Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Interim Management Statement at 31 March 2018

Profit confirmed also in first quarter 2018

Positive EBITDA even net of non-recurring income

Net of non-recurring expense and income versus 31 March 2017 (consolidated figures in € millions):

- **EBITDA improves by € 3.5 million (from € -3.0 million to € +0.5 million)**
- **EBIT improves by € 4.8 million (from € -6.6 million to € -1.8 million)**
- **net result improves by € 2.5 million (from € -4.4 million to € -1.9 million)**
- **direct and operating costs are down by approximately € 9.0 million in the period (-23.2%).**

Consolidated profit of € 1.3 million (loss of € 25.6 million at 31 March 2017);
Consolidated net financial position of € -11.9 million (€ +6.6 million at 31 December 2017) due mainly to payment of non-recurring expense from voluntary redundancy;
Consolidated equity of € 43.1 million (a positive € 41.6 million at 31 December 2017).

Milan, 15 May 2018 Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Dr. Giorgio Fossa, approved the Interim Management Statement at 31 March 2018 of the 24 ORE Group.

Market trend

First quarter 2018 confirms the negative market trend, referring in particular to print advertising sales (-11.3%), with both components reporting double-digit drops: newspapers (net of local) -11.6% and magazines -11.0%. Internet (+2.5%) and radio (+7.1%) grew (*Nielsen - January-March 2018*).

ADS data for January-March 2018 show a 6.5% decline in the total circulation of print + digital copies of the major national newspapers versus the same period of 2017, the result of a 9.6% decline in print circulation and a 10.0% increase in digital circulation.

The latest audience figures for 2017 indicate that radio listeners totaled 35,464,000 on average day, down slightly by 0.1% (-39,000) versus 2016 (*GFK Eurisko, RadioMonitor and TER*).

Forecasts predict a further 2.6% fall in the professional publishing market in 2018 (*"Rapporto Databank Editoria Professionale" – Cerved Spa*, December 2017) versus the prior year. The Group's market segments of operation show different forecasts for 2018: turnover from Legal products and from Tax products is expected to decline by 4.8% and by 2.0% respectively versus 2017.

Electronic publishing is expected to return to growth overall in 2018 (+4.1%), while print publishing is forecast to fall (books -8.9% and magazines -21.7%). (*"Rapporto Databank Editoria Professionale" – Cerved Spa,* December 2017).

Premise

As a result of the Training transaction, finalized on 29 November 2017, and the resulting loss of control over Business School24 S.p.A., the income statement figures for 2017 of the Training and Events Area have been recognized as assets held for sale in accordance with IFRS 5.

The following standards are applied for the first time in the condensed interim financial statements:

IFRS 15 - Revenue from Contracts with Customers;

IFRS 9 - Financial Instruments, which had no effect on the presentation of the financial statements figures.

Specifically, IFRS 15 produced the following changes:

Advertising revenue. For the purpose of applying the new standard, all the contracts for the sale of advertising space on third-party publisher media have been assessed. Based on the assessments, advertising expense due to third-party publishers from all outstanding contracts at the date of the interim report has been booked as a decrease in relating advertising revenue. Until last year, under IAS 18, the above expense was recognized as service costs.

Publishing revenue. Under the new standard, publishing revenue from the sale at newsstands and bookstores of newspapers, magazines and books is recognized on the basis of the price paid by the end purchaser, gross of all commissions paid, including the newsagents' share. As from 1 January 2018, these commissions are recognized under distribution costs and booked as service costs, while publishing revenue under IAS 18 in force up to last year was recognized net of these costs.

On first-time application of the new standard, the Group has chosen the retrospective approach, based on which prior-year comparative amounts are restated in accordance with IFRS 15.

The following table shows the key financial figures of the Group at 31 March 2018:

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in € million	1Q 2018	1Q 2017 restated	(***)
Revenue	51.0	60.6	
Gross operating profit (EBITDA)	3.8	(23.6)	(*)
EBITDA net of non recurring charges	***0.5***	***(3.0)***	(*)
Operating profit (loss) (EBIT)	1.4	(27.2)	
EBIT net of non recurring charges	***(1.8)***	***(6.6)***	
Pre-tax profit (loss)	1.5	(28.3)	
Profit (loss) from continuing operations	1.3	(28.5)	
Profit (loss) from assets held for sale	-	2.8	
Profit (loss) attributable to owners of the parent	1.3	(25.6)	
Profit (loss) net of non recurring charges	***(1.9)***	***(4.4)***	
	31.03.2018	31.12.2017	
Net financial position	(11.9)	6.6	(**)
Equity attributable to owners of the parent	43.1	41.6	

(*) EBITDA is defined as earnings before amortization of tangible and intangible assets, financial expense 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 24 ORE 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.

