GRUPPO 24 ORE

Press Release

Pursuant to CONSOB Resolution 11971/99 as subsequently amended and integrated

Il Sole 24 ORE S.p.A.: BoD approves Interim Management Report at 31 March 2013

- **Il Sole 24 ORE is Italy's leading digital newspaper** with 58,949 average digital copies in March. In terms of print + digital circulation, Il Sole 24 ORE remains the third most widely-read newspaper in Italy. Total circulation in March exceeds 287,400 average copies
- **Group digital revenue** 34.6 million euro (35.0% of total), on the rise thanks to revenue from electronic publishing and IT services and to advertising on digital media
- The **www.ilsole24ore.com** website in 1Q13 achieves a +22% increase in average daily unique browsers, with the all-time record of unique browsers recorded in March with 10,628,307, and a +4.7% increase in average daily page views. The mobile version of the website achieves a +36.6% increase in average daily unique browsers and a +32.5% increase in average daily page views (*Nielsen Site Census*)
- **Tax &Legal:** digital revenue increases (+11.6%), contributing 55% of revenue (46% in 1Q12). The value of EBITDA is in line with 1Q12 thanks to the strong focus on digital resources and the cost-curbing measures taken
- **System** advertising sales drop by 16.6% in line with the market trend (-16.5%). Radio 24 advertising sales fall less than the market: -12.1% versus -17.3%. Advertising sales on the Internet outperform the market with +6.8% versus +5.0% (*Nielsen Media Research* January-February 2013)
- **Radio 24** remains one of the Top Ten most popular national radio stations with 1,896,000 listeners on average day, a figure deriving from the March 2012-March 2013 moving average, up 2% versus the total figures of 2012 (*Eurisko Radio Monitor* 2013)

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in € million	1Q 2013	1Q 2012	
Revenues	98.8	114.0	
Grossoperating profit (EBITDA)	(6.7)	(2.4)	(*)
Operating profit (loss) (EBIT)	(12.2)	(7.6)	
Pre-tax profit (loss)	(12.5)	(7.7)	
Profit (loss) for the period	(10.4)	(5.4)	
Profit (loss) attributable to owners of the parent	(10.4)	(5.3)	
Net financial position	(31.4)	5.3	(**)(1)
Equity attributable to owners of the parent	189.1	199.4	(1)
Employees headcount at the end of period	1,846	1,868	(1)

(1) As at 31 December 2012

- **Consolidated revenue** 98.8 million euro, down 13.3%, due mainly to the advertising market trend (-7.5 million euro, -17.4% versus the market's -16.5%), affected by the persisting crisis in financial advertising
- **Gross Operating Profit (EBITDA)** -6.7 million euro, affected by the drop of 15.2 million euro in consolidated revenue. Personnel expense improves by 3.3 million euro versus 1Q12 thanks mainly to the reduction in the average headcount and application of the solidarity contracts; other costs improve by 6.9 million euro, thanks also to the implementation of the plan of action.
- **Result attributable to the owners of the parent** -10.4 million euro, down 5.1 million euro versus 1Q12
- Negative net financial position of 31.4 million euro

Milan, 13 May 2013. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Cav. Lav. Dr. Benito Benedini, approved the Interim Management Report at 31 March 2013.

Market performance

The macroeconomic environment is still stuck in a deep recession that directly affects the print media market and advertising investments.

The negative trend continued in 2013, affected by the current severe economic crisis, leading to a contraction in the final demand of businesses, public entities and households.

Likewise, professional firms, an important market for the Group, saw their profits drop below the levels of 2007, due to the decline in the demand of services and, in particular, to the delayed payment of fees by the Public Administration and by private clients.

The industrial world, too, is going through a highly critical phase: in 1Q13, 4,218 companies were forced to close, +13% versus 1Q12 (*Il Sole 24 Ore* – 10 April 2013).

The Italian market of IT companies saw the overall value of expenditure drop further, extending the downturn seen in recent years. *Assinform* predicts a 5.8% contraction in 2013 (-4.4% in 2012).

