



The Board of Directors approves the results for the first half of the year  
First half operating sales rise to 55.7 million euros (55.1 million in 2006)

Advertising revenues rise by 4.2% to 36.8 million euros

Ebitda rises to 4.7 million euros (+15.8%)

Pre-tax profit 1.03 million euros (+24.4%)

Milan, 10th September 2007

The Board of Directors of Class Editori SpA met today under the chairmanship of Prof. Victor Uckmar to examine the publisher's activities and its consolidated results for the first half of the year.

### **- Consolidated Results**

Operating revenues at 30th June 2007 totalled 55.7 million euros (55.1 million in 2006). Total revenues for the period amounted to 57.9 million euros (59.4 million in 2006). While operating revenues increased, the fall in total revenues was due to the extraordinary operations carried out in the first half of 2006 and not repeated in the same period of 2007.

EBITDA amounted to 4.7 million euros, 15.8% up on 2006 and a greater impact on turnover with respect to the same period in 2006. from 6.8 to 8%. This growth in profitability was brought about by an effective policy for reducing operating costs which fell from 55.4 million euros in 2006 to 53.3 million euros in 2007.

EBIT increased from 0.81 million euros to 1.09 million euros (+34.1%). the pre-tax profit rose by 24.4 %, from 0.83 to 1.03 million euros.

The net financial position improved by approximately 9.1 million euros with overall liabilities falling from 14.7 to 12.8 million euros. This improvement in the net financial position limited the negative impact of the financial charges generated by the growth in short-term interest rates over the last 12 months.

## **- Business areas: Significant events for the period**

### **Publishing**

- *ME/Milano Finanza* registered an average circulation for the period of approximately 112,000 copies (ADS moving average) against 110,600 copies for the same period in 2006.

- The publisher confirmed its leadership in the men's magazines sector with *Class*, which achieved a circulation of approximately 83,000 copies and with *Capital*, which registered a circulation of approximately 81,000 copies (ADS figures) and *Gentleman*, absolute leader as regards advertising revenue.

- On 16th February, the new-look *Luna*, the women's monthly published by Class Editori, was back on the newsstands. It is dedicated to upper and middle-class women, aged 28 to 48, who were previously not served by a magazine designed exclusively for them and able to cater for their needs in terms of information and taste. The magazine reaches its target as it is sold in conjunction with *ItaliaOggi*, - the newspaper for professionals working in finance, management and law, with a circulation of 90,000 copies and a female readership of more than 35%.

- On 17th February the English language paper *MF Fashion* was launched. It is the only fashion daily to be published in Europe. The newspaper, entirely translated and with its own specific layout for electronic distribution, is distributed each morning to a selected mailing list of 4,500 subscribers and international operators in the sector.

*MF Fashion* is an ideal vehicle for companies wishing to communicate at international level, without dispersion and with the guarantee of reaching their target audience, comprising some of the most important and influential professionals in the sector.

- AT the beginning of March, a new version of *Campus*, a magazine that has been enjoyed by university students for the last 20 years, can be found at newsagents in its free quality press

version with refreshed graphics, a tabloid layout and a distribution that has been extended to cover the universities in the ten largest Italian cities.

- *Gentleman Real Estate*, the first Italian magazine entirely dedicated to houses, mansions, offices and prestigious designs, sold in conjunction with *MF/Milano Finanza*, hit the newsstands on 20th April.

- On Saturday 19th May, "*I Grandi Dizionari delle Lingue Moderne*" went on sale in conjunction with *MF/Milano Finanza*. This collection of 17 volumes, published together with Istituto Geografico De Agostini and Garzanti Linguistica, sets out to allow readers to learn and improve their knowledge of the most important languages in the world: English, French, Spanish, German and, for the first time in Italy, Chinese.

### **Electronic publishing**

- Class Editori and **Thomson Financial**, an operative unit of The Thomson Corporation and a leading company in the supply of technological and computerised solutions for the international financial community, have signed a strategic agreement to create a workstation dedicated to those in the Italian financial community with detailed information requirements. The workstation, called *MF/Thomson*, offers Italian and institutional investors and trading desks the most complete solution currently available. It has been studied specifically to satisfy their needs by combining analytical contents especially developed by e-Class with global data offers from Thomson Financial, supplying an accurate, in-depth picture of the most important markets in the world.

The first *MF/Thomson* platform is currently undergoing testing at a leading Italian bank. *MF/Thomson* was chosen as, apart from its completeness and ease of use, it offers significant economic advantages.

