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Press Release

II Sole 24 ORE Group BoD meeting: Approval of half-yearly results as at 30 June 2008

Consolidated revenues = € 309.5 million (+0.7% vs. in 1st half of 2007)

Group advertising revenues = € 137.8 million (+10.4%); +6.8% based on like-for-like consolidation

Gross operating profit = € 39 million, affected by lower profitability of add-on products

Profit attributable to equity holders of parent = € 21.6 million (-8.4%)

FY2008 earnings expected to show growth vs. like-for-like FY2007 figure

Consolidated net financial position = € 221.7 million

Milan, 31 July 2008. There was a meeting today, under the chairmanship of Giancarlo Cerutti, of the Board of Directors of the II Sole 24 ORE Group, which approved the half-yearly financial report as at 30 June 2008.

Amounts in €million	1H 2008	1H 2007	Change
Revenue	309.5	307.2	+0.7%
Gross operating profit (GOP)	39.0	56.0	-30.4%
Profit attributable to equity holders of the parent	21.6	23.6	-8.4%
	30 June 2008	31 December 2007	Change
Net financial position	221.7	240.2	-18.5

Comments on consolidated results of 1st half of 2008

In order to read half-yearly results correctly, it has to be pointed out that the YoY comparison is significantly affected by some one-off differences. More specifically, as regards Gross operating profit (GOP), while the 1st half of 2007 (1H07) benefited from non-recurring income of € 4.7 million (mn) relating to IFRS-compliant calculation of post-employment employee benefit provision, the first six months of 2008 (1H08) were dampened by (a) the change in the method of sale of some software products

(with an impact of some € 5.4 mn in terms of lower sales and € 3.8 mn in terms of lower GOP – which will any case be made up in the second part of the FY) and (b) recognition at fair value of free stock grants to employees and of the stock option plan for top management, which caused a € 1.4-mn increase in personnel expense.

In 1H08, the II Sole 24 ORE Group achieved **consolidated revenues** of € 309.5 mn, progressing by 0.7% vs. € 307.2 mn in 1H07. Based on comparable consolidation, revenues were down by -6.1% primarily because of the poorer performance of add-on products.

Group advertising revenues in 1H08 grew by 10.4% in total, thanks to 6.8% growth of advertising sales achieved by the **System** division – considerably better than the trend of the market of reference – which was joined by the effects of acquisitions made in 2007 (II Sole 24 ORE Business Media).

Gross operating profit (GOP) totalled € 39 mn (-30.4% vs. € 56 mn in 1H07). Net of the one-off factors already highlighted, this was substantially due to the lower contribution of add-on products (€ 12.4 mn). The latter occurrence had been partly expected and was partly offset by the good performance of advertising sales and moderation of some types of costs.

In 1H08, the higher contribution generated by acquisitions completed in the second and third quarters of 2007 totalled € 20.6 mn in terms of revenues.

Their incremental impact on GOP instead amounted to € 2 mn. It should in fact be remembered that the seasonality of some of the companies acquired (sector-specific publishing and software) means that most significant part of performance is achieved in the second half of the year.

Operating profit amounted to € 21.5 mn, as compared with € 42.7 mn in 1H07 (-49.5%). Besides the items already described for GOP, the 1H08 figure was also affected by higher depreciation & amortisation (€ 3.7 mn) relating to acquisitions made in 2007.

Profit attributable to equity holders of the parent amounted to € 21.6 mn vs. € 23.6 mn in 1H07 (-8.4%). It decreased less than operating profit thanks to higher net finance income stemming from higher average cash resources and to a lower tax burden, which also benefited from optimisation efforts made during the period.

As at 30 June 2008, the Group's **net financial position** was positive by € 221.7 mn (vs. a positive position of € 240.2 mn as at 31 December 2007).

Performance by business segment

Publishing segment – Generalist publishing

Publishing is the division heading the daily newspaper II Sole 24 Ore, its add-on products, 24minuti (the free newspaper launched at the end of FY2006), the theme magazines English24, Viaggi24, and House24, the monthly magazine Ventiquattro and some primary processes (printing and distribution) also managed for other Group segments.

The daily newspaper's revenues were up by +1.1% vs. 1H07 due to advertising revenue growth, also thanks to the launch in the latter months of 2007 of the new local publications for Lombardy and Rome.



