GRUPPO 24 ORE

Press Release

24 ORE Group:
BoD approves results for the first nine months of 2009

- **Consolidated revenues = € 368.9 million (-12.5%)**
- **Advertising revenues = € 131.9 million (-26.6%)**
- **EBITDA = € -8.4 million (€ 36.3 million in 3Q08)**
- **EBIT = € -31.6 million (€ 10.2 million over same period of 2008)**
- **Result attributable to shareholders of parent company € -22.1 million (€ 14.0 million in 3Q08)**
- **Positive net financial position = € 115.9 million (€ 149 million as at December 31, 2008)**
- **Structural cost-curbing and staff plan underway, with about €40 million expected to be saved over the next two years**

Milan, October 26, 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 for the first nine months of 2009. Here are the highlights of the main figures vs. those of the same period last year:

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in €million	9M 2009	9M 2008	
Revenues	368.9	421.4	
Gross operating profit (EBITDA)	(8.4)	36.3	
Operating profit (EBIT)	(31.6)	10.2	
Pre-tax profit	(29.8)	17.6	
Profit attributable to the shareholders of the parent company	(22.1)	14.0	
Net financial position	115.9	149.0	*
Total equity attributable to the shareholders of the parent company	326.5	357.1	*
Number of employees at the end of the period	2,219	2,255	*

* As at 31 december 2008

Analysis of the first nine months of 2009 consolidated results

The severe economic recession impacts strongly on 24 ORE Group’s core market. The first nine months of 2009 saw a further drop in the circulation of paid dailies, mainly affecting the major national dailies. Advertising was confronted with a tougher situation, tied as it is to the economic trend, which still showed no signs of recovery in the third quarter, against what turned out to be a negative half year.

In the first nine months of 2009, 24 ORE Group **consolidated revenues** amounted to €368.9 million, down 12.5%, vs. €421.4 million over the same period last year. Esa

Software S.p.A. and Newton Management Innovation S.p.A., the new acquisitions completed in the second half of 2008, helped lift revenues by € 23.3 million.
On a like-for-like basis, the drop was 17.9%, basically ascribable to the sharp decline in advertising sales and the poor performance of add-on products.

According to Nielsen Media Research figures, the advertising market as a whole lost 16.4% over the January-August period, hitting almost all media to different extents. Print media (-23.9%) were the worst hit, radio fell a touch less (-15.8%), while Internet was the only positive segment (+6.2%).

In the first nine months of 2009, 24 ORE Group's **advertising revenues** fell by €47.9 million, or -26.6%, of which System, the advertising agency, accounted for €39.5 million and the Professionals Area for €8.1 million.

Ebitda came to -€8.4 million, vs. +€36.3 million over the same period last year. Esa Software S.p.A. and Newton Management Innovation S.p.A., the new acquisitions completed in the second half of 2008, helped lift Ebitda by €2.9 million. On a like-for-like basis, the 2009 Ebitda would have come to -€11.4 million. The sharp fall is attributable to the foregoing trend in revenues, mostly advertising revenues, only partly offset by the benefits generated by the operating cost-curbing measures underway, and to total extraordinary costs of €4.6 million for staff buyouts (€0.7 million in 2008).

Ebit came to -€31.6 million, vs. €10.2 million over the same period last year. Amortization and depreciation over the first nine months of 2009, equal to €23.6 million, dropped by €2.4 million vs. the same period last year. The variation was due primarily to the new assessments made in the 2008 accounts of the residual useful life of radio frequencies and rotary printing machines, which resulted in a lower amortization of €6.5 million, partly offset by the amortization on the fixed assets regarding the new acquisitions (€4.6 million).

The **result attributable to the shareholders of the parent company** came to -€22.1 million, vs. €14.0 million over the same period last year. A result affected negatively by the drop in net financial income (lower average cash resources and interest rates) and positively by taxes, due also to the optimization measures implemented over the period.

The Group's **net financial position** as at September 30, 2009 showed a positive €115.9 million, falling from €149.0 million as at December 31, 2008, due primarily to net investments of €13.3 million and to a dividend payout of €10.3 million.

On a like-for-like basis and netted against labour costs, thanks to the rationalization measures, overall costs fell by over €31 million (**-12.2%**), more than offsetting the decline in non-advertising revenues (-€27.4 million, or -11.3%).

On a like-for-like basis, netted against the foregoing extraordinary costs for staff buyouts (€4.6 million over the first nine months of 2009, vs. €0.7 million in 2008), labour costs remained basically steady. The effects of the measures implemented and those underway will start to be felt more from the 2010 financial year.