- During the first six months of the year, **internet websites** belonging to the publisher registered a great increase in individual visitors, totalling 507,000 visits by May 2007, 87% up with respect to December 2006, proof of growing public interest in the multimedia contents of Class Editori.

- As of March, the subsidiary **Telesia** started transmitting its own video information services within the metropolitan area of Rome, covering the 20 largest stations. Adding to the coverage at

Milan metro stations, this development consolidates the company's leading position in the outdoor TV business.

- In May *eClass*, the group's electronic publishing company, launched the *MFSAT Palm* service which allows users to follow the performance of the main international financial markets in real time on their palm tops, even when travelling. *MFSAT Palm* is a new generation application uses a Gprs connection to make available on palmtops the tools required by investors and traders who cannot afford to lose sight of the market and to follow its progress in real time, no matter where they are, not only as regards main prices but also the entire trading book.

### **Principal events since 30th June 2007**

- Following the extension of the current agreement between the publisher and Banca Intesa, Class Editori has developed the IntesaSanpaolo Corporate TV channel, providing an on-demand TV service for the over 5,800 branches in Italy (via network or satellite). Following this operation, Class Editori has become the largest Corporate TV supplier in Europe, confirming its record in this sector: as well as Intesa Sanpaolo, in fact, the publisher provides Corporate TV to some of leading Italian banks and insurance companies, such as Banca Generali, Banca Popolare di Vicenza and Ras.

- Class Editori and WorldSpace Italia, 35% of which is held by the publisher through NewSatelliteRadio, and WorldSpace Inc (Nasdaq: WRSP), which holds the other 65% of the company, have signed an agreement with Fiat Group Automobiles by which Fiat Group Automobiles will be the first carmaker in Italy and in Europe to install and distribute the WorldSpace satellite radios, which will be also be installable on cars produced by other makers using the Plug & Play pull-out receiver.

WorldSpace plans to begin transmitting all over Italy, starting from the end of 2008, 40-50 channels for motorists: round-the-clock music, news, entertainment and sport, making use of leading-edge digital audio technologies. WorldSpace Italia programming will also include a unique and innovative channel, the Fiat Channel, developed for Fiat Group Automobiles and targeted to the sales network, customers and motorists in general. This will be the first time a carmaker uses a radio station to provide customer promotion and assistance services.

- In the summer months (July-August), in spite of the weakness of the advertising markets,

advertising revenues were particularly positive for the publishers' publications, showing (during the two-month period) a growth of approximately 17% in revenues, which thus rises to 7% higher than the same period of 2006.

- In August an agreement was reached with the Telecom Group (to be formalised within 30th September) for the renewal of the supply of the Class Editori television channels.

### **Future prospects**

The good performance of advertising revenues, which accentuated after the period, and cost savings implemented allow us to suppose that the end-of-year result for 2007 will be better than that of 2006.

Pursuant to the new articles of association, the Board of Directors has appointed the manager responsible for drawing up corporate accounting documents.

## Consolidated Profit and Loss Account.

(euros x 000)

	30.06.2006	31.12.2006	30.06.2007
Sales revenues	59.415	121.824	57.954
Operating costs	55.388	110.368	53.290
Gross profit	4.027	11.456	4.664
% of revenues	6,78	9,40	8,05
Depreciation and amortisation	3.209	6.674	3.567
Operating margin	818	4.782	1.097
% of revenues	1,38	3,92	1,89
Net financial income / (charges)	17	(563)	(58)
Profit before taxes	835	4.219	1.039
Taxes	(1.081)	(3.095)	(1.240)
Minority interest	320	(158)	390
Net group profit	74	966	189

## Revenues for period can be broken down as follows.

(euros x 000)

	30.06.06	30.06.07	Change %
Newsagent sales	7.030	5.700	(19)%
Subscription revenues	12.631	12.746	1%
Advertising revenues	35.308	36.788	4%
Other revenues	4.092	2.388	(41)%
Total revenues	59.061	57.622	(2)%
Contributions to operating costs	354	332	(6)%
Total	59.415	57.954	(2,5)%

## Net financial position.

(euros x 000)

	31/12/2006	30/06/2007	Changes 2007/2006	%
Securities	800	800	0	
Cash and cash equivalents	4.804	5.838	1.034	
Non-current financial payables	(5.520)	(4.524)	996	
Current financial payables	(14.763)	(14.884)	(121)	
Net financial position:	(14.679)	(12.770)	1.909	13,0%

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