CAIRO COMMUNICATION

Press Release – 2014 Draft Financial Statements

The Board approves the 2014 results: the 2014 consolidated financial statements basically confirm the results appearing in the Interim Management Report at 31 December 2014 approved on 13 February 2015

In 2014, the Cairo Communication Group continued to achieve positive results in its traditional segments (magazine publishing and advertising) and worked on strengthening the results of the cost rationalization measures in the TV publishing segment (La7) implemented in 2013:

- **consolidated gross revenue amounted to Euro 277.6 million (Euro 284.7 million in 2013)**
- **consolidated gross operating profit (EBITDA) and operating profit (EBIT) increased to Euro 28.2 million and Euro 23 million (+5.6% and +8.9% versus the same results of current operations in 2013)**
- **consolidated profit rose sharply to Euro 23.8 million (+24.9% versus consolidated profit from current operations of Euro 19 million in 2013)**
- **TV publishing segment (La7) generated a positive gross operating profit (EBITDA) of approximately Euro 9 million (versus a gross operating loss of Euro 25.4 million in the January-December twelve-month period of 2013)**
- **gross operating profit (EBITDA) and operating profit (EBIT) from the magazine publishing segment increased to Euro 13.8 million and Euro 12.5 million (+11.2% and +13.1% versus 2013)**
- **a dividend of Euro 0.27 per share will be proposed at the Shareholders' Meeting**

Milan, 13 March 2015: at its meeting today, the Board of Directors of Cairo Communication reviewed and approved the draft financial statements at 31 December 2014.

The 2014 consolidated financial statements basically confirm the results appearing in the Interim Management Report at 31 December 2014 approved on 13 February 2015.

In 2014, the Cairo Communication Group, despite the high degree of uncertainty of the economic context in general and specifically of its relevant markets (advertising and publishing):

- strengthened the results of the cost rationalization measures in the TV publishing segment (La7) implemented during the eight months of activity in 2013, succeeding in achieving also in 2014 a positive gross operating profit (EBITDA) of approximately Euro 9 million, while in the January December twelve-month period of 2013 (when La7 in the first four months had not been included yet in the scope of consolidation of the Cairo Communication Group), gross operating loss of La7 had amounted to Euro 25.4 million;
- strengthened the results of "F", "Settimanale Nuovo" and "Settimanale Giallo", confirmed the high circulation levels of the other publications, and worked on improving the levels of efficiency reached in containing costs in the magazine publishing segment (production, publishing and distribution);
- kept advertising revenue levels high, despite the general market trend;
- achieved highly positive results in its traditional segments (magazine publishing and advertising), despite the general economic and financial context and relevant market trend, particularly in the

magazine publishing segment, where gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 13.8 million and Euro 12.5 million, up by 11.2% and 13.1% versus 2013;

- took part with the subsidiary Cairo Network in the tender procedure opened by the Ministry of Economic Development for the assignment of rights to use TV frequencies for digital terrestrial broadcasting systems, submitting its binding bid and winning the rights to use a lot of frequencies ("Mux") for a period of 20 years.

To provide a better understanding of the figures for comparative purposes, it should be noted that the 2013 income statement included the results of La7 S.r.l., which was consolidated on 1 May 2013, with regard only to the May-December eight-month period of 2013.

In **2014**, consolidated gross revenue came to approximately Euro 277.6 million (Euro 284.7 million in 2013). The consolidation of La7 S.r.l. for the entire twelve months (as compared to the May-December eight-month period of 2013 included in the same period last year) brought no significant change to revenue, since over 90% of La7 S.r.l. revenue comes from advertising sales generated by Cairo Communication under the advertising concession contract in effect before the acquisition. Consolidated gross operating profit (EBITDA) and operating profit (EBIT), amounting to approximately Euro 28.2 million and Euro 23 million, grew by 5.6% and 8.9% versus the same results of current operations in 2013 (Euro 26.7 million and Euro 21.1 million). Consolidated profit, amounting to approximately Euro 23.8 million, rose sharply by about 24.9% versus the current operations in 2013 (Euro 19 million). In 2013, profit (Euro 74.2 million) included Euro 55.1 million, that is, non-recurring income and charges from the acquisition of La7.

