GRUPPO 24 ORE

Press Release

24 ORE Group:
BoD approves 2009 half-year results

Consolidated revenues = €266.3 million (-13.9%)
Advertising revenues = €100.3 million (-27.2%)
EBITDA = €0.8 million (€39 million in 1H08)
Result attributable to shareholders of parent company = -€9.2 million (+€21.6 million in 1H08)
Positive net financial position = €125.7 million
Go-ahead of structural cost-curbing (a further €40 million over the next two years) and staff plan

Milan, July 27, 2009. Today, the meeting of the Board of Directors of the 24 ORE Group, chaired by Cav. Lav. Dr. Giancarlo Cerutti, approved the consolidated results of the first half of 2009 (1H09). Here are the highlights of the main figures of 1H09 vs. those of 1H08:

MAIN FIGURES OF THE 24 ORE GROUP		
Amounts in € million	1° Half 2009	1° Half 2008
Revenues	266.3	309.5
Gross operating profit (EBITDA)	0.8	39.0
Operating profit (EBIT)	(14.6)	21.5
Pre-tax profit	(13.1)	26.8
Profit attributable to the shareholders of the parent company	(9.2)	21.6
Net financial position	125.7	149.0 *
Total equity attributable to the shareholders of the parent company	338.9	357.1 *

*Amount as at December 31, 2008

Analysis of 1H09 consolidated results

The general downward trend in consumption and the acute economic recession led to a further drop in the sale of paid dailies in 1H09. Advertising faced a harsher situation, showing no signs of a turnaround in the second quarter, against what turned out to be an extremely weak first quarter.

Against this backdrop, which impacted the entire publishing industry, in 1H09, the 24 ORE Group achieved consolidated revenues of €266.3 million, down -13.9% vs. €309.5 million in 1H08. On a like-for-like basis, revenues fell by -19.1%, due basically to the poor results of advertising and the declining contribution by add-on products.
In 1H09, Group advertising revenues diminished by over €37 million, or -27.2%. This drop, which should be read against the remarkable results achieved over the two previous years and the sharp fall in financial advertising, comes amid a negative market

environment in the January-May period for press (-25.1%) and radio (-18.6%), while Internet media were up 7.8%

Gross operating profit (Ebitda) amounted to €0.8 million, vs. €39.0 million in 1H08. The new acquisitions made in the second half of 2008 helped lift revenues by €16.0 million and Ebitda by €2.6 million.
The sharp drop is attributable to the abovementioned downward trend in revenues, advertising revenues in particular, only partly offset by the effects of the operating cost-curbing measures adopted at the beginning of the year.

The **operating result** came to -€14.6 million, vs. +€21.5 million in 1H08. The contribution by the new acquisitions was limited by the amortizations of the purchase price, partly allocated to intangible assets with finite useful life.

The **result attributable to the shareholders of the parent company** was -€9.2 million vs. +€21.6 million in 1H08. The 1H09 result, vs. 1H08, was affected negatively by the drop in net financial income (lower average cash resources and interest rates), and positively by taxes, which also benefitted from the optimization measures implemented over the period.

As at June 30, 2009, the Group's **net financial position** showed a positive figure of €125.7 million, falling from €149.0 million as at December 31, 2008, due primarily to payout of the dividend for the amount of €10.3 million, and to net investments made over the period worth €9.8 million.

On a like-for-like basis, overall costs vs. 1H08 fell by approximately €23 million (-12.4%), more than offsetting the decline in non-advertising revenues (-€21.6 million, or -12.6%).
In order to counter the slide in revenues generated by the various business areas, the new rationalization and cost-curbing plan, launched at the beginning of the year, set off a range of measures, including:

- actions taken on the product portfolio – cuts in publications/sections and rethinking of features in a number of products, with decisions also regarding print runs, formats and amount of pages;
- closure of loss-making business lines - such as, in particular, the *24Minuti* free press daily, whose publication ceased at the end of March;
- cost-curbing measures on production, distribution and editorial work – through process optimization procedures, renegotiation of agreements with all main suppliers, cost cutting on the daily's freelancers;
- actions taken on the organizational structure and on staff costs – through a leaner operational management structure (Multimedia Area management responsibilities reorganized into the Publishing Area), and layout of a plan for company staff to use their annual holidays and part of untaken holidays;
- actions taken on overheads – in particular on marketing and advertising costs, travel and entertainment expenses, consulting costs, and branch costs.

The effects of some of these measures (such as the closure of *24Minuti* and the holidays plan) will be felt more in the second part of the year.

