

Press Release

## 24 ORE Group BoD meeting: approval of 1Q09 results

**Consolidated revenues = €133.0 million (-11.7%)**

**Advertising revenues = €50.8 million (-21.3%)**

**EBITDA = €3.0 million vs. €16.2 million in 1Q08**

**Profit attributable to the shareholders of the parent company**

**= - €4.2 million vs. €5.3 million in 1Q08**

*Milan, May 6, 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 quarter of 2009 (1Q09). Here are the main figures and the comparative figures of 1Q08:

| 24 ORE GROUP MAIN FIGURES   |         |         |
|---|---------|---------|
| Amounts in €millions  | 1Q 2009 | 1Q 2008 |
| Revenues  | 133.0   | 150.7   |
| Gross operating profit (EBITDA)                                     | 3.0     | 16.2    |
| Operating profit (EBIT)   | (4.6)   | 7.5     |
| Pre-tax profit  | (3.6)   | 10.1    |
| Profit attributable to the shareholders of the parent company       | (4.2)   | 5.3     |
| Total equity attributable to the shareholders of the parent company | 353.0   | 357.1 * |
| Net financial position  | 138.2   | 149.0 * |
| Headcount   | 2,266   | 2,255 * |

### Analysis of 1Q09 consolidated results

In 1Q09, the 24 ORE Group achieved consolidated revenues of €133.0 million, down 11.7% vs. the €150.7 million of 1Q08 (-17% on a like-for-like basis).

In 1Q09, the Group's advertising revenues declined by an overall 21.3%, with results, however, exceeding average core market figures. Such a performance must be read in light of the negative economic environment for press (-27.4%) and radio (-27.2%), while, on the other hand, Internet media grew by 3.9%.

EBITDA came to €3.0 million, dropping by 81.3%, vs. the €16.2 million of 1Q08, due to a fall in revenues, partially offset by lower costs.

In 1Q09, the new acquisitions made in the second half of 2008 helped lift revenues by €7.9 million and EBITDA by €1.2 million.

The operating profit (EBIT) stood at - €4.6 million vs. + €7.5 million in 2008. Amortisation in 1Q09 diminished by €1.0 million vs. 1Q08, owing to the redefinition of the useful life of radio broadcasting frequencies and rotary printing machines in the 2008 annual accounts, partially offset by amortisation on fixed assets from new acquisitions.

Profit attributable to the shareholders of the parent company was -€4.2 million vs. +€5.3 million in 1Q08.

Net financial income stood at €1.0 million, falling by 60.5%, due to less available funds vs. 1Q08 and lower interest rates.

The Group's net financial position as at March 31, 2009, showed a net cash figure of €38.2 million (net cash of €49.0 million as at December 31, 2008).

## **Performance by business segment**

### **System – advertising sales**

*System is the division that acts as advertising agency for the Group's main media, except for specialist publishing, which has its own network (Business Media), as well as for a number of third-party media.*

All the Group's media were hit by the economic downturn, which continues to impact negatively on advertising investments. Except for the Internet and radio, their revenues fell vs. 1Q08.

In this difficult environment, in 1Q09, System's revenues, for the media managed by the Area, reached €44.2 million, falling by 20.6% vs. 1Q08, less than the nosedive taken by the market.

Specifically, the daily's performance was in line with the market, whereas radio was up 5.1% in terms of revenues, outstripping the market (-27.2%), and Internet advertising revenues increased by 13.4% vs. 1Q08, scoring far better results than the market (+3.9%).

### **Publishing– Generalist publishing**

*Publishing is the division that heads up the daily newspaper Il Sole 24 ORE, its add-on products, theme magazines such as English24 and I Viaggi del Sole, monthlies Ventiquattro and IL - il maschile de Il Sole 24 ORE, plus a number of primary processes (printing and distribution) also managed for other Group areas.*

As expected, in 1Q09, the collateral products offered together with dailies continued the downward slide of 2008. In this context, Il Sole 24 ORE saw a drop in sales in 1Q09, due to less issues, fewer copies sold and average lower prices.