Specifically,

- in the **TV publishing segment (La7)**, the Group worked on strengthening the results of the rationalization and cost-curbing measures implemented in 2013. Gross operating profit (EBITDA) and operating profit (EBIT) came to approximately Euro 9 million and Euro 6.2 million. At 31 December 2014, the net financial position of La7 came to Euro 106.5 million and the change versus 31 December 2013 (Euro 115.8 million) is attributable mainly to the dynamics of net working capital and to investments in the purchase of TV rights. Operating profit (EBIT) benefited in the consolidated financial statements from lower amortization and depreciation of Euro 18.2 million, due to the write-down of tangible and intangible assets made in 2013 in the purchase price allocation of the investment. In the January-December twelve-month period of 2013 - when La7 had not been included yet for the entire period in the scope of consolidation of the Cairo Communication Group - gross operating loss had amounted to approximately Euro 25.4 million. In 2014, La7's average all-day share was 3.25% and 3.84% in prime time (from 8:30 PM to 11:30 PM), with a high-quality target audience. La7d's share maintained its level at 0.5%.

- in the **magazine publishing segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 13.8 million and Euro 12.5 million, up by 11.2% and 13.1% versus 2013 (Euro 12.4 million and Euro 11.1 million). The year under review confirmed the excellent circulation results, with revenue at Euro 73.4 million (Euro 74.8 million in 2013). Regarding weeklies, with over 1.8 million average copies sold in the January-December twelve-month period of 2014, the Group retains its position as the leading publisher in copies of weeklies sold at newsstands, with an over 25% market share;

- in the **advertising segment**, gross operating profit (EBITDA) and operating profit (EBIT) came to Euro 5.2 million and Euro 4 million (Euro 10.6 million and Euro 8 million in 2013). In 2014, gross advertising sales on La7 and La7d channels amounted to Euro 152.9 million (Euro 157.5 million in 2013).

The **consolidated <u>net financial position</u>** at 31 December 2014 came to a positive figure of approximately Euro 124 million (approximately Euro 172.9 million at 31 December 2013). The change in the net financial position versus 31 December 2013 is mainly due (i) to the investment made by Cairo Network (Euro 31.6 million plus accessory costs) in the acquisition of the rights to use TV frequencies, and (ii) to the distribution of dividends approved by the Shareholders' Meeting on 29 April 2014 (0.27 Euro per share, for a total of Euro 21.2 million). The bank loan of Euro 25 million, granted by Unicredit S.p.A. and used by Cairo Network to acquire the Mux, is secured by a guarantee issued by the parent Cairo Communication, and calls for the payment of an interest rate equal to the 3-month Euribor plus 225 basis points and certain constraints (negative pledges) and commitments (covenants) on the part of the company, which are typical of these transactions.

In light of the results achieved, at the Shareholders' Meeting, the Board of Directors will propose the distribution of a dividend of Euro 0.27 per share, inclusive of tax, with coupon detachment date (coupon no. 9) on 11 May 2015 and payable on 13 May 2015 (record date 12 May 2015).

In 2015, the Cairo Communication Group will continue to:

- pursue the development of its traditional segments (magazine publishing and advertising sales). Despite the economic and competitive backdrop, given the high quality of the publications and of the media under concession, the Group considers it a feasible target to continue to achieve positive operating results;
- work on strengthening the results of the rationalization and cost-curbing measures achieved in the TV publishing segment in 2013 and 2014.

However, the evolution of the general economic situation could affect the full achievement of these targets.

The Financial Reporting Manager of Cairo Communication S.p.A., Marco Pompignoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Finance Law, that the accounting information contained in this document is consistent with the underlying accounting documents, books and records.