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Performance by business sector

In what is an extremely challenging market, **System**, the advertising sales agency for the Group's main media, posted advertising revenues of €85.0 million in 1H09, down -27.3% vs. 1H08, a drop mainly ascribable to the contraction of investments in the press and to the meltdown of financial advertising, which must be read, however, against the remarkable results achieved over the 2007-2008 period. In fact, while print media, from 2006 to 2009, suffered an annual average drop in advertising revenues of 8.1%, which rises to 9.5% excluding free-press (source: Nielsen Media Research, January-May period), System instead, in the period from June 2006 to June 2009, netted against the advertising sales no longer managed for San Paolo Edizioni, saw its annual average revenues fall by 2.6%.

In the January-May 2009 period, based upon Nielsen figures, the Italian advertising market slid by -16.5%, with press (-25.1%) and radio (-18.6%) suffering the most, TV a touch less (-14.8%), while Internet was the only media to profit (+7.8%).

Versus the same period last year, the daily continued to be greatly affected by the current crisis, plunging by -31.2%, while advertising revenues generated by Radio 24 fell far less than the market (-18.6% in the first five months).
The sale of online advertising spaces on the ilsole24ore.com website, as well as on other 24 ORE Group websites and important websites from other publishers, increased by an overall +3.9%.

Publishing, the area that heads the *Il Sole 24 ORE* daily, its add-on products, theme magazines such as *English24*, *I Viaggi del Sole,* and *Ventiquattro* and *IL* - il maschile de *Il Sole 24 ORE* monthlies, generated overall revenues of €101.4 million, dropping by -30.2% vs. 1H08.
The decline was spread across every product, particularly those featuring high advertising content, except for periodicals (+3.6%), which benefited from the results of the new magazine *IL* - il maschile de *Il Sole 24 ORE*, launched in September 2008. The decline must, however, be read considering the closure in April 2009 of the *24minuti* free press, and the ceased publication of *House24*.

The daily’s revenues diminished by -23.1% vs. 1H08. Once again, the drop in advertising revenues is to be read against the stronger-than-market growth recorded over the 2007-2008 period, and the slump in financial advertising.
In the first months of the year, add-on products bundled with dailies continued the downward trend previously experienced in 2008. In this context, Il Sole 24 ORE saw a contraction in sales in 1H09, due to less issues, fewer copies sold and lower average prices.
The latest circulation figures (ADS moving average May 2008 - April 2009) show a -9% decline in number of copies related to the leading paid national dailies vs. the same period last year. Over the same period, Il Sole 24 ORE fell by -4.6%, with approximately 326,000 copies, and confirmed its position as the third-strongest national daily newspaper (excluding sports dailies).

Professionals, the area that targets professionals (basically chartered accountants, lawyers and labour consultants), the PA and SMEs, saw its revenues rise (+9.2%) vs. 1H08, reaching €120.2 million.

The progress is totally ascribable to the changes in the consolidation basis for the acquisitions made after the first half of 2008 (Esa Software S.p.A. and Newton Management Innovation S.p.A.). On a like-for-like basis, revenues dropped by -5.2%, due basically to lower advertising revenues from media managed by Business Media (-21.5%), but also to the weak performance of a number of product lines of *Tax & Legal* (-4.0%), which prompted the decision to rationalize its catalogue by closing loss-making paper publications.

In 1H09, the *Tax & Legal* business unit confirmed the good results achieved by e-publishing revenues (+8.5%), fuelled by a strong and persistent commitment to product, publishing and technological innovation, in order to respond promptly and effectively to the evolving target consumption models, and by the development of system-wide propositions.
Revenues generated by the *Software Solutions* business unit were up 74.8%. Netted against the changes in the consolidation basis from the acquisition of ESA Software S.p.A. made in the second half of 2008, revenues nonetheless increased by approximately 10% vs. 1H08, thanks to the good performance of products branded Data Ufficio, leading provider of tax solutions for tax assistance centres and the PA, STR and Via Libera.
Revenues generated by the *Training* business unit progressed by 14.6% vs. 1H08. Netted against the effects of the consolidation of Newton Management Innovation S.p.A., revenues were down -7%, due principally to the cancellation of the Tuttorisparmio event for the financial crisis.