The advertising market as a whole, considering all of its components, including television, lost 16.5% versus 2012 (*Nielsen Media Research* – January-February 2013).

(*) 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.

Print media advertising sales were severely hit (-24.7%): dailies and magazines contracted by 26.1% and 21.6% respectively. Radio investments fell (-17.3%), while the online business was the only positive performer (+5.0%).

Analysis of consolidated results in 1Q13

In 1Q13, the 24 ORE Group achieved consolidated revenue of 98.8 million euro, down -13.3% versus 114.0 million euro in 1Q12. Revenue was affected by the drop in advertising, which amounted to 17.4%, or 7.5 million euro, versus 1Q12. This result was affected by the negative performance of the advertising market, print media advertising in particular (-24.7%, *Nielsen*) and radio (-17.3%).

Digital revenue amounted to 34.6 million euro, increasing by 1.5 million euro, or 4.7%, versus 1Q12. Digital revenue now contributes 35% of total consolidated revenue from the previous 29%.

Personnel expense decreased by 3.3 million euro, or 7.8%. A reduction ascribable also to the combined effect of the:

- reduction in the average cost of employees, as a result of the solidarity contacts applied under the agreements reached with the trade unions, which allowed cost savings of 1.2 million euro versus 1Q12;
- reduction of 39 units in the average headcount. Average headcount dropped from 1,856 units in 1Q12 to 1,817 units in 1Q13.

Other **costs** decreased by 6.9 million euro versus 1Q12 thanks to the implementation of the plan of action approved on 4/10/2012. Specifically:

- costs for raw materials and consumables decreased by 1.9 million euro;
- distribution costs decreased by 1.7 million euro (-15.0%);
- production costs decreased by 2.5 million euro (-16.5%);
- commissions and other selling costs decreased by 0.2 million euro, as a result of the rationalization of the sales structures.

Gross operating profit (Ebitda) came to -6.7 million euro (-2.4 million euro in 2012), dropping by 4.3 million euro versus 31 March 2012.

Operating profit (Ebit) came to -12.2 million euro versus -7.6 million euro in 1Q12. Amortization, depreciation and impairment losses amounted to 5.5 million euro versus 5.2 million euro in 2012.

The **result attributable to the owners of the parent** came to -10.4 million euro versus -5.3 million euro in 1Q12.

The Group's net financial position at31 March 2013 came to -31.4 million euro versus +5.3 million euro at the start of the year.

Significant events after 31 March 2013

On 29 April 2013, the Shareholders' Meeting of Il Sole 24 ORE S.p.A. approved the 2012 financial statements and resolved not to distribute any dividend and to cover the loss for the year of the Parent Il Sole 24 ORE S.p.A. - €44,193,656 - through the following equity items:

Revaluation reserve law 342/00	18,785,669
Revaluation reserve law 350/03	1,775,811
Fair value stock granting reserve	7,619,251
Retained earnings	16,012,925

The Meeting appointed the Board of Directors, which will remain in charge until the Annual Shareholders' Meeting for the approval of the financial statements concerning the year ending 31 December 2015.
Carlo Ticozzi Valerio, Mario Mirarchi, Benito Benedini, Donatella Treu, Marcella Panucci, Maria Carmela Colaiacovo, Luigi Abete, Antonio Bulgheroni, Marco Venturi, Alessandro Spada and Mario D'Urso have been appointed to the Board. The first 10 directors have been drawn from the list submitted by the majority shareholder Confindustria, and the remaining director from the list submitted by the minority shareholders The Gabelli Equity Trust Inc., together with other shareholders. Among the appointed directors, Carlo Ticozzi Valerio, Mario Mirarchi and Mario D'Urso declared their independence as prescribed by law.
Benito Benedini was appointed Chairman of the Board of Directors.