Cairo Communication is one of the leading groups in the weekly magazine, TV publishing and advertising sales segments, recognized as one of the first to have developed a multimedia sales approach, beginning with magazine and expanding later into free, digital and pay TV and the Internet

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This press release is also available on the Company's website www.cairocommunication.it
in the section NOTICES AND DOCUMENTS/PRESS RELEASES

Summary of the main consolidated income statement figures at 31 December 2014

The main **consolidated income statement** figures in 2014 can be compared with the figures in 2013:

(€ thousands)	31/12/2014			31/12/2013		
	Current operations	**Non-recurring items**	**Total**	**Current operations**	**Non-recurring items**	**Total**
Gross operating revenue	266,014	-	266,014	276,704	-	276,704
Advertising agency discounts	(25,748)	-	(25,748)	(27,190)	-	(27,190)
Net operating revenue	**240,266**	**-**	**240,266**	**249,514**	**-**	**249,514**
Change in inventories	(28)	-	(28)	(61)	-	(61)
Other revenue and income	11,627	-	11,627	7,985	-	7,985
Total revenue	**251,865**	**-**	**251,865**	**257,438**	**-**	**257,438**
Production cost	(163,048)	-	(163,048)	(181,963)	(1,917)	(183,880)
Personnel expense	(60,634)	-	(60,634)	(48,789)	-	(48,789)
Gross operating profit (EBITDA)	**28,183**	**-**	**28,183**	**26,685**	**(1,917)**	**24,768**
Amortization, depreciation, provisions and impairment losses	(5,221)	-	(5,221)	(5,606)	-	(5,606)
EBIT	**22,962**	**-**	**22,962**	**21,079**	**(1,917)**	**19,162**
Net financial income	1,829	-	1,829	2,901	-	2,901
Income / (loss) on investments	(2)	-	(2)	699	-	699
Non-recurring income from the acquisition of La7 S.r.l.	-	-	-	-	57,066	57,066
Pre-tax profit	**24,789**	**-**	**24,789**	**24,679**	**55,149**	**79,828**
Income tax	(973)	-	(973)	(5,620)	-	(5,620)
Non-controlling interests	(24)	-	(24)	(8)	-	(8)
Profit from continuing operations attributable to the owners of the parent	**23,792**	**-**	**23,792**	**19,051**	**55,149**	**74,200**
Profit / (loss) from discontinued operations	(1)	-	(1)	(6)	-	(6)
Profit attributable to the owners of the parent	**23,791**	**-**	**23,791**	**19,045**	**55,149**	**74,194**

Unaudited reclassified statements

The Group **statement of comprehensive income** can be analyzed as follows:

(€ thousands)	31/12/2014	31/12/2013
Consolidated statement of comprehensive income		
Profit attributable to owners of the parent	**23,791**	**74,194**
Other non-reclassifiable items of the comprehensive income statement		
Actuarial profit (loss) from defined benefit plans	(1,367)	(510)
Tax effect	376	140
Total comprehensive income	**22,800**	**73,824**

Unaudited reclassified statements

Summary of the main figures of the consolidated statement of financial position at 31 December 2014

The main figures of the **consolidated statement of financial position** at 31 December 2014 can be analyzed versus the situation at 31 December 2013:

(€ thousands)	**31/12/2014**	**31/12/2013**
Balance sheet		
Property, plant and equipment	3,069	2,829
Intangible assets	56,871	12,986
Financial assets	1,175	555
Deferred tax assets	3,983	4,589
Net current assets	(19,071)	(22,390)
Total assets	**46,027**	**(1,431)**
Non-current borrowings and provisions	43,741	46,814
(Net financial assets)/Net debt	(124,061)	(172,915)
Equity attributable to the owners of the parent	126,311	124,658
Equity attributable to non-controlling interests	36	12
Total equity and liabilities	**46,027**	**(1,431)**

Unaudited reclassified statements

The consolidated **net financial position** at 31 December 2014, versus the situation at 31 December 2013, can be summarized as follows:

