Press Release

24 ORE Group:
BoD approves 1H10 results

- **Consolidated revenues = €254.1 million (-4.6%)**
- **System revenues +4% net of free press and funds effects**
- **EBITDA up from €0.8 million in 1H09 to €2.3 million in 1H10, despite increase of €3 million in postage costs for rates hike**
- **Operating costs down 6.6%. Restructuring plan proceeding as scheduled, with personnel costs falling by 6.8% (-115 average units)**
- **Operating loss down 19%: EBIT progressing from -€14.6 million in 1H09 to -€11.8 million in 1H10**
- **Result attributable to the shareholders of the Parent Company - €11.9 million. 1H09 (-€9.2 million) had benefited from €3.3 million of positive tax effects**
- **Group net financial position +€95.8 million (versus €94.4 million as at 31 March 2010)**

Milan, 3 August 2010. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Cav. Lav. Dr. Giancarlo Cerutti, approved the consolidated results of the first half of 2010 (1H10). Here are the main figures and the comparative figures of the previous year:

MAIN FIGURES OF THE 24 ORE GROUP

Amounts in €million	1st Half 2010	1st Half 2009	
Revenue	254.1	266.3	
Gross operating profit (EBITDA)	2.3	0.8	(*)
Operating profit (EBIT)	(11.8)	(14.6)	
Profit (loss)before tax	(11.3)	(13.1)	
Profit (loss) attributable to owners of the parent	(11.9)	(9.2)	
Net financial position	95.8	98.8	(**) (1)
Total equity attributable to the shareholders of the parent company	284.3	296.9	(1)
Employees headcount at end of period	2,117	2,202	(1)

(1) As at 31 december 2009

* EBITDA is defined as earnings before amortization of tangible and intangible assets, financial charges and income, capital gains/losses from disposal of fixed assets, write-down of equity interests, capital gains from disposal of equity interests, depreciation of intangible assets and income tax. Since EBITDA is not seen as an accounting measure by the European IFRS, the determination of its quantity may be prone to ambiguity. The principle adopted by the Group to determine EBITDA may differ from the criteria adopted by other groups. Hence, its amount may not be comparable with the amount determined by other groups.

** Net financial position is defined as the sum of cash and cash equivalents, short-term financial assets, non-current financial assets and the fair value measurement of hedged financial instruments, netted against overdrafts and bank loans due within a year and non-current financial liabilities. Net financial position is not seen as an accounting measure by the European IFRS. The principle adopted by the Issuer to determine net financial position may differ from the criteria adopted by other groups. Hence, the Group resulting balance, determined by the Issuer, may not be comparable with the balance determined by other groups.

Analysis of 1H10 consolidated results

The overall economic climate remained highly challenging, although the second quarter of 2010 showed the green shoots of recovery of the first quarter.

The advertising market as a whole, taking all media into account, including television, closed 1H10 with a +4.7% increase versus 1H09 (Source: *Nielsen Media Research*, January-June 2010). A bright performance if compared with the tough start of 2009.

Print media continued to be one of the worst performing areas (-3.5%), with figures in the April-June quarter declining (-5.2%) versus 1Q10. Radio kept an upward pace (+14.8%), while the Internet came back strongly (+14.6%).

Regarding circulation figures, the latest ADS data (moving average May 2009-April 2010) show an 8.9% drop for the main national paid dailies. In the same period, Il Sole 24 ORE remained Italy's fourth major national daily with over 275,000 copies, despite the cut in promotional copies started in April 2009.

In 1H10, 24 ORE Group achieved **consolidated revenues** of €254.1 million, down 4.6% versus €266.3 million in 1H09, but taking into account the publications and operations set for closure or disposal according to the Group’s reorganization plan, **the drop would actually be -2.4%**, due primarily to the nosedive of add-ons (-47.6%), to the loss reported by periodicals and to the decline in overall circulation revenues.