(***) 2017 figures have been restated to reflect the reclassification of the Training and Events Area under assets held for sale (IFRS 5) and the reclassifications provided for by the retrospective application of IFRS 15.

Consolidated results at 31 March 2018

In first quarter 2018, the 24 ORE Group achieved **consolidated revenue** of € 51.0 million versus a restated € 60.6 million in the same period of 2017 (€ -9.6 million, down by -15.9%). The change is attributable specifically to the drop of € 3.4 million (-11.2%) in publishing revenue, of € 2.1 million (-9.6%) in advertising revenue, and of € 4.2 million in other revenue (-45.2%).

Regarding Il Sole 24 ORE, average print circulation in the January-March 2018 period amounted to 89.6 thousand copies (-16.4% versus the same period of 2017). Digital circulation amounted to 83.6 thousand copies (+0.6% versus first quarter 2017). Print + digital circulation amounted to a total of 173.2 thousand average copies (-9.0% versus first quarter 2017). In first quarter 2018, the Daily Newspaper retained its third place in the ranking of the most widely circulated national newspapers.

Print + digital copies sold in first quarter 2018, including the estimate of copies delivered to large customers awaiting contract formalization (approximately 20 thousand copies not included in revenue) amount to 202 thousand copies (-14.5% versus the same period of 2017).

Operating margins benefited from the strong reduction in **direct and operating costs** of € 29.6 million, down by € 9.0 million (-23.2% versus restated first quarter 2017).

Personnel expense, amounting to € 21.7 million, was down by € 24.4 million versus € 46.1 million in first quarter 2017, of which € 20.6 million from restructuring costs. Overall, personnel expense, net of non-recurring expense, dropped by € 3.8 million (-14.9%) versus first quarter 2017, due mainly to the reduction in average headcount and to the increased use of holidays accrued and taken.

Average headcount, amounting to 970 units, dropped by 139 units versus first quarter 2017 from the 1,109 units in 2017.

EBITDA, net of non-recurring expense and income, came to € +0.5 million versus a restated € -3.0 million in first quarter 2017, improving by € 3.5 million. EBITDA in first quarter 2018 came to € +3.8 million versus a restated € -23.6 million in 2017. The result benefited from the non-recurring income of € 3.0 million arising from the compensation proposal made by Di Source. As a result of the compensation, an additional € 0.2 million in income was recognized from the write-off of the payable that had been booked under trade payables.

EBIT, net of non-recurring expense and income, amounted to € -1.8 million (a restated € -6.6 million in first quarter 2017), improving by € -4.8 million. EBIT came to € +1.4 million versus a restated € -27.2 million in 2017.

Amortization, depreciation and impairment losses amounted to € 2.4 million versus a restated € 3.7 million in 2017.

Profit before tax came to € +1.5 million versus a restated € -28.3 million in first quarter 2017. The period reported income from investments of € 0.7 million from the adjustment of the value of the Business School 24 S.p.A. investment using the equity method.

The result was affected by net financial expense and income of € -0.6 million (€ -1.1 million in 2017). The reduction in financial expense on current financial payables is explained by the reduced use of short-term bank credit facilities.

The **result attributable to the owners of the parent**, net of non-recurring expense and income, amounted to € -1.9 million (a restated € -4.4 million in first quarter 2017), improving by € 2.5 million. Profit came to € 1.3 million versus a loss of € 25.6 million in the same period of 2017.

The **net financial position** at 31 March 2018 came to € -11.9 million versus € +6.6 million at 31 December 2017, deteriorating by € 18.5 million. The change is due mainly to payment of non-recurring expense from voluntary redundancy settled in first quarter 2018.