(€ thousands)	**31/12/2014**	**31/12/2013**	**Change**
Cash and cash equivalents	149,061	172,915	(23,854)
Current financial assets		-	-
Bank loans	(25,000)	-	(25,000)
Total	**124,061**	**172,915**	**(48,854)**

Unaudited reclassified statements

Consolidated cash flow statement

The **consolidated cash flow statement** at 31 December 2014 can be compared with the cash flow statement at 31 December 2013:

Cash flow statement *(€ thousands)*	31/12/2014	31/12/2013
Cash and cash equivalents	**172,915**	**61,234**
Profit	23,815	74,202
Non-recurring income from acquisition of La7 S.r.l.	-	(57,066)
Amortization and depreciation	3,609	1,628
Income / (loss) on investments	2	(699)
Net financial income	(1,829)	(2,901)
Income tax	973	5,620
Change in provision for post-employment benefits	1,439	108
Net change in provisions for risks and charges	(4,639)	527
Cash flow from operating activities before changes in working capital	**23,370**	**21,419**
(Increase) decrease in trade and other receivables	10,047	9,893
Increase (Decrease) in trade and other payables	(15,098)	(14,922)
(Increase) decrease in inventories	808	1,310
Total cash flow from operating activities	**19,127**	**17,700**
Income tax paid	557	(4,529)
Financial expense paid	(512)	(27)
Total cash flow from operating activities (A)	**19,172**	**13,144**
(Acquisition) net disposals of PPE and intangible assets	(47,734)	(5,394)
Cash and cash equivalents acquired net of purchase price of La7 S.r.l. (*)	-	109,199
Interest and financial income received	2,468	3,391
Net increase in other non-current assets	(622)	1,235
Net cash flow used in investing activities (B)	**(45,888)**	**108,431**
Dividends paid	(21,152)	(19,905)
(Acquisition) disposal of treasury shares	-	1,382
Re-measurement of defined benefit plans inclusive of tax effect	(991)	(370)
Increase in financial payables	25,000	-
Other changes in equity	5	(1)
Net cash flow used in financing activities (C)	**2,862**	**(9,894)**
Cash flow of the year (A)+(B)+(C)	**(23,854)**	**111,681**
Net cash and cash equivalents closing balance	**149,061**	**172,915**

Unaudited reclassified statements

(*) Main items of the consolidation of La7 S.r.l. at 30 April 2013:

Other non-current assets	(1,013)
Inventories	(1,557)
Trade and other current receivables	(59,707)
Trade and other current payables	75,053
Provisions for risks and charges	32,176
Provision for post-employment benefits	7,181
Non-recurring income from the acquisition of La7 S.r.l.	57,066
Cash and cash equivalents acquired net of purchase price of La7 S.r.l.	**109,199**

Segment reporting at 31 December 2014

The results in 2014 for **each main business segment** (magazine publishing, advertising, TV publishing (La7), network operator (Cairo Network) and Il Trovatore) can be analyzed as follows comparing them with the results of 2013:

2014 (€ thousands)	Magazine publishing	Advertising	TV publishing La7 Current operations	TV publishing La7 Non-recurring items	Trovato-re	Network operator Cairo Network	Intra-group and unallocated	Total
Gross operating revenue	96,708	181,332	110,913	-	834	-	(123,773)	266,014
Advertising agency discounts	-	(25,748)	-	-		-	-	(25,748)
Net operating revenue	**96,708**	**155,584**	**110,913**	**-**	**834**	**-**	**(123,773)**	**240,266**
Change in inventories	(28)	-	-				-	(28)
Other income	1,321	919	9,323	-	62	2	-	11,627
Total revenue	**98,001**	**156,503**	**120,236**	**-**	**896**	**2**	**(123,773)**	**251,865**
Production cost	(65,098)	(144,026)	(77,016)	-	(673)	(8)	123,773	(163,048)
Personnel expense	(19,120)	(7,251)	(34,221)	-	(42)	-	-	(60,634)
Gross operating profit (EBITDA)	**13,783**	**5,226**	**8,999**	**-**	**181**	**(6)**	**-**	**28,183**
Amortization, depreciation, provisions and impairment losses	(1,261)	(1,181)	(2,778)	-	-	(1)	-	(5,221)
EBIT	**12,522**	**4,045**	**6,221**	**-**	**181**	**(7)**	-	**22,962**
Income / (loss) on investments	-	(2)	-					(2)
Net financial income	17	390	1,423	-	(1)	-	-	1,829
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	-	-	-	-	-
Pre-tax profit	**12,539**	**4,433**	**7,644**	**-**	**180**	**(7)**	**-**	**24,789**
Income tax	(4,502)	(1,795)	5,385		(61)	-	-	(973)
Non-controlling interests	-	-	-	-	(24)	-	-	(24)
Profit from continuing operations attributable to the owners of the parent	**8,037**	**2,638**	**13,029**	**-**	**95**	**(7)**	-	**23,792**
Profit / (loss) from discontinued operations	-	-	-	-	**-**	-	**(1)**	(1)
Profit	**8,037**	**2,638**	**13,029**	**-**	**95**	**(7)**	**(1)**	**23,791**

