



**2006 first quarter sales of 26 million euro (+13%)**

**Advertising revenues rise by 14.8% to 13.2 million euro**

**EBITDA of 2.1 million (+37.3%)**

**Group pre-tax profit +273.7%**

Milan, 15<sup>th</sup> May 2006

The Board of Directors of Class Editori held a meeting today chaired by Prof. Victor Uckmar in order to discuss the publisher's activities and consolidated results for the first quarter of this year.

## **Consolidated Results**

Sales for the first quarter totalled 26 million euro, a rise of 13% over the same period of 2005 (23 million euro). Performance is mainly the result of an increase in advertising revenues, up from 11.5 to 13.2 million euro (+14.8%), and newsagent sales, a rise of 21.1% (from 2.95 to 3.57 million euro), also thanks to the excellent sales achieved by the publications attached, especially the series *I Grandi classici dell'economia*. The growth in advertising revenues has been helped by reorganisation of the sales network and recovery of the financial sector, as well as good performance by the sectors connected with the world of fashion, design and personal consumption.

Earnings before interest and taxes, depreciation and amortisation (EBITDA) total 2.1 million euro (+37.3% compared to 2005).

Pre-tax earnings after deduction of minority interest total 0.497 million euro, showing a rise (+273.7%) over the corresponding period of 2005 (0.133 million euro).

Net indebtedness is 8.7 million euro, compared to 10.5 million at year end 2005 and 16.9 million as at 31/03/2005. This improvement of around 8 million euro is due to working capital management.

### **First quarter: significant events**

The monthly magazine *Class*, with average circulation of around 94 thousand copies (80 thousand in the corresponding period of 2005, figures from circulation auditor Ads), has retained the leadership of its market.

*MF/ Milano Finanza* has achieved average circulation of around 110,900 copies (moving average, figures Ads), thus firmly consolidating the circulation figures.

*ItaliaOggi*, the economic, legal and political daily newspaper published by Class Editori, has been on sale since February with a new look and additional content. The newspaper's new format, that is close to achieving target circulation of 100 thousand copies, features a new front page with large colour photos and political stories, along with different organisation of the various news stories and increased use of colour inside. As regards content, *ItaliaOggi* now deals with politics, thus providing its target readership of professionals with a complete picture from which they can obtain a better idea as to how the laws that regard them are drafted.

March witnessed the beginning of the *CartaSi Luna* project that stems from the idea of linking the monthly magazine Luna to a means of payment like CartaSi that meets the needs of its target high-income female readership. Along with *CartaSi Luna*, whose initial aim is to achieve 120 thousand cardholders within the next 24 months, every cardholder has a subscription to Luna. This means that the monthly magazine will achieve very high circulation, an extremely important consideration for advertisers who will be able to direct their messages at a target with high purchasing potential whose true buying habits can be ascertained from the CartaSi database rather than just trends obtained from demographic surveys.

## Events subsequent to the first quarter

### - Publishing

April saw the launch of two new publications that extend the publisher's range of magazines.

*IO & LEI*, the new magazine for the female readership of *ItaliaOggi*, is the first aimed at female economists, politicians and members of the legal profession who already read *ItaliaOggi* (37% of readership) and have little time for shopping. Also intended for the girlfriends, daughters and wives of the professionals who have always been the target of *ItaliaOggi*, *IO & LEI* is a large-sized guide providing regular news on the latest in fashion, jewellery, design, cosmetics, hi-tech, fitness and travel.

*MFL - Magazine for Living* has also been launched. The new quarterly magazine from Class Editori dealing with the world of Italian design and fashion, based on the format of the popular *MFF - Magazine for Fashion*, combines the zest of fashion with design trends in a single publication that has no rivals on the Italian market. The first large-sized issue of 148 glossy full-colour pages was extremely well received by trade and advertisers with the number of adverts exceeding expectations: more than 50 pages, all from top-level investors.

The series *I Grandi Classici dell'Economia* enjoys continuing success with sales of *CAPITAL* by Karl Marx exceeding 20 thousand copies.

### - Radio

At the beginning of May, the company WorldSpace Italia (partner of New Satellite Radio) received authorisation from the Ministry of Communications to start a satellite radio service based on the american model XM and Sirius.

## Performance forecast

Generally speaking, current forecasts for 2006 suggest the possibility of a positive trend in advertising revenues in a market characterised by considerable stagnation of investments and revenues from newsagent sales and subscriptions.

## Consolidated profit and loss account as at 31<sup>st</sup> March 2006

(figures in thousand euro)

	31 <sup>st</sup> March 2005	31 <sup>st</sup> March 2006
Sales revenues	22,996	25,972
Operating costs	21,475	23,884
Gross profit	1,521	2,088
Value adjustments	1,610	1,940
Operating result	(89)	148
Net financial expenditure (income)	98	(39)
Pre-tax profit	(187)	187
Minority pre-tax loss (profit)	320	310
Group pre-tax profit	133	497

## Revenues for period ending 31<sup>st</sup> March can be broken down as follows

(figures in thousand euro)

	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2006
Newsagent sales	2,951	3,574
Subscription revenues	7,451	7,383
Advertising revenues	11,485	13,193
Other revenues	1,109	1,822
Total revenues	22,996	25,972

## Consolidated balance sheet as at 31<sup>st</sup> March 2006

(figures in thousand euro)

	31/03/2005	31/12/2005	31/03/2006
Net long/medium-term indebtedness	-1,343	-6,542	-4,910
Net short-term borrowings/net short-term cash flows	-15,552	-3,992	-3,830
Of which:			
Borrowings	-18,737	-8,787	-9,160
Cash on hand and receivables	3,185	4,795	5,333
Net financial position: Net indebtedness/net cash flows	-16,895	-10,534	-8,740

## **Class Editori**

Class Editori is the leading Italian publisher in the field of finance, lifestyle and luxury goods. Founded in 1986 by Paolo Panerai, by taking advantage of the possibilities offered by technological progress, it has grown over the years into a multimedia group that provides information through all means of communication.

Its activities include both daily newspapers (MF/Milano Finanza and Italia Oggi) and periodicals (Capital, Class, Campus, Gentleman, Luna, ...) as well as news agencies (MF-DowJonesNews, joint venture with Dow Jones & Co).

Furthermore, the publisher's new media operations include digital satellite television (Class CNBC - formerly CFN/CNBC - in partnership with NBC-Vivendi Universal, Dow Jones, General Electric and Mediaset), digital terrestrial TV (Class News, the new all-news television channel carried by Mediaset's multiplex) and Class Life, the first television channel dealing with the joys of life. Rounding off Class Editori's multimedia operations are technological platforms for interactive financial services on digital television, corporate TV services for banks and businesses, radio stations (Radio Classica/Milano Finanza, Worldspace Italia) and video communication systems broadcast over airport and underground television networks (Telesia Sistemi).

Class Editori also provides information and services to economists (Class Professionale) and financial professionals (Milano Finanza Intelligence Unit), as well as facts, figures and news via satellite (MF Sat) and on-line trading information and platforms (MF Trading, [www.milanofinanza.it](http://www.milanofinanza.it), [www.italiaoggi.it](http://www.italiaoggi.it)).

*Class Editori* shares (symbol: CLE) have been listed on the Milan Stock Exchange since 30<sup>th</sup> November 1998.

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