



## **Board of Directors Approves Draft Financial Statement for 2008**

**Total Revenues Grow by 8.4%, to 132 Million Euros**

**EBITDA at 6.6 million Euros**

Milan, March 25, 2009

The Board of Directors of Class Editori S.p.A., presided over by Professor Victor Uckmar, met today to examine the draft Consolidated Financial Statement for the publishing house and parent company for 2008.

### **- Cooperation and Solidarity Plan**

To deal with the negative contingent situation, the Publishing House has drawn up a plan on the order of magnitude of 15 million Euros for all of the business areas, with the goal of restoring balance to the financial statement starting in the current financial year, and ensuring the active participation of all of the employees in the plan. The employees have individually and unanimously agreed to the Cooperation and Solidarity plan, which provides for a 12-month, voluntary reduction of salary by approximately 10%, starting in March, and the use of all remaining vacation time by the end of the year.

By this gesture, which is unique in Italy, the publishing house's employees have allowed for guaranteeing the continuing publication of all of the media without squandering the company's assets, and without the need for public money. The company wishes to thank all of the employees – who also hold stock in the company - for this effort, by which they have shown that a crisis such as this one can be faced with a spirit of solidarity towards the company and towards themselves, in a unanimous manner.

The plan is being constantly implemented and monitored, in order to adjust the measures necessary based on the predictions of risk concerning sales, and in particular regarding advertising sales, which are more subject to significant downturns as a result of the current economic crisis.

### **- Consolidated Results**

Total revenues for the period were equal to 132 million Euros, an increase of 8.4% over the previous financial year. This increase is almost entirely due to the consolidation of the MF Honyvem S.p.A. company, which took place in January 2008. Using the same accounting perimeter, revenues decreased by 3.8%.

The consolidation of MF Honyvem is also responsible for the growth of operating costs in the period, which went from 110.4 million Euros to 125.4 million Euros, while using the same accounting perimeter, those costs increased by 2.2%. EBITDA was 6.6 million Euros (11.4 million Euros in 2007). The increase in depreciations and provisions (+18.5%) is also due to the consolidation of MF Honyvem, investments carried out during 2008 and 2007 (for which the depreciations are now operative), and, for the difference, the write-down of receivables and the allocation of provisions.

The group's operating result (EBIT) was minus 2.43 million Euros (+3.81 million Euros in 2007). The increase in financial charges, which deteriorated by approximately .4 million Euros, is due to both the greater financial exposure due to the purchase of the MF Honyvem S.p.A. company (financed in part by lines of credit from banks) and the increase of interest rates up until the month of October 2008.

The result for the group, after minority interest and taxes, was minus 2.99 million Euros (+ 0.94 million Euros in 2007).

The net consolidated financial position was equal to 23.6 million Euros (12.8 million Euros as of December 31, 2007), which is also principally due to the acquisition of Honyvem S.p.A.

#### **- Comment on Performance**

The crisis in the publishing sector which has been ongoing for some time, and the more general, serious global economic crisis, determined the result as of December 31, 2008. In the last quarter of the year in particular, the publishing house suffered from the difficulties in advertising markets, after a first half-year which was basically positive and saw growth in advertising revenues, which went against the market trend. The general performance in the last period of the year, however, led to an overall drop in advertising revenues, which ended up at 3.9% for the financial year. This result, though, is still better than the advertising market as a whole, which lost 10% in daily newspapers and 7% in periodicals and television compared to 2007 (Nielson data).

The change in the drop of costs was less than that in revenues. This is due in part to the initiation of restructuring measures and the integration of the new subsidiary MF Honyvem S.p.A.

In addition, using the same consolidation perimeter, the increase in operating costs was more significant in the television areas (for the following channels: Class CNBC, Class Life, Class News and Telesia), where significant investments were made in the company's strategic plan to procure equipment, resources and facilities. These investments translated into excellent results in terms of audience for the channels, especially in the second half of the year, when the demand for real-time economic-financial information increased. In that period, new shows were launched to meet this demand, such as the *Partita Doppia* ("Double Entry") financial talk show, and important scoops were obtained, such as the first interview granted by the President-elect of the United States, Barack Obama.

#### **- Parent Company's Results**

Class Editori S.p.A. closed the 2008 financial year with an operating income equal to 45.1 million Euros, in line with the figure for 2007 (45.7 million Euros). The publishing house had a negative net result of 1.47 million Euros (+1.11 million Euros in 2007).

#### **- Performance in Principal Areas of Operation**

**Newspapers** – The area brought in 35.78 million Euros in revenues (39.07 million Euros in 2007) and had a contribution margin equal to 15.93 million Euros, with an incidence of 44.5% on sales.