Equity stood at € 43.1 million, up by € 1.6 million versus equity shown in the consolidated financial statements at 31 December 2017 (€ 41.6 million), as a result of profit for the period and of the actuarial valuation of employee severance indemnity of € 0.3 million. The result includes the non-recurring income of € 3.0 million arising from the compensation proposal made by Di Source. As a result of the compensation, an additional € 0.2 million in income was recognized from the write-off of the payable that had been booked under trade payables.

Business outlook

In the first three months of 2018, Group revenue fell versus the prior year, due mainly to the forecast reduction in circulation revenue and to lower advertising revenue. The consolidated results for first quarter 2018 meet forecasts, with an improvement in profit versus 2017, even net of non-recurring items.

The Culture Area has improved results from last year, thanks also to two important exhibitions: "*Frida Kahlo. Oltre il mito*" at the Mudec, and "*Durer e il Rinascimento*" at Palazzo Reale; the turnout at the two events is, overall, higher than forecast.

The Group pursues its Publishing Plan to relaunch and focus on its business, by continuing efforts to increase efficiency and cut direct and operating costs.

In light of the above, of the actions already implemented and those yet to be taken on revenue maintenance and growth, as well as for the continued pursuit of operating efficiency, in the absence of unforeseeable events at this time, the Group deems it can achieve, and thus, confirms, its income and financial forecasts for 2018.

Other information

On 2 May 2018, under the Purchase Agreement concluded on 8 August 2017, Palamon Capital Partners LP exercised the right to acquire from Il Sole 24 Ore S.p.A. a further 2% interest in the share capital of Business School24 S.p.A., for a fixed and pre-established amount of € 1.6 million, in addition to the corresponding portion of the net financial position at 31 December 2017 (to be determined by 31 May 2018). The interest held by Sole 24 Ore S.p.A. in the above company therefore decreases from 51% to 49%.

Appointment of a member of the Appointments and Remuneration Committee

On today’s date, the Board of Directors of Il Sole 24 ORE S.p.A. also appointed Director Marco Gay as member of the Appointments and Remuneration Committee: the Committee is thus composed by Livia Salvini (Chairman), Marco Gay and Patrizia Micucci.

Consolidated financial statements at 31 March 2018

CONSOLIDATED INCOME STATEMENT		
Amounts in € millions	1Q 2018	1Q 2017 Restated
Revenue	51.0	60.6
Other operating income	4.8	0.9
Personnel expenses	(21.7)	(46.1)
Change in inventories	0.3	(0.9)
Purchase of raw materials and consumables	(2.1)	(1.5)
Costs for services	(22.4)	(30.6)
Other operating costs	(5.4)	(5.7)
Provisions and provision for bad debts	(0.7)	(0.3)
Gross operating profit (EBITDA)	**3.8**	**(23.6)**
Depreciation and amortisation	(2.4)	(3.7)
Gains/(losses) on disposal of non-current assets	0.0	0.0
Operating profit (loss) (EBIT)	**1.4**	**(27.2)**
Financial income (expenses)	(0.6)	(1.1)
Income (expenses) from investments	0.7	-
Pre-tax profit (loss)	**1.5**	**(28.3)**
Income taxes	(0.2)	(0.1)
Profit (loss) from continuing operations	**1.3**	**(28.5)**
Profit (loss) from discontinued operations	-	2.8
Net profit (loss)	**1.3**	**(25.6)**
Profit (loss) attributable to non-controlling interests	-	0.0
Profit (loss) attributable to owners of the parent	**1.3**	**(25.6)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in € million	31.03.2018	31.12.2017
ASSETS		
Non-current assets		
Property. plant and equipment	19.6	20.6
Goodwill	16.0	16.0
Intangible assets	38.4	39.7
Investments in associates and joint ventures	19.6	18.9
Available-for-sale financial assets	0.7	0.7
Other non-current assets	6.1	6.1
Deferred tax assets	26.2	26.2
Total	**126.6**	**128.2**
Current assets		
Inventories	2.6	2.3
Trade receivables	80.1	74.2
Altri crediti	10.1	10.1
Other current financial assets	0.4	0.6
Other current assets	5.8	4.8
Cash and cash equivalents	16.0	33.0
Total	**114.9**	**125.0**
Assets held for sale	-	-
TOTAL ASSETS	**241.5**	**253.1**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € million	31.03.2018	31.12.2017
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	0.6	0.6
Equity reserves	38.3	38.3
Post-employment benefits Reserve - IAS adjustment	(3.8)	(4.1)
Retained earnings	6.8	(0.7)
Profit (loss) attributable to owners of the parent	1.3	7.5
Total	**43.1**	**41.6**
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	-	(0.0)
Profit (loss) attributable to non-controlling interests	-	0.0
Total	**-**	**(0.0)**
Total equity	**43.1**	**41.6**
Non-current liabilities		
Non-current financial liabilities	5.5	5.6
Employee benefit obligations	18.1	18.7
Deferred tax liabilities	5.6	5.6
Provisions for risks and charges	12.7	12.7
Other non-current liabilities	11.9	11.8
Total	**53.7**	**54.3**
Current liabilities		
Bank overdrafts and loans - due within one year	18.1	18.2
Other financial liabilietes	4.7	3.2
Trade payables	101.7	105.3
Other current liabilities	0.0	0.0
Other payables	20.3	30.5
Total	**144.7**	**157.3**
Liabilities held for sale	-	-
Total liabilities	**198.4**	**211.6**
TOTAL EQUITY AND LIABILITIES	**241.5**	**253.1**