Revenues generated by **Multimedia** amounted to €18.0 million, dropping by -8.1% vs. 1H08. Real-time financial information services continued the downward trend in revenues (-10.6%) experienced over the previous years, due basically to prices that have been dropping for quite a while now.
Revenues generated by the *On line* business unit in 1H09 dropped vs. 1H08, due to the negative trend in advertising and in the *Big On Lin*e databank. A point worth mentioning for the *On line* business in 1H09 was the increase in unique visitors (+60%, more than 4.6 million per month) and page views (+81%). B2C e-commerce also did extremely well.
Conversely, the *Agency* business unit (Radiocor) scored good results, with revenues rising by 7.8%, thanks also to the upswing of the Newsletter product, publications tailored to large public and private clients.

In 1H09, **Radio 24** revenues were down -1.7% vs. 1H08. Advertising revenues dropped by -4.0%, outstripping, however, the market average (-18.6%).

In 1H09, investments worth €2.2 million were made to improve the radio signal quality and to cover a number of important road stretches.

Business outlook

Advertising sales in July were only slightly less negative than the trend witnessed over the first half of the year.
Current indications for the second half of the year provide no means of forecasting a reasonable improvement in business, as far as advertising is particularly concerned.
Brighter prospects, despite the still negative figures vs. 2008, are expected for the Group's professional area.

On account of the foregoing situation, the Board of Directors has therefore urged the adoption of further measures to curb operating costs, with structural and organizational actions that will also involve staff.
Alongside those already underway, over the next two years, these measures will help save approximately €40 million vs. the total costs incurred in 2008, which had already benefitted from over €20 million in cost savings.
Though already significant (roughly €15 million), the benefits in 2009 will be unable to offset the effects of the drop in revenues.
That said, in the absence of substantial improvements in the economic climate, and excluding extraordinary charges associated with the above-mentioned measures, gross operating profit for the whole 2009 year is expected to be only slightly positive.

Under section 2, article 154-bis of the Consolidated Finance Law (TUF), Giuseppe Crea, in his capacity as corporate financial reporting manager, attests that the accounting information contained herein is consistent with the Company's documentary results, accounting books and records.

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Interim report as at June 30, 2009

Financial schedules

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in € millions	1° Half 2009	1° Half 2008
Revenues from sales and services	266.3	309.5
Other operating income	4.7	5.9
Personnel expenses	(99.6)	(88.6)
Change in inventories	(2.0)	(6.2)
Purchase of raw materials and consumables	(16.9)	(15.8)
Costs for services	(124.2)	(138.3)
Other operating costs	(24.8)	(24.2)
Provisions and bad debts	(2.9)	(3.3)
Gross operating profit (EBITDA)	**0.8**	**39.0**
Amortisation and depreciation	(15.5)	(17.4)
Capital gains/loss from intangible and tangible assets	0.2	0.0
Operating profit (EBIT)	**(14.6)**	**21.5**
Financial income (expenses)	1.7	5.3
Income (expenses) from equity investments	(0.2)	(0.0)
Pre-tax profit	**(13.1)**	**26.8**
Income tax	3.3	(5.5)
Net profit	**(9.8)**	**21.3**
Profit attributable to minorities	(0.5)	(0.3)
Profit attributable to the shareholders of the parent company	**(9.2)**	**21.6**

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CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT

Amounts in € million	30.06.2009	31.12.2008
ASSETS		
Non-current assets		
Property, plant and equipment	93.5	96.4
Goodwill	81.7	80.0
Intangible assets	107.1	111.9
Investments in associates and joint ventures	4.0	4.7
Financial assets available for sale	3.4	3.4
Other non-current financial assets	19.0	18.7
Other non-current assets	1.0	1.0
Deferred tax assets	21.9	15.1
Total	**331.5**	**331.1**
Current assets		
Inventories	18.0	20.0
Trade receivables	216.6	215.6
Other receivables	10.8	4.6
Other current financial assets	0.0	0.0
Other current assets	12.4	6.8
Cash and cash equivalents	123.9	150.1
Assets held for sale	-	-
Total	**381.8**	**397.1**
TOTAL ASSETS	**713.3**	**728.2**

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)

Amounts in € million	30.06.2009	31.12.2008
EQUITY AND LIABILITIES		
Equity		
Equity attributable to shareholders of parent company		
Share capital	35.1	35.1
Equity reserves	180.3	180.3
Revaluation reserves	20.6	20.6
Hedging and translation reserves	(0.4)	(0.1)
Other reserves	33.8	32.3
Profit/(loss) carried forward	78.8	72.8
Gains (loss) attributable to shareholders of parent company	(9.2)	16.1
Total	**338.9**	**357.1**
Equity attributable to minorities		
Capital and reserves attributable to minorities	1.4	1.5
Gains (loss) attributable to minorities	(0.5)	(0.1)
Total	**0.9**	**1.4**
Total equity	**339.8**	**358.5**
Non-current liabilities		
Non-current financial liabilities	12.5	14.1
Employee benefit obligations	41.4	42.3
Deferred tax liabilities	24.8	26.7
Provisions for risks and charges	23.1	23.7
Other non-current liabilities	0.0	1.4
Total	**101.8**	**108.2**
Current liabilities		
Bank overdrafts and loans due within one year	3.4	4.8
Financial liabilities held for trading	0.6	0.1
Trade payables	180.1	174.9
Other current payables	17.9	9.4
Other payables	69.6	72.2
Total	**271.6**	**261.5**
Total liabilities	**373.4**	**369.7**
TOTAL EQUITY AND LIABILITIES	**713.3**	**728.2**