**Periodicals** - Revenues for the area were 28.73 million Euros (29.93 million Euros in 2007), with a contribution margin equal to 3.94 million Euros (13.7% of total revenues).

**Electronic Media** – Sales increased by 58.7%, going from 23.03 to 36.55 million Euros, with a contribution margin equal to 10.15 million Euros, which represents 27.8% of revenues.

**Professional Services** – This area brought in 9.03 million Euros in revenues, in line with the result for 2007. The contribution margin was equal to 0.91 million Euros, with an incidence on sales of 10.1%.

**Television and Radio** – Total revenues for the area grew by 22.7% over 2007, increasing from 17.27 to 21.18 million Euros. The contribution margin (17% on sales) went from 2.81 to 3.61 million Euros, an increase of 28.1%.

#### **- Areas of Operation: Significant Events**

- In January, the Publishing Company purchased the entire share capital of Honyvem S.p.A., which is now MF Honyvem, ([www.honyvem.it](http://www.honyvem.it)), a company with its registered office in Brescia, which has been active in the database and business information sector for 30 years. Along with the market leaders, MF

Honyvem is the only company in the sector to have direct access to the originals of more than 900 thousand financial statements of corporations in digital form, with a database that is essential not only for credit assessments, but also for all debt collection operations and legal asset analysis, as well as marketing operations, sector by sector.

- In March, the first number of *Luna&Gentleman Matrimoni* was published. This is the new Class Editori magazine created to pay homage to the couple's best and most important day, that of their marriage. *Luna&Gentleman Matrimoni*, which is the result of the experience developed by Class Editori with *LUNA* and *Gentleman*, has immediately become a point of reference in its sector.

- The circulation figures for the period remain high, despite the difficulties and decreases seen in the print media market: in terms of the updated moving average, *Class* had a circulation of almost 80,000 copies (81,500 in the same period of 2007), *Capital* was over 85,000 copies (89,300 copies in 2007), and *Milano Finanza* was at 101,000 copies (110,000 in 2007).

- There was a strong increase in users of the Internet web sites, especially in the second half of the year. The crisis on the financial markets and the resulting need for small investors to receive reliable, quality information in real time, allowed us to reach the level of 1.9 million pages viewed (Audiweb data) in mid-October, with approximately 60 thousand unique browsers and 98 thousand daily visits.

Compared to the beginning of September, growth in terms of pages viewed was 118.5%, driven by the multimedia information on [www.milanofinanza.it](http://www.milanofinanza.it) and [www.italiaoggi.it](http://www.italiaoggi.it), while unique browsers increased by 119% and visits increased by 136.9%.

- As regards policy on the digital sector portfolio, in implementation of the decisions of the Board of Directors meeting of August 28, Class Editori transferred to the Parent Company EMH its entire equity stake in the New Satellite Radio S.r.l. company, at the book value, with a ten-year repurchase right (call) and without a put option on the part of EMH. The value of the transfer, which was equal to 2.0 million Euros, led to a capital gain for the Publishing House of .45 million Euros.

- At the beginning of November, Classpi Digital was born, the first advertising concessionaire which can offer investors the simultaneous and integrated use of all of the available platforms, both in-house and external, with five unique television channels: Class CNBC, the first global financial channel, broadcast via Sky satellite TV, IpTv Alice Tv, and the Telecom Italia web site [www.yalp.it](http://www.yalp.it); Class News, the first all-news terrestrial digital channel, also broadcast on IpTv Alice and streamed on the Telecom Italia portal; Class Life, the first Italian lifestyle channel, broadcast 24 hours a day on IpTv Alice Tv and at varied times and on the weekend on Class CNBC and Class News; Class Telesia, the first outdoor television in Italy, broadcast in the subways of Milan and Rome and on screens at all major Italian airports. Classpi Digital is the result of the union of Class Click, the Class Editori digital media concessionaire, and Telesia Pubblicità, the leading concessionaire in the country for the sale of advertising on outdoor TV. More than 2.5 million viewers per day, followed during the entire day both at home and while they move around.

- The Milanofinanza.it video centre is on-line ([www.milanofinanza.it](http://www.milanofinanza.it)). This is the most complete videotelevision information system on economics and finance, local news stories, current events and lifestyle, updated in real time with the best of the shows from the three Class Editori television channels: Class CNBC, Class News and Class Life; a search engine with more than 20 thousand videos and more than thirty daily, real-time updates.

## **- Business Outlook**

Despite the serious crisis, the Publishing House continues to make investments in order to improve the quality and quantity of media offered, increase awareness of that media, and diversify the company's presence on the market, in order to reach new segments and improve the company's competitive positioning.