The latest circulation figures (ADS moving average February 2008-January 2009) show a 6.7% 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 2.5%, but confirmed its position as the third-strongest national daily newspaper.

In such a weak market, Publishing's magazines were up 44.8% vs. 1Q08, thanks to *IL*, which hit the newsstands in September last year. In 1Q09, *IL – Il maschile del Sole 24 ORE*'s success managed to live through the decline in advertising revenues.

Publishing's revenues stood at €3.6 million, dropping by 27.4%, due basically to the foregoing performance of collaterals and to the negative trend in advertising revenues.

### **Professionals – professional and specialist publishing**

*Professionals is the segment that targets professionals (basically chartered accountants, lawyers and labour consultants), the PA and SMEs with a plethora of publishing solutions such as magazines, books, databanks, online services, training courses and management software. This segment also includes the Frizzera product system, Pirola, and Via Libera and Impresa24 software. Professionals also manages B2B integrated communication solutions for SMEs working in industries such as agrofood, retail trade, building, ICT and welfare, directly managing dedicated advertising sales networks.*

Revenues generated by Professionals came to €8.0 million, up 10.6% vs. 1Q08, due to changes in the basis for the acquisitions of Esa Software S.p.A. and Newton Management Innovation S.p.A.

Electronic publishing continued its outstanding revenue performance in 1Q09 (+ 9.1%), 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 the system offering.

On a like-for-like basis, revenues were down 4.5%, due to lower advertising revenues from media managed by Business Media (-17.8%) and to the bad performance of a number of product lines of *Tax & Legal* (-3.5%).

Revenues generated by the Software Solutions business unit increased by 74.3%. Netted against the changes in the basis from the acquisition of ESA Software S.p.A. in the second half of 2008, revenues were up 4.3% vs. 1Q08, 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 22.5% vs. 1Q08. Netted against the effects of the consolidation of Newton Management Innovation S.p.A., revenues advanced by 4.3%.

### **Multimedia**

*Multimedia gathers, produces and distributes specific digital information for financial institutions, investors and corporations, using a wide range of technologies: satellite, terrestrial lines and wireless systems.*

*Multimedia also manages the Group's online activities, providing Sole 24 ORE content and products in digital format through the [www.ilssole24ore.com](http://www.ilssole24ore.com) portal and the Shopping24 e-commerce channel. Multimedia also distributes newscasts by the Radiocor agency, provides online databanks with content from the Group's main titles, and is a content provider for the PA, mobile phone operators and third-party publishers, using a technological platform that offers customised content.*

Revenues generated by Multimedia amounted to €9.2 million, falling by 3.6% vs. 1Q08, a result that stems from the drop in revenues from real-time financial information services, which more than offset the rise in revenues generated by online activities (+4.6%) and Radiocor (+5.4%).

In 1Q09, On-Line, in fact, benefited from good advertising results, up 9.3%.

As far as the On-line business unit is concerned, in 1Q09, unique visitors were up 47%, (now steadily above 4 million every month), page views increased by 90%, and B2C e-commerce continued to score good results, advancing by 25%.

### **Radio**

*Radio manages the Radio 24 national radio station, the news & talk radio with an editorial format alternating news and entertainment programmes based exclusively on speech. Thanks to its 234 sites scattered across the country, Radio 24 reaches 85.7% of the Italian population. Each week, over 30 programmes cover the key areas of public interest, ranging from national and international current affairs, to the economy and finance, and from topics regarding the family and home, to sport, culture, leisure time, well-being and employment.*

In 1Q09, Radio 24 revenues were up 6.3% vs. 1Q08. Advertising revenues progressed by 5.1% vs. the -27.2% market drop.

In 1Q09, investments were made to acquire new frequencies, in order to improve the signal quality and cover important road stretches in Emilia Romagna and Sicily.

### **Business outlook**

Advertising sales in April followed the same pattern of 1Q09, while early indications of May and June provide no possibility of forecasting a reasonable improvement in business in the short run.