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2013 **(Twelve months)** (€ thousands)	Magazine publishing	Advertising	TV publishing La7 (*) Current operations	TV publishing La7 (*) Non-recurring items	Trovato-re	Network operator Cairo Network	Intra-group and unallocated	Total
Gross operating revenue	99,063	191,681	77,019	-	485	-	(91,544)	276,704
Advertising agency discounts	-	(27,190)	-	-	-	-	-	(27,190)
Net operating revenue	**99,063**	**164,491**	**77,019**	**-**	**485**	**-**	**(91,544)**	**249,514**
Change in inventories	(61)	-	-	-	-	-	-	(61)
Other income	2,381	5,539	2,391	-	1	-	(2,327)	7,985
Total revenue	**101,383**	**170,030**	**79,410**	**-**	**486**	**-**	**(93,871)**	**257,438**
Production cost	(69,867)	(152,936)	(52,644)	(1,917)	(387)	-	93,871	(183,880)
Personnel expense	(19,117)	(6,531)	(23,107)	-	(34)	-	-	(48,789)
Gross operating profit (EBITDA)	**12,399**	**10,563**	**3,659**	**(1,917)**	**65**	**-**	**-**	**24,768**
Amortization, depreciation, provisions and impairment losses	(1,323)	(2,585)	(1,698)	-	-	-	-	(5,606)
Operating profit (EBIT)	**11,076**	**7,978**	**1,961**	**(1,917)**	**65**	-	-	**19,162**
Income / (loss) on investments	-	699	-	-	-	-	-	699
Net financial income	40	1,165	1,697	-	(1)	-	-	2,901
Non-recurring income from acquisition of La7 S.r.l.	-	-	-	57,066	-	-	-	57,066
Pre-tax profit	**11,116**	**9,842**	**3,658**	**55,149**	**64**	**-**	**-**	**79,828**
Income tax	(4,118)	(3,610)	2,131	-	(23)	-	-	(5,620)
Non-controlling interests	-	-	-	-	(8)	-	-	(8)
Profit from continuing operations attributable to the owners of the parent	**6,998**	**6,232**	**5,789**	**55,149**	**33**	**-**	**-**	**74,200**
Profit / (loss) from discontinued operations	-	-	-	-	**-**		**(6)**	(6)
Profit	**6,998**	**6,232**	**5,789**	**55,149**	**33**		**(6)**	**74,194**

Unaudited reclassified statement

(*) The amounts shown for the "TV Publishing" segment refer to the eight-month period from 1 May 2013 to 31 December 2013

Details of consolidated revenue at 31 December 2014

The breakdown of **gross operating revenue** in 2014, split up by main business segment (magazine publishing, advertising, TV publishing (La7), network operator (Cairo Network) and Il Trovatore) can be analyzed as follows by comparing the amounts in 2013:

Gross revenue **31/12/2014**

(€ thousands)