Among the activities underway, one example is the 12-part, *A Life for Science* television series, dedicated to the explanation of science and scientific research by Prof. Umberto Veronesi. Veronesi is interviewed by Alessandro Cecchi Paone, and speaks of his activity as a doctor and scientist in a complete, in-depth manner for the first time, as well as his political and civic passion regarding serving others.

The series was broadcast on March 20 on the Publishing Company's channels, sponsored by IBM, and negotiations have begun to transfer the broadcasting rights to leading national channels.

On the advertising front, the first two months of the year have seen a significant downturn, although it has been less than the market average. The drop has been accentuated by the fact that the same period of 2008 was particularly positive in terms of advertising sales.

## **- Calling of the Shareholders' Meeting**

The Ordinary Shareholders' Meeting has been called for April 29, 2009, at 9:30 a.m. (first call), at the company's registered office at via Burigozzo No. 5, and, if a second call is necessary, for April 30, 2009, again at 9:30 a.m., at the same office.

Agenda:

1. Presentation of the financial statement and consolidated financial statement as of December 31, 2008, and the Reports of the Board of Directors, Board of Statutory Auditors, and Auditing Company; related decisions;
2. Renewal of the authorization of the purchase and use of the company's own shares; simultaneous revocation, for the unused portion, of the Board of Directors resolution of April 29, 2008 regarding the authorization of the purchase and use of the company's own shares.

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*The Income Statement and Balance Sheet tables follow below*

The Manager in charge of drawing up the company's accounting documents, Emilio Adinolfi, hereby states, pursuant to Section 2 of Article 154-a of the Finance Consolidation Act, that the accounting information included in this announcement corresponds to the documentary records, books and accounting entries.

#### Consolidated Income Statement as of December 31, 2008

Thousands of Euros	12/31/07	12/31/08	Change (%)
Revenues from sales	116,731	126,824	+8.6%
Other Revenues and Income	5,115	5,168	n.s.
Total Revenues	121,846	131,992	+8.3%
Operating Costs	(110,409)	(125,381)	+13.6%
Gross Margin	11,437	6,611	(42)%
Incidence on Revenues	9.39	5.00	
Depreciations	(7,627)	(9,038)	+18.5%
Operating Result	3,810	(2,427)	n.s.
Incidence on Revenues	3.13	(1.8)	
Net Financial Income and Charges	(45)	(445)	n.s.
Profit before Taxes	3,765	(2,872)	n.s.
Taxes	(2,747)	(315)	n.s.
Minority (Profit)/Loss	(80)	197	n.s.
Group's Result	938	(2,990)	n.s.

#### The Revenues are divided as follows

Thousands of Euros	12/31/07	12/31/08	Change (%)
Newsstand Revenues	11,765	10,718	(8.9)
Subscription revenues	33,713	49,623	47.2
Advertising Revenues	67,640	65,002	(3.9)
Other Revenues	8,012	6,076	(24.2)
Total revenues	121,130	131,419	8.7
Contributions for Operating Expenses	716	573	(20.0)
Total	121,846	131,992	8.3

**Consolidated Balance Sheet as of December 31, 2008**

<b>ASSETS</b> <b>Thousands of Euros</b>	<b>December 31, 2007</b>	<b>December 31, 2008</b>
Intangible Assets with Indefinite Life	34,050	53,013
Other Intangible Fixed Assets	13,320	14,293
Intangible Fixed Assets	47,370	67,306
Property, Plant and Equipment	8,354	8,324
Equity Stakes charged to Shareholders' Equity	1,765	2,861
Other Equity Stakes	786	776
Financial Receivables	-	-
Other Receivables	509	2,547
<b>NON-CURRENT ASSETS</b>	<b>58,784</b>	<b>81,814</b>
Inventory	4,243	3,632
Trade Receivables	66,610	72,913
Securities	800	-
Financial Receivables	17,680	13,155
Tax Receivables	6,298	6,929
Other Receivables	9,290	9,705
Liquid Assets	4,892	6,982
<b>CURRENT ASSETS</b>	<b>109,813</b>	<b>113,316</b>
<b>TOTAL ASSETS</b>	<b>168,597</b>	<b>195,130</b>

