

Classeditori



**Interim Report on Operations
as of 30 September 2009**

Class Editori S.p.A.
and subsidiaries
Registered office, 5, Via Marco Burigozzo, Milan

Interim report on operations as of
30.09.09

The interim report on operations is drafted on a consolidated basis, as the Company is required to do by current standards.

COMMENTS ON ECONOMIC DATA

The main factors characterising the economic trend and operating results during the first nine months of 2009, as highlighted in the accounts prospectus, can be summarised as follows:

- total revenues in the period, equal to 84.3 million Euro, fell by 10.7 million Euro compared to the same period in the previous year (-11.3%). Revenues as of 30 September 2009 include 1.0 million Euro of turnover generated by Assinform S.r.l., the majority equity holding of which was acquired in this period.

Falls in turnover were determined by the period of economic recession that hit international markets, which in Italy had a significant impact even in the publishing sector, where in particular advertising investments in the press suffered an overall downturn of about 26% (national commercial on payment, newspapers and periodicals).

Operating costs in the same period fell by 12.8%. The reduction, - given the same scope of consolidation - was equal to 12.4 million Euro (-13.8%).

The gross operating margin, defined as the difference between total revenues and cost of production prior to depreciation/amortisation and financial expenses, was positive by 5.6 million Euro, up by 0.9 million compared to the same period in 2008 (+18%).

Net financial expenses changed from 1.16 million in the first nine months of 2008 to 0.4 million Euro in the same period of 2009, essentially because of the significant reduction in interest rates recorded during 2009: euribor at three months in 2008 increased from 4.67% at the start of 2008 to 5.28% at 30/9/2008, while in 2009 the same rate fell from 2.86% of the start of the year to 0.75% at 30/9/2009.

The pre-tax result of the group after third-party interest was negative by 0.28 million Euro, against a loss of 1.44 million Euro in the same period in the previous year, with an improvement of 1.16 million Euro.

MAIN ECONOMIC-FINANCIAL EVENTS IN 2009

The reference period just ended was unprecedented in terms of the gravity of the crisis which affected the Italian economy and the publishing sector in particular, the latter suffering from a very significant drop in advertising sales.

We managed to contain this drop compared to the national average (the press advertising market lost about 26%) and tackled market difficulties with important and significant manoeuvres to reduce and rationalise costs through the timely implementation of a recovery plan that made it possible - by September - to achieve positive and better results compared to 2008, thereby improving on the already positive trend seen in June in the half-year report.

The containment plan at the start of the financial year was set at 15 million Euro for the entire year and concerned all business areas with the objective of immediate and constant recovery financial balances.

Other operations concerning scale economies and cost containment involved all company divisions and departments, at all levels (editorial, industrial, central organizational structures). The objective involved structural reorganisation plans, the centralisation of graphic and publishing functions, creation of synergies, vertical integration of activities, reduced use of raw materials and savings in the use all third-party services as well as the redefinition of all structure expenses, the review of tariffs and the use of assets and services. In September, it seems that more than 80% of the

annual objective has been achieved and all the efforts of the publisher are currently also concentrated on maintaining the trend in the last quarter of the year.

Despite the recession, the publishing house continues to invest in order to improve the quality and quantity of offered products and media in addition to diversifying its offering on the market, targeting new segments and improving its competitive positioning. The main aspects characterising company operations particularly include:

- With regards to the initiative titled *Una vita per la Scienza* (A Life Dedicated to Science), this 12-episode TV series is dedicated to explaining the science and research of Prof. Umberto Veronesi, interviewed by Alessandro Cecchi Paone; it is the first time that Prof. Veronesi has discussed his medical and scientific activities in a complete and in-depth manner as well as his political and civil passions for helping others. The series was broadcast in the first half year on the publishing house's channels with sponsorship by IBM and negotiations have begun to sell the broadcasting rights to leading national channels.
- The circulation figures for the period remain high, considering the difficulties and decreases seen in the print media market: For the period, in terms of the updated moving average, the average circulation figures for the publications were as follows: *Class*, approximately 83,600 copies (76,500 copies in 2008); *Capital*, 86,100 copies (87,800 copies in 2008); and *Milano Finanza* approximately 98,300 copies (103,600 in 2008).
- Class Editori concluded the acquisition of 65% of Assinform Srl, a publishing house in the city of Pordenone specialized in the insurance sector. Since 1989 Assinform has published the *Assinews* monthly, a magazine containing technical, legal and general information concerning insurance; it is a true reference point in the sector, due to both its analysis of policies and accounts of companies, and the authoritativeness of the opinions expressed in the publication. In addition to *Assinews* and its respective web site, Assinform also publishes the specialty quarterly magazine *Rischio Sanità* and a series of books regarding the world of insurance policies.