Netted against two critical elements of discontinuity (termination of the free press daily 24minuti at end March 2009, and the impacts on financial advertising of Consob Resolution 16840/09, which cancels the obligation of publishing the units of foreign UCITS funds and their disclosures in daily newspapers), **System progressed by 4%** versus 1H09, propelled by the +7.6% increase in commercial advertising on the daily. Including these elements, **System was up 0.4%.**

In a particularly hostile market, advertising revenues generated by specialist publishing (Professionals Area) were down €1.4 million.

Gross operating profit (EBITDA) came to €2.3 million, rising sharply versus €0.8 million in 1H09, despite:

- higher costs in subscription mailing of €3 million, as a direct result of the cancellation, from 1 April 2010, of the postage rebates for the publishing sector;
- increase in the bad debts provision of €2.4 million, owing to the longer average terms of payment of trade receivables.

The positive performance was a result of the effects of the reorganization plan and of the operating cost-curbing measures. In particular:

- personnel costs fell by 6.8%, thanks primarily to the decrease in average staff headcount of 115 units;
- consolidated direct and operating costs were down 4.8%, thanks to strong cost-curbing action on consulting, freelance and editorial costs totalling €3.1 million. Netted against the foregoing postage costs, direct and operating costs would have dropped by 6.6%.

Operating profit (EBIT) came to -€11.8 million, but progressed versus -€14.6 million in 1H09. Amortization and depreciation amounted to €14.8 million versus €15.5 million in 1H09, a drop due mainly to the termination of amortization for a number of software products.

The result attributable to the shareholders of the Parent Company came to -€11.9 million versus -€9.2 million in 1H09, which had benefited from the positive effects of the realignment of tax figures to the carrying amounts of €3.3 million.

The Group's **net financial position** as at 30 June 2010 came to +€95.8 million, slightly higher than the €94.4 million as at 31 March 2010 (+€98.8 million as at 31 December 2009).

Headcount. Thanks to the rationalization of products and operations and to the downsizing of structures currently in progress, average staff headcount decreased by 115 units (from 2,250 in 1H09 to 2,135 in 1H10).

Performance by business sector

In 2009, the Group reorganized its business areas by reshuffling activities, responsibilities and corporate functions. To compare the figures of the two periods on a like-for-like basis, the results of 1H09 have been reclassified based on the 2010 organization.

Netted against the two foregoing elements of discontinuity, **System's revenues advanced by 4.0%**, outstripping the +1.4% of the core market (press less local and Free Press, Radio, Internet less search). Including such elements, **System was up 0.4%.**

Excluding such elements of discontinuity, **System's revenues posted a sharp rise**, **increasing by 5.9% in 2Q10**.

Display advertising on the daily advanced in 1H10 by 7.6% (more than the market's 3.9% in the same period), but failed to offset the -23.9% contraction in absolute terms in the service typology (funds).

Online media performed strongly (+53.8%) in 1H10, especially if compared with the market's +14.6% in the same period (Source: *Nielsen*).

System's overall performance for Radio came to +7.7% versus 1H09, although lower than the market (+14.8%, Source: *Nielsen*), bearing in mind however the -2% figure in 1H09, far better than the market's disappointing -17.5%.

Revenues generated by **Publishing** totalled €110.6 million (-6.9% versus 1H09), due to the different results of advertising and circulation. Advertising revenues were basically in line with 1H09 (-1.2%), if the closure of free press is considered, while the drop was primarily ascribable to the contraction in circulation revenues (-12.3%), hit also by the plunge in add-ons.

A point worth mentioning is the 63.7% rise in revenues generated by the **Online** BU versus 1H09. A performance achieved thanks to the remarkable pace of advertising revenues, which benefited from: the successful launch on 24 May of the new version of the *ilsole24ore.com* website, sporting a new design and new navigation paths; the launch of Fondi24, a new section of the website dedicated to asset management; the positive performance of the main segments already operational in 2009. Unique daily average visitors rose by 12.2% versus 1H09, reaching 324,000 (Source: *Nielsen SiteCensus*), despite the start of tests to replace the former *membership model* for paid website content (Premium package) with the *metered model* (Italy's first ever).