CONSOLIDATED STATEMENT OF CASH FLOWS		
Amounts in € millions	1Q 2018	1Q 2017 Restated
Items of the statement of cash flows		
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	1.3	(28.3)
Adjustments for [b]	**2.1**	**27.7**
Profit (loss) attributable to non-controlling interests	-	0.0
Amortization	2.4	3.7
(Gains) loss	-	(0.0)
Effect of investment valuation	(0.7)	
Increase (decrease) in provisions for risks and charges	0.0	0.0
Increase (decrease) in employee benefits	(0.3)	(0.2)
Changes in deferred tax assets/liabilities	-	-
Financial income (expenses)	0.6	1.1
Change in current value of restructuring costs	0.1	20.3
Profit (loss) from discontinued operations	-	2.8
Changes in net working capital [c]	**(21.2)**	**(0.4)**
Increase (decrease) in inventories	(0.3)	0.9
Increase (decrease) in trade receivables	(5.9)	3.6
Increase (decrease) in trade payables	(3.6)	(1.5)
Income tax paid	-	-
Other changes in net working capital	(11.4)	(3.5)
Total cash flow used in operating activities [d=a+b+c]	**(17.9)**	**(1.1)**
Cash flow from investing activities [e]	**(0.1)**	**(0.6)**
Investments in intangible assets and property plant and equipment	(0.1)	(0.6)
Proceeds from the disposal of intangible assets and property plant and equipment	-	0.0
Other changes in investing activities	0,0	-
Cash flow from financing activities [f]	**0,9**	**3,1**
Net financial interest paid	(0,5)	(1,1)
Repayment of medium/long term bank loans	(0,1)	(0,1)
Changes in short-term bank loans	(0,1)	1,2
Change in other financial receivables and payables	1,4	2,6
Other changes in financial assets and liabilities	0.2	0.5
Cash flow absorbed during of the yearg=d+e+f]	**(17.1)**	**1.5**
Opening cash and cash equivalents	**32.5**	**(31.6)**
Closing cash and cash equivalents	**15.4**	**(30.1)**
Increase(decrease) for the period	**(17.1)**	**1.5**

Supplements required by Consob pursuant to art. 114, Italian Legislative Decree 58/1998

Failure to meet covenants, negative pledges and any other clause of the Group's debt, involving limits in the use of financial resources, with the disclosure to date of the degree of compliance with such clauses

On 30 November 2017, the Company finalized the execution of the recapitalization and capital strengthening transaction and concluded agreements with lenders on the granting of new revolving cash credit facilities for a total of € 30.0 million, falling due on 31 December 2020, to support any future financial needs of the Company.

The new revolving cash credit facilities do not require any collateral or compulsory security, but rather financial covenants recognized at a consolidated level. The covenants are structured as follows:

FINANCIAL COVENANTS						
Amounts in € millions	31-dic-2017	30-giu-2018	31-dic-2018	30-giu-2019	31-dic-2019	30-giu-2020
EBITDA (*) higher than	n.r.	2.0	5.0	8.0	12.5	16.5
Equity higher than	27.0	25.0	23.0	24.0	26.0	30.0
PFN / EBITDAlower than	n.r.	n.r.	1.75	n.r.	1.50	n.r.