By means of the acquisition of Assinform, Class Editori strengthened its presence in the insurance sector in which it already operates through the information and publications of “Milano Finanza”, both through the “DP Financial Analysis” reports as well as the workshop, convention and training course activities implemented thus far by MF Conference S.r.l..

- With the new business offers denominated *Poker di Class*, the publishing house has made new television communication formats available to the business world which allows companies that want to communicate by television to present themselves in a more effective manner.

Revenue in the period can be outlined as follows:

€(millions)	30/09/2009	30/09/2008	%
Newsstand sales	6,65	7,00	(5%)
Subscription revenues	33,28	33,88	(2%)
Advertising revenues	39,41	49,89	(21%)
Other revenues	4,96	4,27	16%
Total	84,30	95,04	(11,3%)

The reduction in revenues through news agents is associated with the market situation and derives from the fall in distribution affecting the entire printed matter market which also affected, albeit to a limited extent, our publications.

Subscription revenues essentially fell as a result of losses in turnover booked in the electronic publishing area (E-class) in mature business sectors which are more exposed to recessions in financial markets (trade in financial information and royalties paid associated with Stock Exchange orders for *on-line trading*)

The trend for advertising revenue is substantially in line with the trends seen in June, and in any case better than the market average mentioned above (-26%).

FINANCIAL SITUATION

The financial situation as of 30 September 2009 is as follows:

€(x)	30/09/2009	30/09/2008	31/12/2008
Net medium/long-term financial indebtedness	(2.875)	(3.903)	(3.053)
Net short-term financial indebtedness/net short-term cash in hand	(34.031)	(32.005)	(20.584)
<i>Of which:</i>			
<i>Financial payables</i>	(37.337)	(34.192)	(27.566)
<i>Availability and financial amounts receivable</i>	3.306	2.187	6.982
Net financial position: Net Indebtedness/net availability	(36.906)	(35.908)	(23.637)

The net financial position of the publishing house displayed in the statement reported, as of 30.09.09, a net debt of 36.9 million Euro; the increase of 13.3 million Euro compared to 31/12/2008 is due to payments of shares totaling 2.1 million Euro (primarily Assinform S.r.l. e MF Honyvem S.r.l), investments implemented in the period (tangible fixed assets and software) totaling 5.5 million Euro while the remainder is due to delays in collections from advertising customers.

Medium to long-term financial payables include three facilitated long-term loans stipulated with Centrobanca, two of which expire in 2011 and one which expires in 2015, as well as a loan with Mediocredito expiring in 2015. Current financial payables include stand-by financing and overdraft facility credit lines; this credit was overall half utilized.

PERSONNEL

Period average

	30/09/2009	30/06/2009	31/03/2009	31/12/2008
Executives	25	25	25	25
Journalists and FRT	152	150	148	150
Clerical staff	278	275	260	258
Total	455	450	433	433

Movements in personnel compared to the start of the year include 10 new employees at the subsidiary MF Honyvem as a result of the opening of a new operational unit. Seven other employees resulted from the acquisition of Assinform. Apprenticeship contracts at 30.09.09 totalled 8 units, while fixed-term contracts were equal to 65 units.

Class Editori S.p.A. carries out its activities at its registered office in Via Burigozzo 5, Milan, and also at the following operating offices:

Milan - 8, Via Burigozzo

Rome - Via Santa Maria in Via, 12

ACCOUNTING PRINCIPLES AND VALUATION CRITERIA

The accounting principles adopted in preparing the financial statements and consolidated quarterly data are the same as those used for the consolidated financial statements in the previous financial year. This consolidated interim report on operations was drafted by using the evaluation criteria of historic cost, except for the financial tools available for sale, which were assessed at fair value.