In order to expand the digital business and strengthen the Group's presence on the new e-devices, a new app was successfully launched on 12 July for the reading of Il Sole 24 ORE on the *iPad* and *iPhone.* Over 5,000 users downloaded the apps on the launch day and over 34,000 as at the end of July.

In the **Finance** BU, which heads up the activities for the sale of real-time financial information and the press agency from the beginning of 2010, Radiocor rose by 20.6%, thanks mostly to the Diversified Editorial Services product line.

Overall, **Professionals** saw its revenues drop by 5% versus 1H09, due basically to the disposal of low-profit or non-performing operations made as part of the Group's reorganization plan.

On a like-for-like basis, revenues fell by 0.6% and were basically in line with 1H09 (+0.2%), excluding the Specialist Publishing BU.

Digital revenues (software, electronic publishing and IT services) account for over 43% of total revenues of the area.

Revenues generated by electronic publishing performed well (4.2%), driven by the constant and strong commitment in terms of product, editorial and technological innovation, aimed at providing a quick and effective answer to the evolution of target group consumer models, and by the development of system offering.

A point worth mentioning is the positive trend of software products branded 24 ORE, whose revenues increased by 3.7% versus 1H09, a result achieved thanks to the high loyalty rate of subscribers to Sistema Via Libera, to the upswing in sales of the new product Studio24 Commercialisti, launched in 2009, to the constant rise in revenues on the corporate market, especially with Impresa24, and to the gradual increase in sales of new products developed during 2009 also following the integration and sale of software produced by acquired companies: Via Libera Azienda, Studio24Edilizia, Studio24Avvocati, Via Libera Paghe Online.

On the CAF tax services market, the subsidiary Innovare24 managed over 5 million 730 tax returns with its proprietary software solutions. Innovare24's clients include 29 national CAFs and over 20.000 operators in thousands of centres across the country. Revenues generated by Innovare24 products branded Summa advanced by 0.8%, netted against changes in the consolidation basis.

For Esa Software S.p.A., revenues in 1H10, on a like-for-like basis, and netted against the disposal of the division of the SI5 system, were basically in line with the revenues of 1H09, thanks to the strong recovery of license sales versus 1Q10.

On a like-for-like basis, print revenues were down 9.5%, due mainly to the negative performance of periodicals (-10.9%) and books (-3.8%) generated by the difficult economic climate and by the decision to rationalize the catalogue for the gradual shift of users to new information tools, mainly those on line. In fact, 1H10 witnessed a high subscriber loyalty rate, pushed also by the development of websites designed to meet the growing interest of target groups in digital media and the Internet.

Advertising revenues shed 1.7% on a like-for-like basis, as a result of the dire situation of the specialist publishing market.

In particular, revenues generated by the **Education** BU were on the rise (+12.2% on a like-for-like basis), thanks especially to the good performance of the full time and part time Masters.

Radio 24 revenues, in the period from January to June 2010, increased by 3.8% versus the same period last year, thanks to the progress in advertising revenues. The new website of Radio 24, launched in January with a new design and structure, boasted extremely positive indicators in 1H10.

Important events after the reporting period include the appointment by the Board of Directors of Nuova Radio S.p.A. on 2 July 2010 of Fabio Tamburini as director of Radio 24, who stays on as director of the *Radiocor* press agency.

Business outlook

Clouds of uncertainty still loom over the Group's relevant markets. This means that 2010 will be a year of stabilization or feeble growth.
Specifically, the advertising market remains hampered by poor visibility: in any case, the signs of recovery in commercial advertising witnessed in 1H10, and the lower weight of service advertising over the period, heavily hit also by the impacts of the latest provisions, indicate that, in the absence of further declines in the core market, overall revenues in 2010 may slightly improve versus 2009.

Looking at the professional sector, excluding specialist publishing, forecasts see a substantially stable picture, with our Professionals area still experiencing the gradual transition from paper to electronic platforms.