At the end of 2008, the Group adopted a series of measures to rationalize operating costs, whose benefits were only partly felt in 1Q09. The rest of the year should benefit more from these measures and from those to be implemented.

The print media industry continues to experience a generalized decline in sales and a situation of stiff operating costs. Against this backdrop, forecasts for the whole 2009 financial year confirm expectations of a substantial fall in the Group's operating profits.

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Under section 2, article 154-bis of the Consolidated Finance Law (TUF), Giuseppe Crea, in his capacity as "dirigente preposto alla redazione dei documenti contabili societari" (executive responsible for preparing the Company's accounting documents), attests that the accounting information contained herein is consistent with the data in the Company's documents, accounting books and records.

*For further information:*

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**Interim report as at March 31, 2009**

**Accounting schedules**

| <b>CONDENSED CONSOLIDATED INCOME STATEMENT</b>                       |              |              |
|--|--------------|--------------|
| Amounts in € millions  | Jan-Mar 2009 | Jan-Mar 2008 |
| Revenues from sales and services                                     | 133.0        | 150.7        |
| Other operating income   | 2.2          | 2.2          |
| Personnel expenses   | (49.4)       | (43.3)       |
| Change in inventories  | (1.7)        | (5.2)        |
| Purchase of raw materials and consumables                            | (8.1)        | (6.0)        |
| Costs for services   | (60.5)       | (69.1)       |
| Other operating costs  | (11.1)       | (11.7)       |
| Provisions and bad debts   | (1.3)        | (1.4)        |
| <b>Gross operating profit (EBITDA)</b>                               | <b>3.0</b>   | <b>16.2</b>  |
| Amortisation and depreciation  | (7.7)        | (8.7)        |
| Capital gains/loss from intangible and tangible assets               | 0.0          | 0.0          |
| <b>Operating profit (EBIT)</b>                                       | <b>(4.6)</b> | <b>7.5</b>   |
| Financial income (expenses)  | 1.0          | 2.7          |
| Income (expenses) from equity investments                            | -            | -            |
| <b>Pre-tax profit</b>  | <b>(3.6)</b> | <b>10.1</b>  |
| Income tax   | (0.9)        | (4.8)        |
| <b>Net profit</b>  | <b>(4.4)</b> | <b>5.3</b>   |
| Profit attributable to minorities                                    | 0.2          | 0.0          |
| <b>Profit attributable to the shareholders of the parent company</b> | <b>(4.2)</b> | <b>5.3</b>   |

**CONSOLIDATED BALANCE SHEET**

| Amounts in € millions                        | Bal. as at 31.03.2009 | Bal as at 31.12.2008 |
|--|-----------------------|----------------------|
| <b>ASSETS</b>                                |                       |                      |
| <b>Non-current assets</b>                    |                       |                      |
| Property, plant and equipment                | 94.7                  | 96.4                 |
| Goodwill                                     | 80.0                  | 80.0                 |
| Intangible assets                            | 109.2                 | 111.9                |
| Investments in associates and joint ventures | 3.9                   | 4.7                  |
| Financial assets available for sale          | 3.4                   | 3.4                  |
| Other non-current financial assets           | 18.8                  | 18.7                 |
| Other non-current assets                     | 3.0                   | 1.0                  |
| Deferred tax assets                          | 15.1                  | 15.1                 |
| <b>Total</b>                                 | <b>328.1</b>          | <b>331.1</b>         |
| <b>Current assets</b>                        |                       |                      |
| Inventories                                  | 18.3                  | 20.0                 |
| Trade receivables                            | 223.6                 | 215.6                |
| Other receivables                            | 9.0                   | 4.6                  |
| Other current financial assets               | 0.0                   | -                    |
| Other current assets                         | 11.9                  | 6.8                  |
| Cash and cash equivalents                    | 138.5                 | 150.1                |
| <b>TOTAL</b>                                 | <b>401.4</b>          | <b>397.1</b>         |
| <b>TOTAL ASSETS</b>                          | <b>729.5</b>          | <b>728.2</b>         |