The figures for the comparison period have also been reclassified according to IFRS. The Interim Report on Operations as of 30 September 2009 was drafted in accordance with Article 154 ter of Legislative Decree no. 195/2007, as well as the Regulations for broadcasters issued by Consob and as defined in Article 82 of Consob Regulations n.

11971/1999 (and its subsequent amendments and supplements) and enclosure 3D of these Regulations. Complete information, for both the consolidated group financial statement and for the parent company Class Editori S.p.A., was published within the realm of the annual financial statements of 31st December 2008 and the half-year report 2009 to which reference should be made.

SCOPE OF CONSOLIDATION

The consolidation area includes the parent company Class Editori S.p.A. and the companies which it controls, i.e. over which it retains the power to determine the financial and management policies of a company in order to obtain benefits from its activities.

Subsidiary companies are consolidated as of the date when control was effectively transferred to the Group and cease to consolidated from the date when such control is transferred outside the Group.

Subsidiary companies are consolidated with the line-by-line method. The preparation of consolidated data involved the economic and financial situations of subsidiary and controlled companies, as drafted by the individual companies of the Group on the reference date and opportunely re-classified and adjusted to reflect the application of the uniform accounting principles adopted by the Group.

Preparation of the consolidated quarterly statements eliminated all balances and operations between Group companies, as well as profits and losses not incurred in intra-group operations.

Subsidiaries that were non-operative or in liquidation were consolidated with the equity or cost method whenever their influence on the result of the Group was not significant.

Equity holdings in affiliated companies, that is those in which the Group has a significant influence, were valued with the equity method, as defined by IAS 28. Profits or losses of pertinence to the Group are acknowledged in the consolidated financial statements at the date when such significant influence began and until the date when it ceased.

The scope of consolidation of the publisher as of 30 September 2009 is reported below:

Line by line method

Subsidiary companies of Class Editori S.p.A. that were consolidated as well as Class Editori S.p.A. with the global line-by-line method are the following:

	<u>Percentage of Ownership</u>
- Milano Finanza Editori S.p.A. and subsidiaries:	87,827 %
- Milano Finanza Servizi Editoriali S.r.l.	99,00 %
- MF Editori S.r.l.	100,00 %
- Lombard Editori S.r.l.	50,10 %
- PMF News Editori S.p.A. (previously Capitale Sud Editori S.p.A.)	89,00 %
- Campus Editori S.r.l.	70,00 %
- Milano Finanza Service S.r.l.	75,01 %
- Edis S.r.l.	99,50 %
- MF Conference S.r.l.	51,00 %
- DP Analisi Finanziaria S.r.l.	94,73 %
- EX.CO S.r.l.	100,00 %
- Class Editori Service S.p.A. (previously MF Interactive TV S.p.A.)	100,00 %
- (directly 80%)	
- (through E-Class 20%)	
- Classpi S.p.A. and subsidiaries:	51,00 %
Class Click S.r.l.	100,00 %
- E-Class S.p.A. (previously Tenfore Italia S.p.A.)	100,00 %
- Global Finance Media Inc.	73,52 %
- Class CNBC S.p.A. *	2,73 %
- CFN/CNBC B.V.	68,43 %
- Radio Classica S.r.l.	99,00 %
- Fainex S.p.A.	99,89 %
- MF Dow Jones S.r.l. α	50,00 %
- Telesia S.p.A. α and subsidiaries:	50,00 %
- Classpi Digital S.r.l. Telesia Pubblicità S.r.l.) β	77,00 %
- Country Class Editori S.r.l.	100,00 %
- Fashion Work Business Club S.r.l.	100,00 %
- MF Honyem S.p.A.	100,00 %
- Assinform S.r.l.	65,00 %

* Consolidated using the line-by-line method given that it is 63.34% controlled by CFN CNBC Holding B.V.

α Consolidated using the line-by-line method as Class Editori S.p.A. has operational control

β The residual 23% is directly owned by Class Editori S.p.A.

Equity method

The following affiliated companies of Class Editori S.p.A. were consolidated by using the net equity method

- Italia Oggi Editori - Erinne s.r.l. and its subsidiaries	48,00 %
- Romaintv S.p.A.	12,00 %

With respect to the scope of consolidation of 31 December 2008, the entry of the company Assinform S.r.l., following the acquisition of a 65% shareholding, should be noted. The company, based in Pordenone, is active in the publishing sector and, in particular, produces specialized magazines for the insurance market.