In 1H08 the free newspaper 24minuti featured revenue growth of 63% over 1H07. This result was achieved thanks to (a) strengthening of brand awareness and of the relationship with young people and the local community, (b) an enhanced offering (additional editions dedicated to specific events) and (c) the possibility of having, in the System advertising agency, a specific and dedicated advertising sales network. Free-press readers in Italy number some 5 million and the latest Audipress data show an overall increase vs. 2007 (+7%). Advertising revenues are growing but so is competition, with the entry of new competitors.

Set against a slight increase in the daily newspaper's revenues and the major growth of the free newspaper's revenues, there was a significant decrease in the contribution of add-on products. The segment's overall revenues were therefore down by -10% vs. 1H07.

System segment – advertising sales

System is the division acting as the advertising sales agency for the Group's main media and for some third-party media.

Compared with the same period in 2007, Nielsen data for January-May 2008 showed a -1.9% decrease in press advertising investments, with a significant reduction in the case of paid daily newspapers (-2.7%) and greater firmness in the case of magazines (-0.7%). There was a very positive trend in Web investments (+24.6%).

In this scenario, significantly influenced by the major uncertainty characterising the economy and financial markets, the System division reported total advertising sales up by 6.8% over 1H07, with improvement involving all media managed. Excluding the revenues generated in 2007 by San Paolo Edizioni magazines, no longer under concession, YoY top-line growth rises to 8%.

Advertising sales for the Il Sole 24ORE newspaper increased by 1.2%, notwithstanding the major decrease vs. 1H07 of financial advertising, mainly due to the smaller number of IPOs.

Advertising sales for the free newspaper 24minuti grew by 63% vs. 1H07, also benefiting from the contribution of the dedicated sales network. Overall performance of magazines was also good, with revenues growing by +7.8% in a market that was instead down.

Advertising sales for the Group's websites (ilsole24ore.com, radio24.it, and b2b24.it) grew by over 40%. Independent publishers' sites managed by Web System (System's digital division) grew by 19.5% in total, with a like-for-like increase that rises to 62.3%. Another highlight was the start in June of the ItaliaNews syndication which has consolidated a number of online news sites under a single brand

Radio 24's advertising sales grew by over 5% YoY. The sales network specifically dedicated to radio advertising sales has been fully operational since January 2008.

Professionals segment – Professional and specialist publishing

The Professionals division targets professionals (mainly chartered accountants, lawyers, and employment consultants), the PA, and SMEs with publishing solutions comprising magazines, books, databanks, e-publishing, training courses, management software, and dedicated portals. The Professionals division also comprises, among other things, the product system branded Frizzera, the Pirola brand, and software under the Via Libera and Impresa24 brands.

The Professionals division also manages B2B integrated communication activities targeting SMEs in specific sectors, including agrifood, retail distribution, building, Ict and welfare, directly managing dedicated advertising sales networks.

The Professionals segment achieved overall revenue growth (+15.5%) vs. 1H07. This was mainly attributable to changes in operating scope occurring in the Business Media business unit (acquisition of the GPP group at the end of March 2007) and in the Software Solutions unit (acquisition of STR and of Data Ufficio in the second half of 2007).

There was a slight increase in the performance of books, which also benefited from the launch of a larger number of titles than in 1H07. Magazines confirmed their position as the segment's main product range (accounting for 52% of revenues), thanks to maintenance of a very loyal subscriber portfolio.

Revenues based on like-for-like operating scope totalled € 71.4 mn, down by -5.9% vs. 1H07. This was due to the different selling approach adopted for some software products (whose lower revenues and margins will be recouped in the second half of the year) and to the shrinkage of sales of some magazines in the Tax & Legal sector. The latter sector featured revenue performance slightly lower than in 1H07, due to a decrease in revenues of magazines and conferences, set against significant e-publishing growth which also caused the subscriber portfolio to increase.

Multimedia segment

The Multimedia division handles the collection, production, and distribution, in digital format, of specific news and information content for the world of financial institutions, investors, and companies using various transmission technologies, i.e. satellite, terrestrial, and wireless networks.

The division also manages the Group's on-line activities, making Il Sole 24 Ore's contents and products available in digital format on the portal <http://www.ilsole24ore.com> and on the e-commerce channel Shopping24.

Multimedia also distributes the Radiocor agency's news feeds and provides the contents of the Group's main publications to the on-line databanks. It is also a content provider for the PA, mobile telephone players and independent publishers.