The Meeting also appointed the Board of Statutory Auditors, which will also remain in charge until the Shareholders' Meeting called to approve the financial statements concerning the year ending 31 December 2015.
Laura Guazzoni, Maurilio Fratino and Luigi Biscozzi, have been appointed effective statutory auditors, Maria Silvani and Fabio Fiorentino have been appointed alternate statutory auditors. Laura Guazzoni, Maurilio Fratino and Maria Silvani have been drawn from the list submitted by the majority shareholder Confindustria, while Luigi Biscozzi and Fabio Fiorentino have been drawn from the list submitted by the minority shareholder Edizione S.r.l.. Luigi Biscozzi was appointed Chairman of the Board of Statutory Auditors.

Following the resignation of Mario Mirarchi, received on 29 April 2013, owing to turned up professional reasons, pursuant to art. 22 of the bylaws, the Board of Directors on 30 April appointed Alberto Chiesi, who is the first non-elected candidate on the list which included the resigned Director.

On 30 April the Board also confirmed Donatella Treu as CEO and awarded to the Chairman and to the CEO the powers to manage the Company.

Main developments on the product front regard the evolution of the offering, which now integrates print media and digital resources. The project was launched in the last quarter of 2012 and has led to the release of the following new products and relating business offers:

- launch on 8 April of "**Buongiorno dal tuo amico Sole**", an exclusive product developed specifically for the iPad. From 6 AM "Buongiorno dal tuo Amico Sole" provides a summary of the US and Asian stock markets, plus two international press reviews covering world and Italian news.

- launch on 8 April also of "**Business Class**", the new subscription offer (together with a new version of the app on tablets) which includes print, the free and fee-based website, the two digital editions of the newspaper, the databanks, and the international press reviews.

Appointment of the Control and Risk Committee and the HR and Remuneration Committee

Today, the Board of Directors of Il Sole 24 Ore S.p.A. also appointed the members of the Control and Risk Committee (composed of Carlo Ticozzi Valerio, Mario D'Urso and Alessandro Spada) and of the HR and Remuneration Committee (composed of Carlo Ticozzi Valerio, Mario D'Urso and Antonio Bulgheroni). Carlo Ticozzi Valerio has been appointed chairman of both of the Committees.

Business outlook for the current year

The recessionary phase of the economy will continue to negatively impact on consumption and on revenue performance. The revision of the business plan, the measures approved by the Board of Directors, the constant efforts of the BoD and Management geared towards the reduction of costs and digital innovation will allow the Group to be competitive over the next three years.

Under paragraph 2, article 154-bis of the Consolidated Finance Law (TUF), Massimo Luca Arioli, 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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Consolidated financial statements of Il Sole 24 ORE Group as at 31 March 2013

Accounting schedules

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT		
Amounts in € million	31.03.2013	31.12.2012
ASSETS		
Non-current assets		
Property, plant and equipment	71.7	74.0
Goodwill	75.0	75.0
Intangible assets	81.3	82.2
Investments in associates and joint ventures	0.8	0.8
Available-for-sale financial assets	1.2	1.2
Other non-current financial assets	0.1	0.1
Other non-current assets	4.0	4.0
Deferred tax assets	72.5	69.8
Total	**306.6**	**307.0**
Current assets		
Inventories	15.6	17.3
Trade receivables	168.4	155.1
Other receivables	12.2	10.1
Other current assets	10.7	5.6
Cash and cash equivalents	8.0	12.2
Total	**214.9**	**200.3**
Assets held for sale	-	-
TOTAL ASSETS	**521.5**	**507.3**

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)		
Amounts in € million	31.03.2013	31.12.2012
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
Hedging and translation reserves	(0.2)	(0.2)
Other reserves	14.2	22.3
Retained earnings	(30.0)	(12.9)
Profit (loss) attributable to owners of the parent	(10.4)	(45.8)
Total	**189.1**	**199.4**
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	(2.5)	0.2
Profit (loss) attributable to non-controlling interests	(0.1)	(2.7)
Total	**(2.6)**	**(2.5)**
Total equity	**186.5**	**197.0**
Non-current liabilities		
Non-current financial liabilities	3.6	3.7
Employee benefit obligations	31.1	32.7
Deferred tax liabilities	12.0	12.0
Provisions for risks and charges	13.6	13.7
Other non-current liabilities	3.0	3.0
Total	**63.2**	**65.1**
Current liabilities		
Bank overdrafts and loans - due within one year	35.5	3.0
Financial liabilities held for trading	0.2	0.3
Trade payables	171.3	173.4
Other current liabilities	9.0	10.5
Other payables	55.6	58.2
Total	**271.7**	**245.3**
Liabilities held for sale	-	-
Total liabilities	**334.9**	**310.4**
TOTAL EQUITY AND LIABILITIES	**521.5**	**507.3**