LIABILITIES Thousands of Euros	December 31, 2007	December 31, 2008
Share Capital	10,264	10,264
Premium Reserve	28,966	28,966
Legal Reserve	2,544	2,544
Other Reserves	32,387	31,746
Profit (Loss) for financial year	938	(2,990)
Group's Shareholders' Equity	75,099	70,530
Minority Capital and Reserves	4,875	5,040
Minority Profit (Los)	80	(197)
Minority Shareholders' Equity	4,955	4,843
SHAREHOLDERS' EQUITY	80,054	75,373
Financial Payables	3,938	3,053
Provisions for Risks and Charges	266	629
Severance Indemnity (TFR) and other provisions for personnel	4,194	5,097
NON-CURRENT LIABILITIES	8,398	8,779
Financial Payables	14,513	27,566
Trade Payables	34,827	40,680
Tax Payables	6,103	5,386
Other Payables	24,702	37,346
CURRENT LIABILITIES	80,145	110,978
TOTAL LIABILITIES	88,543	119,757
LIABILITIES AND SHAREHOLDERS' EQUITY	168,597	195,130

The net consolidated Financial Position is shown in the following tables

Thousands of Euros	12/31/2007	12/31/2008	Change 2008/2007	Change (%)
Securities	800	--	(800)	--
Receivables from banks	4,892	6,982	2,090	42,7
Non-current Financial Payables	(3,938)	(3,053)	885	22,4
Current Financial Payables	(14,513)	(27,566)	(13,053)	(89,9)
Net Financial Position	(12,759)	(23,637)	(10,878)	(85,3)

**Parent Company's Income Statement as of December 31, 2008**

	<b>INCOME STATEMENT</b>	<b>12/31/2007</b>	<b>12/31/2008</b>
<b>REVENUES</b>			
	Revenues	28,746,691	29,256,479
	Other Operating Income	16,950,061	15,851,771
<b>TOTAL REVENUES</b>			
	Costs for Purchases	2,292,306	2,558,653
	Costs for Services	34,532,720	37,485,665
	Costs for Personnel	2,722,715	2,587,883
	Other Operating Costs	3,140,784	3,492,868
<b>EBITDA</b>			
	Depreciations and Write-downs	898,826	1,082,214
<b>EBIT</b>			
	Net Financial Income (charges)	980,139	1,236,002
<b>Result before Taxes</b>			
	Taxes	-1,980,881	-502,882
<b>NET RESULT</b>			
		1,108,659	-1,365,913

**Parent Company's Balance Sheet**

	<b>ASSETS</b>	<b>12/31/2007</b>	<b>12/31/2008</b>
<b>NON-CURRENT ASSETS</b>			
	Intangible Assets with Indefinite Life	2,872,464	2,872,464
	Other Intangible Fixed Assets	838,833	693,679
	<b>Total Intangible Fixed Assets</b>	<b>3,711,297</b>	<b>3,566,143</b>
	Property, Plant and Equipment	2,017,247	1,796,689
	Equity Stakes	0	0
	Other Equity Stakes	21,910,176	24,634,151
	Financial Receivables	1,843,089	1,626,596
	Other Receivables	415,133	2,391,109
<b>TOTAL NON-CURRENT ASSETS</b>			
		29,896,942	34,014,688
<b>CURRENT ASSETS</b>			
	Inventory	864,262	617,432
	Trade Receivables	40,787,097	78,486,129
	Securities	0	0
	Financial Receivables	56,598,237	60,475,109
	Tax Receivables	1,058,525	1,274,888
	Other Receivables	2,587,952	2,934,081
	Liquid Assets	42,315	110,017
<b>TOTAL CURRENT ASSETS</b>			
		101,938,388	143,897,656
<b>TOTAL ASSETS</b>			
		131,835,330	177,912,344

<b>LIABILITIES</b>	<b>12/31/2007</b>	<b>12/31/2008</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	10,264,207	10,264,207
Share Premium Reserve	28,966,091	28,966,091
Transition Reserves	0	0
Legal Reserve	2,543,881	2,543,881
Other Reserves	33,081,706	33,163,953
Profit (Loss) for financial year	1,108,659	-1,365,913
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>75,964,544</b>	<b>73,572,219</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial Payables	162,245	141,520
Provision for Risks and Charges	10,800	210,800
TFR and other provisions for personnel	635,810	597,894
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>808,855</b>	<b>950,214</b>
<b>CURRENT LIABILITIES</b>		
Financial Payables	14,701,183	42,621,120
Provisions for Risks and Charges	0	0
Trade Payables	32,112,712	53,224,756
Tax Payables	2,258,311	1,122,340
Other Payables	5,989,725	6,421,695
<b>TOTAL CURRENT LIABILITIES</b>	<b>55,061,931</b>	<b>103,389,911</b>
<b>TOTAL LIABILITIES</b>	<b>55,870,786</b>	<b>104,340,125</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>131,835,330</b>	<b>177,912,344</b>