**CONSOLIDATED BALANCE SHEET (CONT.)**

| Amounts in € millions  | Bal. as at 31.3.2009 | Bal. as 31.12.2008 |
|--|----------------------|--------------------|
| <b>EQUITY AND LIABILITIES</b>  |                      |                    |
| <b>A) Equity</b>   |                      |                    |
| <b>Total equity attributable to the shareholders of the par. comp.</b> |                      |                    |
| 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   | 32.8                 | 32.3               |
| Profit/(loss) carried forward  | 88.9                 | 72.8               |
| Profit (loss) for the year   | (4.2)                | 16.1               |
| <b>Total equity attr. to the shareholders of the par. comp.</b>        | <b>353.0</b>         | <b>357.1</b>       |
| <b>Equity attributable to minorities</b>                               |                      |                    |
| Capital and reserves attributable to minorities                        | 1.4                  | 1.5                |
| Profit (loss) attributable to minorities                               | (0.2)                | (0.1)              |
| <b>Total equity attributable to minorities</b>                         | <b>1.2</b>           | <b>1.4</b>         |
|  | -                    | -                  |
| <b>Total</b>   | <b>354.2</b>         | <b>358.5</b>       |
| <b>B) Non-current liabilities</b>                                      |                      |                    |
| Non-current financial liabilities                                      | 14.2                 | 14.1               |
| Employee benefit obligations   | 41.8                 | 42.3               |
| Deferred tax liabilities   | 25.5                 | 26.7               |
| Provisions for risks and charges                                       | 23.7                 | 23.7               |
| Other non-current liabilities  | 1.4                  | 1.4                |
| <b>Total</b>   | <b>106.7</b>         | <b>108.2</b>       |
| <b>C) Current liabilities</b>  |                      |                    |
| Bank overdrafts and loans due within one year                          | 3.7                  | 4.8                |
| Other current financial liabilities                                    | -                    | -                  |
| Financial liabilities held for trading                                 | 0.6                  | 0.1                |
| Trade payables   | 173.9                | 174.9              |
| Other current payables   | 18.7                 | 9.4                |
| Other payables   | 71.7                 | 72.2               |
| <b>Total</b>   | <b>268.6</b>         | <b>261.5</b>       |
| <b>D) Non-current liabilities held for sale</b>                        | <b>-</b>             | <b>-</b>           |
|  | -                    | -                  |
| <b>Total liabilities</b>   | <b>375.3</b>         | <b>369.7</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <b>729.5</b>         | <b>728.2</b>       |

**CONSOLIDATED CASH FLOW STATEMENT**

| Amounts in € millions   | Bal. as at 31.03.2009 | Bal. as at 31.03.2008 |
|---|-----------------------|-----------------------|
| <b>A) CASH FLOWS FROM ORDINARY ACTIVITIES</b>                               |                       |                       |
| Profit attr. to the shareholders of the par. comp.                          | (4.2)                 | 5.3                   |
| Adjustments for:  |                       |                       |
| Amortisation of property, plant and equipment                               | 2.9                   | 3.3                   |
| Amortisation of other intangible assets                                     | 4.8                   | 5.4                   |
| (Gains) loss from sale of property, plant and equipment                     | (0.0)                 | (0.0)                 |
| Increase (decrease) in provisions for risks and charges                     | (0.0)                 | (0.5)                 |
| Increase (decrease) in employee benefit obligations                         | (0.4)                 | 0.1                   |
| Increase (decrease) in deferred tax assets/liabilities                      | (1.2)                 | (1.3)                 |
| Net financial (income) expenses   | (1.0)                 | (2.7)                 |
| <b>Cash flows from ordinary activities before change in working capital</b> | <b>0.8</b>            | <b>9.7</b>            |
| (Increase) decrease in inventories  | 1.7                   | 4.9                   |
| (Increase) decrease in trade receivables                                    | (8.0)                 | (33.9)                |
| Increase (decrease) in trade payables                                       | (1.1)                 | (1.0)                 |
| Increase (decrease) in other assets/liabilities                             | (0.7)                 | 4.7                   |
| <b>Changes in net working capital</b>                                       | <b>(8.1)</b>          | <b>(25.3)</b>         |
| <b>TOTAL NET CASH FLOWS FROM ORDINARY ACTIVITIES (A)</b>                    | <b>(7.3)</b>          | <b>(15.6)</b>         |