	Magazine publishing	Advertising	TV publishing (La7)	Trovatore	Network operator Cairo Network	Intra-group eliminations and unallocated	Total
Magazine over-the-counter sales	73,400	-	-	-	-	-	73,400
Print media advertising	20,931	27,687	-	-	-	(20,641)	27,977
TV advertising	-	149,636	106,991	-	-	(101,412)	155,215
Stadium signage	-	2,537	-	-	-	-	2,537
Internet advertising	-	870	759	494	-	(878)	1,245
Revenue from concession of programming schedule spaces	-	-	982	-	-	-	982
Other TV revenue	-	-	2,181	-	-	-	2,181
Subscriptions	2,883	-	-	-	-	-	2,883
Books and catalogues	980	-	-	-	-	-	980
Other revenue	-	602	-	340	-	(842)	100
VAT relating to publications	(1,486)						(1,486)
Total gross operating revenue	**96,708**	**181,332**	**110,913**	**834**	**-**	**(123,773)**	**266,014**
Other revenue	1,321	919	9,323	62	2	-	11,627
Total revenue	**98,029**	**182,251**	**120,236**	**896**	**2**	**(123,773)**	**277,641**

Gross revenue **31/12/2013**

(€ thousands)

	Magazine publishing	Advertising	TV publishing (La7)*	Trovatore	Network operator Cairo Network	Intra-group eliminations and unallocated	Total
Magazine over-the-counter sales	74,791	-	-	-	-	-	74,791
Print media advertising	21,768	28,975	-	-	-	(21,514)	29,229
TV advertising	-	159,194	73,227	-	-	(69,208)	163,213
Stadium signage	-	2,536	-	-	-	-	2,536
Internet advertising	-	396	427	143	-	-	966
Revenue from concession of programming schedule spaces	-	-	1,295	-	-	-	1,295
Other TV revenue	-	-	2,070	-	-	-	2,070
Subscriptions	2,992	-	-	-	-	-	2,992
Books and catalogues	910	-	-	-	-	-	910
Other revenue	-	580	-	342	-	(822)	100
VAT relating to publications	(1,398)	-	-	-	-	-	(1,398)
Total gross operating revenue	**99,063**	**191,681**	**77,019**	**485**	**-**	**(91,544)**	**276,704**
Other revenue	2,381	5,539	2,391	1	-	(2,327)	7,985
Total revenue	**101,444**	**197,220**	**79,410**	**486**	**-**	**(93,871)**	**284,689**

(*) The amounts shown for the "TV Publishing" segment refer to the eight-month period from 1 May 2013 to 31 December 2013

Summary of the main income statement figures of the Parent at 31 December 2014

The main **income statement figures of the Parent** in 2014 can be compared with those in 2013:

(€ thousands)	**31/12/2014**	**31/12/2013**
Gross operating revenue	116,595	121,047
Advertising agency discounts	-	-
Net operating revenue	**116,595**	**121,047**
Other revenue and income	350	1,217
Total revenue	**116,945**	**122,264**
Production cost	(108,636)	(112,475)
Personnel expense	(2,990)	(2,844)
Gross operating profit (EBITDA)	**5,319**	**6,945**
Amortization, depreciation, provisions and impairment losses	(290)	(272)
EBIT	**5,029**	**6,673**
Net financial income	365	1,016
Income / (loss) on investments	7,084	13,174
Pre-tax profit	**12,478**	**20,863**
Income tax	(1,891)	(2,797)
Profit from continuing operations	**10,587**	**18,066**
Profit / (loss) from discontinued operations	(1)	(5)
Profit	**10,586**	**18,061**

Unaudited reclassified statements

The **statement of comprehensive income** of the Parent can be analyzed as follows:

(€ thousands)	**31/12/2014**	**31/12/2013**
Statement of comprehensive income of the Parent		
Profit	**10,586**	**18,061**
Other non-reclassifiable items of the comprehensive income statement		
Actuarial profit (loss) from defined benefit plans	(135)	(97)
Tax effect	37	27
Total comprehensive income	**10,488**	**17,991**