The segment's revenues amounted to € 19.6 mn. The -3.1% decrease vs. 1H07 was the net balance of different levels of performance by the various business sectors.

In the first part of 2008, the online business benefited from the excellent trend in advertising, which featured 31.8% YoY growth, higher than that of the market

(+24.5% in the January-May period according to Nielsen data). Another positive factor was 30% growth in e-commerce, in line with 2008 forecasts for the market as a whole (Source: Osservatorio del Politecnico di Milano – the Observatory of Milan's Polytechnic University).

The Il Sole 24 ORE website increased the number of unique visitors by 51% hitting the all-time record of 3,309,650 unique visitors in May 2008. Page views also grew in 1H08, increasing by 46%. In the Financial News sectors, the www.ilssole24ore.com site maintains outright market leadership, with penetration double that of the second foremost competitor.

As regards the real-time financial news business, the decline in sales continued, in line with the trend in previous years, mainly caused by prices that have now been going down for quite some time.

Radio segment

The Radio division manages the national radio station Radio24, a news & talk radio with an editorial format alternating news and entertainment programmes. It broadcasts from the Milan base and from the Rome studios and with its 209 installations located throughout Italy, reaches 83.8% of the Italian population.

In 1H08, the total radio audience in Italy (source: Audioradio) remained substantially stable compared with the previous year, with 38.7 million daily listeners.

In 1H08 the Radio 24 audience hit an all-time record with a precise figure of 2.2 million daily listeners and growth of over 17% YoY (Audioradio data for 1st half of 2008 – 12 January-13 June – "Listened Yesterday Daily Average" Monday-Sunday). This was the highest growth achieved among national broadcasters, enabling Radio 24 to position itself stably among the 10 Italian radio stations with the highest listenership

In addition, five new frequencies were purchased in 1H08 with the aim of improving radio signal quality and the coverage of some important stretches of road in the regions of Friuli, Tuscany, and Latium (a.k.a. Lazio).

The Il Sole 24 ORE group is also active in the Culture sector, via 24 ORE Motta Cultura and Alinari 24 ORE. In 1H08 cultural events were organised that were very well received by the public, such as the Canova exhibition organised at Milan's Palazzo Reale by 24 ORE Motta Cultura, the exhibition on Europe, which after Rome also went on tour to Berlin, Ljubljana, and Paris, and "I mari dell'uomo" (= The seas of man), an exhibition of photographs by Folco Quilici.

Events after 30 June 2008

In observance of contractual agreements, at the beginning of July the Group paid the second instalment for the purchase of 100% of the company Data Ufficio SpA, with an outlay of € 4.5 mn. The total investment to date therefore amounts to €8.5 mn.

On 29 July, acquisition was completed, with an investment of € 2.3 mn, of 60% of Newton Management Innovation SpA, a company active in managerial and commercial training for companies and professionals and that in 2007 achieved total revenues of € 3.7 mn.

Radio24 is continuing the process of increasing its national coverage. Agreements made to buy new frequencies will make it possible to increase the percentage of the national population covered by approximately 2.5 points (from 83.8% to 86.2%).

Foreseeable business progress

The Group's business is subject to seasonality, consisting of a slowdown in revenues, both for publications and above all for advertising, in the summertime. Given this, first-half performance cannot be considered representative of the Group's full-year business performance.

The negative overall economic picture should not improve significantly in the next few months. The scenario remains particularly difficult for the publishing industry, for which the second half of the year should confirm the slack circulation performance of paid newspapers and the steady, major downsizing of the add-on product segment.

The advertising sales environment is also expected to deteriorate, with performance of the Il Sole 24ORE Group that, although confirming growth vs. 2007 – and in any case at higher levels than that expected for the market as a whole – will be unable to maintain the significant levels of growth achieved in the first six months of the year.

The Professionals area - which will also benefit from recouping of software products' sales and margins and from the contribution of acquisitions made during 2007 - should feature revenue and margin growth vs. 2007. Based on like-for-like consolidation, the area's result is expected to achieve levels in line with those achieved in 2007.

The items mentioned above lead us to believe that, at present, if there is no increased deterioration of the economic environment, full-year earnings expected for FY2008 could achieve levels higher than those of 2007 net of the positive non-recurring effects primarily relating to the capital gain made on London Stock Exchange Group Shares and to new regulations concerning post-employment employee benefit provision.