The shareholding in Romaintv S.p.A. fell from 13.64% to 12% following the dilution of the latter due to the entry of shareholders and the consequent increase of share capital.

Following the merger by incorporation of **Bilanci Italiani** into MF Honyvem, effective as 2 July 2009, the publisher now directly owns the shareholding in MF Honyvem S.p.A.

The companies Agefi-Class S.A. and Web Job S.p.A. were excluded from the scope of consolidation given that they are inactive or in liquidation.

MAJOR EVENTS IN THE CURRENT QUARTER AND OPERATING FORECAST

- In October, Class Editori sold a 30% holding in MF Honyvem SpA to Banca Intesa Sanpaolo: Class Editori had acquired 100% of MF Honyvem at the start of 2008, within the scope of the information services development project for companies. MF Honyvem, in short, is the second Italian business information operator with leading services for documentation of financial statements and company deeds of the million and more equity companies in the country, and for all the main companies in the world, due to a unique database that also includes the *Mf Croxing* service, fundamental for sector and area marketing.

The price stipulated for the sale of 30% was equal to 6.8 million Euro.

- As of November, Prof. Domenico Ioppolo will be the Managing Director of Class Pubblicità, the media dealer for all the publisher's publications and media.

Ioppolo has worked in the past for some time with Class Editori companies after a brilliant career in the top European management of Nielsen, media centres and service companies quoted on the Stock Exchange in the advertising field.

Ioppolo's appointment is part of the programme to strengthen Class Pubblicità and its subsidiaries through an innovative strategy for the sector with the objective of progressing from the mere sale of spaces to full-scale communication consulting for investors due to the full multi-media status of the publisher.

Although the trend in the last quarter was still negatively affected by the economic situation in the market and the current serious recession, all possible actions to contain costs are underway to limit the negative effects of the crisis as far as possible and to tackle and overcome the existing situation of risk and uncertainty despite the first, weak signs of an economic recovery.

For the Board of Directors
Vice Chairman and Delegated Director

Paolo Panerai

CLASS EDITORI S.p.A. and Subsidiaries
Quarterly Report
01.01.2009- 30.9.2009
Consolidated economic data
(Euro x 000)

INCOME STATEMENT	30/09/08	30/09/09
REVENUES		
Revenues from sales	92.095	80.717
Other operating revenues	2.941	3.588
Total revenues	95.036	84.305
COSTS		
Operating costs	90.278	78.681
Gross operating profit - EBITDA	4.758	5.624
Amortization, depreciation and write-downs	6.022	6.458
Operating result - Ebit	(1.264)	(834)
Net financial income (charges)	(1.163)	(419)
Pre-tax result	(2.427)	(1.253)
Pre-tax third-party (profit) loss	984	971
Pre-tax Group result	(1.443)	(282)

**CLASS EDITORI S.p.A. and
Subsidiaries
Quarterly Report
01.07.2009- 30.09.2009
Consolidated economic data
(Euro x 000)**

INCOME STATEMENT **1/7-30/09/08** **1/7-30/09/09**

REVENUES

Revenues from sales	28.769	24.852
Other operating revenues	709	1.016

Total revenues	29.478	25.868
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COSTS

Operating costs	29.172	25.218
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Gross operating profit - EBITDA	306	650
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Amortization, depreciation and write-downs	2.099	2.218
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Operating result - Ebit	(1.793)	(1.568)
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Net financial income (charges)	(806)	(257)
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Pre-tax result	(2.599)	(1.825)
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Pre-tax third-party (profit) loss	837	661
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Pre-tax Group result	(1.762)	(1.164)
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**DECLARATION PURSUANT TO ARTICLE 154-BIS ITEM 2 OF
LEGISLATIVE DECREE N. 58 OF 24 FEBRUARY 1998**

The undersigned Emilio Adinolfi, as the Director entrusted drafting the corporate accounting documents of Class Editori S.p.A., hereby certifies that the accounting information in this document reflects documented results, books and accounting entries.

Entrusted Director

Emilio Adinolfi