**CONSOLIDATED CASH FLOW STATEMENT (CONT.)**

Amounts in € millions

Bal. as at 31.03.2009    Bal. as at 31.03.2008

|   |               |               |
|---|---------------|---------------|
| <b>B) CASH FLOWS FOR INVESTING ACTIVITIES</b>                       |               |               |
| Proceeds from sale of tangible assets                               | 0.0           | 0.3           |
| Proceeds from sales of intangible assets                            | -             | 0.0           |
| Investments in tangible assets                                      | (1.1)         | (1.8)         |
| Investments in intangible assets                                    | (2.2)         | (0.4)         |
| Other changes in tangible assets                                    | -             | (0.0)         |
| Other changes in intangible assets                                  | -             | (0.0)         |
| Purchase of investments in subsidiaries                             | (1.3)         | -             |
| Other decreases (incr.) of other non-current assets and liabilities | 0.0           | (0.7)         |
| Purchase of financial assets available for sale                     | -             | (0.0)         |
| <b>TOTAL NET CASH FLOWS FOR INVESTING ACTIVITIES (B)</b>            | <b>(4.5)</b>  | <b>(2.6)</b>  |
| <b>FREE CASH FLOW (A + B)</b>                                       | <b>(11.8)</b> | <b>(18.2)</b> |
| <b>C) CASH FLOWS FOR FINANCING ACTIVITIES</b>                       |               |               |
| Dividends paid  | (0.0)         | -             |
| Registering (repayment) of medium/long-term bank loans              | 0.0           | (0.0)         |
| Change in other non-current financial assets                        | (0.1)         | (0.1)         |
| Change in financial assets/liabilities held for trading             | 0.5           | -             |
| Net financial interest received                                     | 1.0           | 2.7           |
| Gross profit from Greenshoe   |               | 7.8           |
| Change in equity attributable to minorities                         | (0.2)         | (0.0)         |
| Other changes in reserves   | 0.1           | 0.6           |
| <b>TOTAL CASH FLOWS FOR FINANCING ACTIVITIES (C)</b>                | <b>1.4</b>    | <b>10.8</b>   |
| <b>NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>       | <b>(10.5)</b> | <b>(7.4)</b>  |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>                            | <b>145.3</b>  | <b>238.6</b>  |
| <b>CLOSING CASH AND CASH EQUIVALENTS</b>                            | <b>134.8</b>  | <b>231.2</b>  |
| <b>INCREASE (DECREASE) FOR THE YEAR</b>                             | <b>(10.5)</b> | <b>(7.4)</b>  |

**NET FINANCIAL POSITION**

| Amounts in € millions  | Bal. as at 31.03.2009 | Bal. as at 31.12.2008 |
|--|-----------------------|-----------------------|
| Cash and cash equivalents  | 138.5                 | 150.1                 |
| Bank overdrafts and loans due within one year                      | (3.7)                 | (4.8)                 |
| Short-term financial payables to other lenders                     | -                     | -                     |
| Short-term financial receivables                                   | 0.0                   | -                     |
| <b>Short-term net financial position</b>                           | <b>134.8</b>          | <b>145.3</b>          |
| Non-current financial liabilities                                  | (14.2)                | (14.1)                |
| Non-current financial assets and fair value of hedging instruments | 17.5                  | 17.8                  |
| <b>Medium/long-term net financial position</b>                     | <b>3.3</b>            | <b>3.7</b>            |
| <b>Net financial position</b>                                      | <b>138.2</b>          | <b>149.0</b>          |