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The manager responsible for preparing corporate financial reports, Giuseppe Crea, herewith declares, pursuant to paragraph 2, Article 154/2 of the Italian Consolidated Finance Act, that the accounting disclosures contained in this press release match accounting records, corporate books, and accounting entries.

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**Consolidated financial statements for "Il Sole 24 ORE" Group
as at 30 June 2008**

Balance Sheet

Consolidated Balance Sheet		
Amounts in € million	Balance at 30.06.2008	Balance at 31.12.2007
ASSETS		
Non-current assets		
Property, plant and equipment	92.7	94.6
Goodwill	39.4	39.4
Intangible assets	78.0	85.3
Investments in associates and joint ventures	2.0	2.0
Available-for-sale financial assets	5.6	5.6
Other non-current financial assets	17.6	17.3
Other non-current assets	0.8	0.9
Deferred tax assets	16.8	16.7
Total	252.8	261.7
Current assets		
Inventories	15.2	21.4
Trade receivables	224.7	179.6
Other receivables	10.8	10.6
Other current assets	11.6	6.8
Cash and cash equivalents	221.7	243.1
Assets held for sale	-	-
Total	483.9	461.4
TOTAL ASSETS	736.7	723.1

Consolidated Balance Sheet (continued)

Amounts in € million	Balance at 30.06.2008	Balance at 31.12.2007
EQUITY AND LIABILITIES		
A) Equity		
Total equity attributable to the shareholders of the parent company		
Share capital	35.1	35.1
Equity reserves	180.3	180.3
Fair value and revaluation reserves	20.6	20.6
Hedging and translation reserves	0.6	0.5
Other reserves	33.0	29.2
Retained earnings	72.5	53.0
Profit for the year attributable to the shareholders of the parent company	21.6	27.7
Total equity attributable to the shareholders of the parent company	363.7	346.4
Total minority interests		
Capital and reserves attributable to minority interests	1.4	1.5
Profit (loss) attributable to minority interests	(0.3)	(0.1)
Total equity attributable to minority interests	1.1	1.4
Total	364.8	347.8
B) Non-current liabilities		
Non-current financial liabilities	14.8	16.4
Employee benefit obligations	40.2	40.6
Deferred tax liabilities	20.0	32.2
Provisions for risks and charges	23.2	24.8
Other non-current liabilities	2.1	2.1
Total	100.3	116.0
C) Current liabilities		
Bank overdrafts and loans - due within one year	3.6	4.5
Other current financial liabilities	-	-
Trade payables	189.6	187.6
Other current liabilities	20.4	5.8
Other payables	57.9	61.4
Finance lease payments – due within one year	-	-
Total	271.5	259.3
D) Non-current liabilities held for sale	-	-
Total liabilities	371.9	375.3
TOTAL EQUITY AND LIABILITIES	736.7	723.1

Consolidated Income Statement

Consolidated Income Statement		
Amounts in € million	1st Half 2008	1st Half 2007
1) Continuing operations		
Revenue from newspapers, books and magazines	107.4	129.3
Revenue from advertising	137.8	124.8
Other revenue	64.2	53.1
Total revenue	309.5	307.2
Other operating income	5.9	4.2
Personnel expense	(88.6)	(68.9)
Increase of asset value by in-house work	-	-
Change in inventories	(6.2)	2.0
Purchase of raw materials and consumable materials	(15.8)	(23.9)
Costs for services	(138.3)	(134.8)
Use of third party assets	(18.7)	(19.7)
Other operating costs	(5.5)	(6.0)
Provisions	(1.1)	(1.3)
Provisions for bad debts	(2.2)	(2.7)
Gross operating profit	39.0	56.0
Amortisation of intangible assets	(10.7)	(7.2)
Depreciation of property, plant and equipment	(6.7)	(6.5)
Impairment losses on property, plant and equipment and on intangible assets	-	-
Gains/losses on sale of non-current assets	0.0	0.4
Operating profit	21.5	42.7
Financial income (expenses)		
Financial income	5.8	1.9
Financial expenses	(0.5)	(0.4)
Total financial income (expenses)	5.3	1.6
Other income (expenses) from investment assets and liabilities	(0.0)	0.3
Gains (losses) from valuation of equity investments	-	(0.4)
Profit before tax	26.8	44.2
Income taxes	(5.5)	(20.8)
Profit from continuing operations	21.3	23.3
2) Discontinued operations		
Profit from discontinued operations	-	-
Profit for the year	21.3	23.3
Profit attributable to minority interests	0.3	0.3
Profit attributable to shareholders of the parent company	21.6	23.6