Unaudited reclassified statements

Summary of the main figures of the statement of financial position of the Parent at 31 December 2014

The main **figures of the statement of financial position** at 31 December 2014 of Cairo Communication S.p.A. can be analyzed versus the situation at 31 December 2013:

(€ thousands)	**31/12/2014**	**31/12/2013**
<u>Balance sheet</u>		
Property, plant and equipment	457	549
Intangible assets	320	356
Financial assets	23,124	17,614
Other non-current assets	1,663	13
Net current assets	7,325	14,961
Total assets	**32,889**	**33,493**
Non-current borrowings and provisions	1,485	1,346
(Net financial position)/Net debt	(25,768)	(35,690)
Equity	57,172	67,837
Total equity and liabilities	**32,889**	**33,493**

Unaudited reclassified statements

The **net financial position** of the Parent at 31 December 2014 versus the situation at 31 December 2013 is summarized below:

(€ thousands)	**31/12/2014**	**31/12/2013**	**Change**
Cash and cash equivalents	25,768	35,690	(9,922)
Current financial assets	-	-	-
Total	**25,768**	**35,690**	**(9,922)**

Cash flow statement

The **cash flow statement** at 31 December 2014 of Cairo Communication S.p.A. can be compared with the cash flow statement at 31 December 2013:

Cash flow statement *(€ thousands)*	**31/12/2014**	**31/12/2013**
Cash and cash equivalents	**35,690**	**45,426**
Profit	10,586	18,061
Amortization, depreciation, provisions and impairment losses	290	272
Impairment losses on investments	201	357
Net financial income	(7,649)	(14,547)
Income tax	1,891	2,797
Change in provision for post-employment benefits	213	150
Net change in provisions for risks and charges	(73)	188
Cash flow from operating activities before changes in working capital	**5,458**	**7,278**
(Increase) decrease in trade and other receivables	17,308	9,182
Increase (decrease) in trade and other payables	(4,414)	(14,697)
Total cash flow from operating activities	**18,352**	**1,763**
Income tax paid	(905)	(2,649)
Financial expense paid	(141)	(121)
Total cash flow from operating activities (A)	**17,306**	**(1,007)**
(Acquisition) net disposals of PPE and intangible assets	(162)	(499)
Interest and financial income received	506	1,512
Dividends received	1,039	3,402
Net increase in other non-current assets	(7,361)	(3,553)
Net cash flow used in investing activities (B)	**(5,978)**	**862**
(Acquisition) disposal of treasury shares	-	1,383
Re-measurement of defined benefit plans inclusive of tax effect	(98)	(70)
Dividends paid	(21,152)	(10,905)
Net cash flow used in financing activities (C)	**(21,250)**	**(9,592)**
Cash flow of the year (A)+(B)+(C)	**(9,922)**	**(9,737)**
Net cash and cash equivalents closing balance	**25,768**	**35,690**

Unaudited reclassifed statements

Alternative performance indicators
In order to provide a better reading of the financial performance of the Cairo Communication Group, besides of the conventional IFRS financial indicators, alternative performance indicators appear in this press release, but must not be considered to replace those of the IFRS.
The indicators are:

· **Gross operating profit (EBITDA):** adopted by Cairo Communication as a target to monitor internal management and for public presentations (for analysts and investors), representing a unit of measurement to assess operating performance of the Group and Parent Company, alongside **operating profit (EBIT)**. These indicators are calculated as follows:

Profit from continuing operations, pre-tax
+/- Net finance income
+/- Share in associates
EBIT- Operating profit
+ Amortization and depreciation
+ Bad debt impairment losses
+ Provisions for risks
EBITDA - Operating profit, before amortization, depreciation, write-downs and impairment losses.

The Cairo Communication Group also considers **net financial position** as a valid indicator of the Group's ability to meet financial obligations, both current and future. As seen in the table included in this press release, which details the equity figures used for the calculation of Group net financial position, this figure includes cash and other cash equivalents, bank deposits, securities and other current financial assets, reduced by current and non-current bank borrowings