 2012, giving the Board of Directors the right, pursuant to article 2443 (1) second sentence of the Civil Code, to increase the share capital by payment, in one or more tranches, within a maximum period of five years from the date of the resolution, by a maximum of 10% of the capital existing as of the date of the resolution.
The Board thus agreed to a paid capital increase from 28,321,907.40 euro to 29,377,982.40 euro, thus by the maximum of 1,056,075.10 euros, by issuing 3,520,250 ordinary category A shares, amounting to 3.6% of the Company, with a value of 0.98 each, with a share premium of 2,402,532.90 euro, to be subscribed by PP Editore Srl, which in exchange confers 120,000 shares in Class Pubblicità S.p.A amounting to 18.35% of the capital, enabling Class Editori to acquire directly and indirectly 94.63% of Class Pubblicità.

• On 26 April 2017 a joint venture was set up between Class Editori and Giglio Group, which specialises in the distribution of television content world-wide and in e-commerce using new technologies, for Class TV Moda. The aim of the transaction, which involves the acquisition of 50% of Class TV Moda Holding Srl by Giglio Group, is to increase the television network on a global scale; this will include the IBOX platform and the Giglio Group e-commerce 4.0, enhancing them with new content, and ensure that Class TV Moda becomes even more international. Through this agreement, Class TV Moda will extend its international presence, increase its audience and strengthen its leadership in its market.

Italian economic conditions are not expected to improve much in the coming months although GDP is expected to grow slightly more than in 2016. The Publishing House is continuing its cost containment strategy in all sectors and, with regard to revenues, has started an internal reorganisation designed to boost market share in the digital advertising area. This involves establishing an organisation dedicated to integrating the sales network, in order to strengthen the digital advertising components, via programmatic advertising, and revenues from digital news stands. The programme envisages developing strategic partnerships with market operators, increasing the online advertising investment made by existing customers, developing digital publishing and selling online content.

Revenues are expected to increase in particular from Telesia GO TV, which ended the first quarter very positively and in the coming months should make the most of the strong potential arising from its classification in the TV advertising sector; it had sales of over 3.8 billion for the out-of-home sector (bill-posting), in which the Telesia channels were until now considered top media operators by the top media operators. The success of the Telesia listing is both confirmation of growth and an incentive to growth, as it is a unique TV media for a target that cannot be captured by other channels, being made up of about 9 million medium-high level people who are constantly on the move.

In addition, it is reasonable to believe that events such as the Marketing Festival held in Milan, the Class Digital Experience Week planned for late June, and Capital's participation in the G7 meeting in Taormina at the end of May will counteract the downturn of the traditional advertising market. On top of all this there is the project in progress to help Italian SMEs obtain a real capital market, with the Motore Italia initiative, and the production of platforms where companies and investors can come together.

For further information please contact:
Class Editori
Gian Marco Giura
Communications/Investor Relations
Tel: +39 02-58219395
Email: gmgiura@class.it

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 comprehensive income statement for the period ended 31 March 2017

(thousands of euro)		
INCOME STATEMENT	***31/03/2017***	***31/03/2016***
REVENUES		
Revenues from sales	15,453	16,784
Other operating income	844	1,145
Total Revenues	**16,297**	**17,929**
COSTS		
Operating costs	(17,079)	(18,886)
Gross operating result – EBITDA	**(782)**	**(957)**
Net non-core income/(charges)	81	(193)
Depreciation, amortisation and write-downs	(1,728)	(1,781)
Operating result - EBIT	**(2,429)**	**(2,931)**
Financial income (charges), net	(448)	(877)
Net result	**(2,877)**	**(3,808)**
Net (profit) loss attributable to NCI	571	77
Net result attributable to the Group	**(2,306)**	**(3,731)**

Consolidated net financial position at 31 March 2017

€ (thousands)	**31/03/2017**	**31/12/2016**	**Change**	**Change %**
Cash and cash equivalents	4,420	2,505	1,915	*76.4*
Current financial receivables	9,440	8,425	1,015	*12.0*
Non-current financial payables	(75,901)	(75,835)	(66)	*(0.1)*
Current financial payables	(2,370)	(2,360)	(10)	*(0.4)*
Net financial position	**(64,411)**	**(67,265)**	**2,854**	***4.2***