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in € million	1Q 2013	1Q 2012
Revenues from sales and services	98.8	114.0
Other operating income	2.0	1.7
Personnel expenses	(38.9)	(42.2)
Increase in fixed assets for internal work	0.5	-
Change in inventories	(1.7)	(1.4)
Purchase of raw materials and consumables	(4.0)	(6.1)
Costs for services	(52.4)	(56.7)
Other operating costs	(9.1)	(9.5)
Provisions and provision for bad debts	(1.9)	(2.2)
Gross operating profit (EBITDA)	**(6.7)**	**(2.4)**
Depreciation and amortization	(5.5)	(5.2)
Gains/(losses) on disposal of non-current assets	0.0	(0.0)
Operating profit (loss) (EBIT)	**(12.2)**	**(7.6)**
Financial income (expenses)	(0.3)	(0.0)
Income (expenses) from investments	(0.0)	-
Pre-tax profit (loss)	**(12.5)**	**(7.7)**
Income taxes	2.0	2.3
Net profit (loss)	**(10.4)**	**(5.4)**
Discontinued operations	-	-
Profit (loss) attributable to non-controlling interests	(0.1)	(0.1)
Profit (loss) attributable to owners of the parent	**(10.4)**	**(5.3)**

CONSOLIDATED STATEMENT OF CASH FLOWS		
(in thousands of euro)	1Q 2013	1Q 2012
Pre-tax profit (loss) attributable to owners of the parent [a]	(12.4)	(7.6)
Adjustments for [b]	**4.0**	**5.6**
Profit (loss) attributable to non-controlling interests	(0.1)	(0.1)
Amortization and depreciation	5.5	5.2
(Gains) loss	0.0	0.0
Increase (decrease) in provisions for risks and charges	(0.1)	0.3
Increase (decrease) in employee benefits	(1.6)	0.1
Income tax effects and deferred tax assets/liabilities	0.0	0.0
Financial income (expenses)	0.3	0.0
Changes in net working capital [c]	**(25.6)**	**(1.8)**
Increase (decrease) in inventories	1.7	1.4
Increase (decrease) in trade receivables	(13.3)	(3.4)
Increase (decrease) in trade payables	(2.1)	15.7
Income tax paid	-	-
Other changes in net working capital	(11.9)	(15.4)
Total cash flow used in operating activities [d=a+b+c]	**(34.0)**	**(3.8)**
Cash flow from investing activities [e]	**(2.4)**	**(2.4)**
Investments in intangible assets and property plant and equipment	(2.4)	(2.4)
Cash flow from financing activities [f]	**(0.4)**	**19.5**
Net financial interest received	(0.3)	(0.0)
Repayment of medium/long term bank loans	(0.1)	(0.1)
Net change in non-current financial assets	(0.0)	19.7
Cash flow absorbed during the year [g=d+e+f]	**(36.8)**	**13.4**
OPENING CASH AND CASH EQUIVALENTS	**9.3**	**28.7**
CLOSING CASH AND CASH EQUIVALENTS	**(27.6)**	**42.0**
INCREASE (DECREASE) FOR THE YEAR	**(36.8)**	**13.4**

CONSOLIDATED NET FINANCIAL POSITION		
Amounts in € million	31.03.2013	31.12.2012
Cash and cash equivalents	8.0	12.2
Bank overdrafts and loans due within one year	(35.5)	(3.0)
Short-term net financial position	**(27.6)**	**9.3**
Non-current financial liabilities	(3.6)	(3.7)
Fair value of hedging instruments	(0.2)	(0.3)
Medium/long-term net financial position	**(3.8)**	**(4.0)**
Net financial position	**(31.4)**	**5.3**