The lines of action for the current year will focus on identifying new products, services and business models, with the aim of harnessing market dynamics and the latest technological advances, while further implementing and intensifying cost-curbing measures and streamlining processes and structures.

In particular, as for 1H10, in the second part of the year the Group will continue to benefit from the positive effects of the on-going reorganization plan, which is proceeding as scheduled.

The 2010 financial year continues to be strongly influenced by the future direction of postage rates. However, even if such impacts were considered, forecasts as of today show results for the full year 2010 improving versus those of 2009, netted against extraordinary charges.

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Under paragraph 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 document results, books and accounting records.

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Interim management report as at 30 June 2010
Accounting schedules

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in €millions	1st Half 2010	1st Half 2009
Revenues from sales and services	254.1	266.3
Other operating income	5.9	4.7
Personnel expenses	(92.9)	(99.6)
Change in inventories	(3.7)	(2.0)
Purchase of raw materials and consumables	(12.7)	(16.9)
Costs for services	(118.5)	(124.2)
Other operating costs	(24.8)	(24.8)
Provisions and provision for bad debts	(5.0)	(2.9)
Gross operating profit (EBITDA)	**2.3**	**0.8**
Amortisation, depreciation and impairment	(14.8)	(15.5)
Gains/losses on disposal of non -current assets	0.6	0.2
Operating profit (EBIT)	**(11.8)**	**(14.6)**
Financial income (expenses)	0.4	1.7
Income (expenses) from investments	0.1	(0.2)
Pre-tax profit	**(11.3)**	**(13.1)**
Income taxes	(0.9)	3.3
Net profit (loss)	**(12.1)**	**(9.8)**
Profit (loss) attributable to non-controlling interests	(0.2)	(0.5)
Profit (loss) attributable to owners of the parent	**(11.9)**	**(9.2)**

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CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT

Amounts in €million	30.06.2010	31.12.2009
ASSETS		
Non-current assets		
Property, plant and equipment	85.8	90.5
Goodwill	73.1	72.9
Intangible assets	94.7	100.5
Investments in associates and joint ventures	3.2	3.1
Available-for-sale financial assets	3.2	2.9
Other non-current financial assets	19.5	19.2
Other non-current assets	0.7	0.8
Deferred tax assets	29.7	29.6
Total	**309.8**	**319.5**
Current assets		
Inventories	12.5	15.4
Trade receivables	201.7	193.5
Other receivables	13.0	12.5
Other current assets	12.0	6.8
Cash and cash equivalents	90.7	95.3
Total	**329.8**	**323.6**
Assets held for sale	0.0	3.0
TOTAL ASSETS	**639.6**	**646.1**

GRUPPO 24 ORE

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)		
Amounts in €million	30.06.2010	31.12.2009
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	35.1	35.1
Equity reserves	180.3	180.3
Revaluation reserves	20.6	20.6
Hedging and translation reserves	(0.5)	(0.3)
Other reserves	25.1	35.0
Retained earnings	35.6	78.8
Profit (loss) attributable to owners of the parent	(11.9)	(52.6)
Total	**284.3**	**296.9**
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	0.6	1.5
Profit (loss) attributable to non-controlling interests	(0.2)	(0.8)
Total	**0.4**	**0.7**
Total equity	**284.7**	**297.6**
Non-current liabilities		
Non-current financial liabilities	9.2	10.9
Employee benefit obligations	38.9	38.8
Deferred tax liabilities	18.6	21.0
Provisions for risks and charges	18.8	19.2
Other non-current liabilities	0.1	0.0
Total	**85.6**	**89.9**
Current liabilities		
Bank overdrafts and loans due within one year	3.9	3.6
Financial liabilities held for trading	0.6	0.5
Trade payables	170.0	161.1
Other current liabilietes	15.3	8.8
Other payables	79.5	84.2
Total	**269.4**	**258.2**
Liabilities held for sale	-	**0.5**
Total liabilities	**354.9**	**348.5**
TOTAL EQUITY AND LIABILITIES	**639.6**	**646.1**