Consolidated Cash Flow Statement

Amounts in € million	1st Half 2008	1st Half 2007
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Profit attributable to the shareholders of the parent company	21.6	23.6
Adjustments for:		
Dividends received	-	(0.3)
Depreciation of property, plant and equipment	6.7	6.5
Amortisation of intangible assets	10.7	7.2
(Gain) loss on sale of property, plant and equipment	0.0	(0.0)
(Gain) loss on sale of intangible assets	-	(0.2)
(Gain) loss on sale of business areas	(0.0)	(0.1)
(Gain) loss on sale of investments in subsidiaries	-	-
Increase (decrease) in provisions for risks and charges	(1.6)	(0.1)
Increase (decrease) in employee benefit obligations	(0.4)	(7.2)
Increase (decrease) in deferred tax assets/liabilities	(12.3)	4.4
Annual instalment of substitute tax	1.5	-
Net financial (income) expenses	(5.3)	(1.6)
Cash flows from ordinary activities prior to change in net working capital	21.0	32.1
(Increase) decrease in inventories	6.2	(2.4)
(Increase) decrease in trade receivables	(45.1)	(31.3)
Increase (decrease) in trade payables	2.0	7.9
Income taxes paid	(3.5)	(5.8)
(Increase) decrease in other assets/liabilities	8.3	20.3
Changes in scope of working capital	-	-
Changes in net working capital	(32.2)	(11.4)
TOTAL CASH FLOW FROM/(USED IN) ORDINARY ACTIVITIES (A)	(11.2)	20.7
B) CASH FLOWS USED IN INVESTING ACTIVITIES		
Dividends received	-	0.3
Proceeds on sale of property, plant and equipment	0.1	0.1
Proceeds on sale of intangible assets	-	0.3
Proceeds on sale of business areas	0.0	0.1
Investments in property, plant and equipment	(4.9)	(3.6)
Investments in intangible assets	(3.5)	(2.5)
Other changes in property, plant and equipment	0.0	(0.0)
Other changes in intangible assets	-	(0.0)
Other increases in goodwill	-	(0.1)
Purchase of investments in subsidiaries	-	(23.6)
Decrease of associates due to business combinations	(0.0)	-
Other decreases (increases) in other non-current assets and liabilities	0.1	(0.0)
Purchases of available-for-sale financial assets	(0.0)	(1.7)
TOTAL CASH FLOW USED IN INVESTING ACTIVITIES (B)	(8.1)	(30.7)
	-	-
FREE CASH FLOW (A + B)	(19.3)	(10.0)

Consolidated Cash Flow Statement (continued)

Amounts in € million	1st Half 2008	1st Half 2007
C) CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(13.9)	(18.7)
Registering (repayment) of long-term bank loans	(1.6)	(1.0)
Net change in other non-current financial assets	(0.3)	-
Net change in financial assets held for trading	-	(0.6)
Net financial interests received	5.3	1.6
Proceeds from increase in capital and reserves	-	-
Change in equity attributable to minority interests	(0.3)	(0.3)
Other changes in reserves	9.6	1.4
TOTAL CASH FLOW USED IN FINANCING ACTIVITIES (C)	(1.1)	(17.5)
	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(20.4)	(27.5)
OPENING CASH AND CASH EQUIVALENTS	238.6	81.3
Effect of changes in foreign exchange rates	-	-
CLOSING CASH AND CASH EQUIVALENTS	218.1	53.8
INCREASE (DECREASE) OF THE YEAR	(20.4)	(27.5)

Net financial position

Amounts in € million	Balance at 30.06.2008	Balance at 31.12.2007
Cash and cash equivalents	221.7	243.1
Bank overdrafts and loans – due within one year	(3.6)	(4.5)
Short-term financial receivables	-	-
Short-term net financial position	218.1	238.6
Non-current financial liabilities	(14.8)	(16.4)
Non-current financial assets and fair value changes in financial hedging instruments	18.4	18.0
Medium/long-term net financial position	3.6	1.6
Net financial position	221.7	240.2