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CONSOLIDATED CASH FLOW STATEMENT		
Amounts in € million	1° Half 2009	1° Half 2008
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Result for the period attributable to the shareholders of the parent company	(9.2)	21.6
Adjustments for:		
Amortisation of property, plant and equipment	5.8	6.7
Amortisation of other intangible assets	9.7	10.7
Impairment of other tangible assets and goodwill	0.0	-
Depreciation of non-current assets	0.2	-
(Gains) loss from sale of property, plant and equipment	(0.2)	0.0
(Gains) loss from disposal of intangible assets	0.0	(0.0)
Increase (decrease) in provisions for risks and charges	(0.6)	(1.6)
Increase (decrease) in employee benefit obligations	(1.0)	(0.4)
Increase (decrease) in deferred tax assets/liabilities	(8.7)	(12.3)
Annual instalment of substitute tax	4.9	1.5
Net financial (income) expenses	(1.7)	(5.3)
Cash flows from ordinary activities before change in working capital	**(0.7)**	**21.0**
(Increase) decrease in inventories	2.0	6.2
(Increase) decrease in trade receivables	(0.7)	(45.1)
Increase (decrease) in trade payables	4.8	2.0
Income tax paid	(8.5)	(3.5)
Increase (decrease) in other assets/liabilities	(2.4)	8.2
Changes in net working capital	**(4.8)**	**(32.2)**
TOTAL NET CASH FLOWS FROM ORDINARY ACTIVITIES (A)	**(5.5)**	**(11.2)**

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CONSOLIDATED CASH FLOW STATEMENT (CONT.)		
Amounts in € million	1° Half 2009	1° Half 2008
B) CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from sale of tangible assets	0.5	0.1
Proceeds from sales of intangible assets	0.0	0.0
Investments in tangible assets	(3.1)	(4.9)
Investments in intangible assets	(4.8)	(3.5)
Other changes in tangible assets	0.0	0.0
Other changes in intangible assets	0.0	-
Increase in goodwill from business combinations	0.0	-
Purchase of investments in associates	-	(0.0)
Purchase of investments in subsidiaries	(0.9)	-
Other decreases (increases) in investments in associates	(0.1)	-
Other decreases (incr.) of other non-current assets and liabilities	(1.3)	0.1
Purchase of financial assets available for sale	0.0	(0.0)
TOTAL NET CASH FLOWS FOR INVESTING ACTIVITIES (B)	**(9.8)**	**(8.1)**
FREE CASH FLOW (A + B)	**(15.4)**	**(19.3)**
C) CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(10.3)	(13.9)
Registering (repayment) of medium/long-term bank loans	(1.7)	(1.6)
Change in other non-current financial assets	(0.3)	(0.2)
Change in financial assets/liabilities held for trading	0.5	-
Net financial interest received	1.7	5.3
Change in equity attributable to minorities	(0.5)	(0.3)
Other changes in reserves	1.2	9.6
TOTAL CASH FLOWS FOR FINANCING ACTIVITIES - C	**(9.4)**	**(1.1)**
NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(24.8)**	**(20.4)**
OPENING CASH AND CASH EQUIVALENTS	**145.3**	**238.6**
CLOSING CASH AND CASH EQUIVALENTS	**120.5**	**218.1**
INCREASE (DECREASE) FOR THE YEAR	**(24.8)**	**(20.4)**

NET FINANCIAL POSITION

Amounts in € million	30.06.2009	31.12.2008
Cash and cash equivalents	123.9	150.1
Bank overdrafts and loans due within one year	(3.4)	(4.8)
Short-term net financial position	**120.5**	**145.3**
Non-current financial liabilities	(12.5)	(14.1)
Non-current financial assets and fair value of hedging insruments	17.6	17.8
Medium/long-term net financial position	**5.2**	**3.7**
Net financial position	**125.7**	**149.0**