GRUPPO 24 ORE

CONSOLIDATED CASH FLOW STATEMENT

Amounts in €million	1st Half 2010	1st Half 2009
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Profit (loss) for period attributable to owners of the parent	(11.9)	(9.2)
Adjustments for:		
Depreciation of property, plant and equipment	5.8	5.8
Amortisation of other intangible assets	9.0	9.7
Impairment of non-current assets	-	0.2
(Gains) loss from sale of property, plant and equipment	0.1	(0.2)
(Gains) loss of intangible assets	(0.1)	0.0
(Gains) loss from branch's transfer	(0.6)	-
(Gains) loss from investments in subsidiaries	(0.1)	-
Increase (decrease) in provisions for risks and charges	(0.4)	(0.6)
Increase (decrease) in employee benefits	0.6	(1.0)
Increase (decrease) in deferred tax assets/liabilities	(2.4)	(8.7)
Changes in consolideted scope of operating provisions	(0.1)	-
Annual instalment of substitute tax	1.5	4.9
Net financial expenses (income)	(0.4)	(1.7)
Cash flows from operating activities before change in working capital	**0.9**	**(0.7)**
(Increase) decrease in inventories	3.0	2.0
(Increase) decrease in trade receivables	(8.2)	(0.7)
Increase (decrease) in trade payables	8.9	4.8
Income taxes paid	(2.0)	(8.5)
Increase (decrease) in other assets/liabilities	(2.0)	(2.4)
Changes in consolidation scope	0.1	-
Changes in net working capital	**(0.3)**	**(4.8)**
NET CASH USED IN OPERATING ACTIVITIES (A)	**0.6**	**(5.5)**

CONSOLIDATED CASH FLOW STATEMENT (CONT.)		
Amounts in €million	1st Half 2010	1st Half 2009
B) CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from the disposal of subsidiaries	1.2	-
Proceeds from sales property, plant and equipment	0.0	0.5
Proceeds from sales of intangible assets	0.3	0.0
Proceeds from the sale of branches of business	0.1	-
Investments in property, plant and equipment	(1.3)	(3.1)
Investments in intangible assets	(3.5)	(4.8)
Other increases in goodwill	(0.2)	-
Purchase of investments in subsidiaries	-	(0.9)
Other decreases (increases) in investments in associates	(0.1)	(0.1)
Other decreases (incr.) of other non-current assets and liabilities	0.1	(1.3)
Purchase of financial assets available for sale	(0.3)	0.0
NET CASH USED IN INVESTING ACTIVITIES (B)	**(3.6)**	**(9.8)**
FREE CASH FLOW (A + B)	**(2.9)**	**(15.4)**
C) CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	-	(10.3)
Registering (repayment) of medium/long-term bank loans	(1.7)	(1.7)
Change in other non-current financial assets	(0.3)	(0.3)
Change in financial assets/liabilities held for trading	0.2	0.5
Net financial interest received	0.4	1.7
Change in equity attributable to non-controlling interests	(0.3)	(0.5)
Other changes in reserves	(0.6)	1.2
NET CASH FROM (USED IN) FINANCING ACTIVITIES (C)	**(2.3)**	**(9.4)**
NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(5.2)**	**(24.8)**
OPENING CASH AND CASH EQUIVALENTS	**92.1**	**145.3**
CLOSING CASH AND CASH EQUIVALENTS	**86.8**	**120.5**
INCREASE (DECREASE) FOR THE PERIOD	**(5.2)**	**(24.8)**

NET FINANCIAL POSITION		
Amounts in €million	30.06.2010	31.12.2009
Cash and cash equivalents	90.7	95.3
Bank overdrafts and loans due within one year	(3.9)	(3.6)
Short-term net financial position	**86.8**	**91.6**
Non-current financial liabilities	(9.2)	(10.9)
Non-current financial assets and fair value of hedging instruments	18.2	18.1
Medium/long-term net financial position	**9.0**	**7.2**
Net financial position	**95.8**	**98.8**