(*) rolling on a 12 month basis

Failure to satisfy even one of the covenants involves solely the right of early withdrawal from the loan by the banks; however, in this case too, changes to the loan agreement may be requested from the lenders, or the lenders may waive their right to early withdrawal if failure to meet a covenant should occur.

At 31 March 2018, which is, however, by contract not the review date, while no amounts had been drawn down from the credit facilities, the covenants had been met. Additionally, the forecasts appearing in the 2018-2021 Plan confirm compliance with the above covenants over the period of the Plan.

Additionally, on 13 November 2017, the Company and Monterosa SPV concluded an agreement to extend the maturity of the transaction involving the securitization of trade receivables until December 2020; it should be noted, however, that under the agreement, both parties may conclude operations at the end of each calendar quarter.

The maximum total amount that can be financed is € 50.0 million; at 31 March 2018, the credit facility for the securitization of trade receivables had been drawn down, with recourse, for the amount of € 17.5 million (total amount of the facility € 20.0 million), and without recourse, for € 15.6 million.

The securitization agreement does not contain financial covenants, but rather impediments to the purchase of the Company’s portfolios of receivables which, in the event of failure to remedy, may also result in termination of the agreement.

At 31 March 2018, no such impediments to the purchase had arisen, and/or significant events as to determine the termination of the agreement.

State of implementation of the Business Plan, and disclosure of deviations of actual data from expectations.

On 26 March 2018, the Board of Directors of the Company approved the 2018-2021 Business Plan, which updates the previous 2017-2020 Plan approved on 4 September 2017.

The guidelines of the 2018-2021 Plan confirm those of the 2017-2020 Plan and compliance with the covenants on the Group's financial debt.

The Group has forecast a reduction in consolidated revenue in 2018 versus the prior year, although it expects to gradually improve in the course of the year. The 2018 budget basically confirms the profitability figures contained in the 2017-2020 Plan, despite lower revenue, with higher cash used of approximately 9 million, due mainly to the anticipated reduction in headcount, forecasting a negative net financial position at the end of the year and a return to positive territory in 2020.

First quarter 2018 confirms the negative market trend, referring specifically to print advertising sales (-11.3%), with both components reporting double-digit drops: newspapers (net of local) -11.6% and magazines -11.0%. Internet (+2.5%) and radio (+7.1%) grew (*Nielsen - January-March 2018*). The professional digital publishing market continues to grow, although only partly offsetting the decline of the print component.

In first quarter 2018, the Group's consolidated revenue was down by € 9.6 million versus the prior year (-15.9%), due mainly to lower advertising sales (partly related to the termination in 2017 of a number of advertising sales contracts with third-party publishers), to the reduction in circulation revenue, and to certain discontinuities such as the interruption in 2017 of the agency agreement with Teamsystem. Regarding the 2018 Budget forecasts, consolidated revenue for the first quarter is basically in line with expectations (+0.5%).

The Group pursues its Publishing Plan to relaunch and focus on its business, by continuing its efforts to increase efficiency and cut direct and operating costs. Net even of non-recurring income and expense, consolidated results for first quarter 2018 confirm the improvement in profit versus 2017 and Budget forecasts.

In light of the above, of the actions already implemented and those yet to be taken on revenue maintenance and growth, as well as for the continued pursuit of operating efficiency, in the absence of unforeseeable events at this time, the Group deems it can achieve, and thus, confirms, its income forecasts for 2018, as shown below.

DATI PREVISIONALI 2018 GRUPPO 24 ORE

milioni di euro	Piano 2018-2021
Ricavi	223
Ebitda	10
Ebit	0

DATI PREVISIONALI 2018 QUOTIDIANO	
milioni di euro	**Piano 2018-2021**
Ricavi	98
Ebitda	2
Ebit	(1)

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The Financial Reporting Manager - Giancarlo Coppa – hereby declares, pursuant to art. 154 bis, par. 2, of the Consolidated Finance Law, that the accounting information contained herein corresponds to the Company's records, books and accounting entries.

Media contacts:

Investor Relations:
Raffaella Romano Tel. 02/3022.3728

Press Office Manager 24 ORE Group:
Ginevra Cozzi - Tel. 02/3022.4945 – Mob. 335/1350144