In order to counter the downward trend of the various business areas, a **rationalization and cost-curbing plan** was launched at the beginning of the year, setting off a range of measures including:

- actions taken on the product portfolio – cuts in publications/sections and renewed features for a number of products, with decisions also regarding print runs, formats and foliation;
- closure of loss-making business lines – such as, in particular, the *24Minuti* free press daily, whose publication ceased at the end of March 2009;
- cost-curbing measures on production, distribution and editorial work, through process optimization procedures, renegotiation of agreements with all main suppliers, and cost-cutting on the daily's freelancers;
- actions taken on the organizational structure and on staff costs – by creating a leaner operational management structure (Multimedia Area management responsibilities reorganized into the Publishing Area) - and layout of a plan for company staff to use their annual holidays and part of untaken holidays;
- actions taken on overheads - in particular: marketing and advertising costs, travel and entertainment costs, consulting costs and branch costs.

Performance by business sector

In what is an extremely challenging market, **System,** the advertising sales agency for the Group's main media, posted lower results over the first nine months of 2009 vs. the same period last year. The figures must, however, be read primarily against the remarkable results achieved over the 2007-2008 period. In fact, whereas the core market (source: Nielsen Media Research, January–August) fell by a yearly average of 6.3% from 2006 to 2009, with print media losing -8.7%, System, instead, in the period from September 2006 to September 2009, netted against the advertising sales no longer managed for San Paolo Edizioni, saw its annual average revenues fall by 2.0%.

The overall decline in the first months of 2009, equal to 25.9%, is mainly ascribable to the contraction in investments in the press and, in particular, to the meltdown of the financial markets (hence, of financial advertising), of which the Il Sole 24 ORE daily is the main reference. System's core market, which excludes local advertising in dailies and TV advertising, and includes only display advertising on the Internet, fell by 22.4% vs. 2008. Excluding ceased publications, *24minuti* and *House24* in particular, System's performance followed the same pattern (-23.1%).

The daily continued to be heavily affected by the current crisis, declining by 28.6% vs. the same period last year. Display advertising results must, however, be read against the remarkable figures achieved over the two previous years (+22%). Financial advertising continued to be the worst hit by the heavy market contraction, with only two IPOs (which had already shrunk in 2008 vs. 2007) so far this year, and none published in national newspapers. Add to that the effects of the application of Consob resolutions n. 16840 and 16850, which no longer require a whole range of financial disclosures to be published in daily newspapers, an obligation temporarily lifted in August and applied to several kinds of disclosures only, pursuant to Consob resolution n. 17002.

Against a backdrop that saw periodicals – both monthly and male supplements – fall by around 40%, *IL*, the monthly considered the leading supplement, scored remarkable advertising results, garnering up to 590 pages.

Against the -15.8% decline in radio advertising investments (Nielsen – January-August 2009), System's overall radio performance came to -2.7%, thanks to Radio 24, which fell much less than the market, and to the new Radio Margherita concession obtained over the period.

The sale of online advertising spaces for a number of 24 ORE Group websites and for important websites of other publishers, was up +3.2% vs. the same period last year, and despite the 1.5% decline of the display advertising market (commercial advertising minus forms of advertising not treated by Websystem) (Source FCP/Assointernet January-August 2009).

Overall revenues for **Publishing**, the area that heads the *Il Sole 24 ORE* daily, its add-on products, theme magazines such as *English24* and *I Viaggi del Sole,* and *Ventiquattro* and *IL - il maschile de Il Sole 24 ORE* monthlies, were down 27.7% vs. the same period last year. The decline was spread across every product, particularly those featuring high advertising content.

The daily remains the third leading national daily newspaper (excluding sports dailies), though falling by 20.8% vs. the same period last year. The loss is attributable to the 7.4% drop in copies sold (vs. the -10.3% drop of the main national paid dailies, ADS moving average July 2008 – August 2009) and to the over 28% fall in advertising revenues, which, however, must also be read against the stronger-than-market growth recorded over the 2007-2008 period and the slump in financial advertising.

In the first nine months of 2009, add-on products bundled with dailies continued the downward trend that had accelerated in the final part of 2008, with an 18% average drop in gross revenues. 24 ORE Group's revenues fell sharply, despite the growing number of initiatives vs. the same period last year. This was due to the strong contraction in average sales for each initiative. In order to counter the heavy losses in revenues and maintain positive margins for each initiative, 24 ORE Group continued its strategy of launching high-quality products for its specific target user, concurrently curbing acquisition costs and communication investments.

Periodicals continued the downward trend in news-stand sales, with advertising revenues dropping by -28.5%, according to Nielsen (figures as at August 2009 - excluding professional periodicals). The Area's periodicals fell by 14.4% vs. the same period last year.

Overall, **Professionals** saw its revenues rise by 7.8% vs. the same period last year, fully ascribable to the variations in the consolidation basis for the acquisitions made in 2008 (Esa Software S.p.A. and Newton Management Innovation S.p.A.).

On a like-for-like basis, revenues dropped by 6.8%, owing primarily to lower advertising revenues from media managed by *Business Media* (-24.2%), but also to the rationalization measures adopted on the catalogue, which impacted on the revenues

generated by the **Tax&Legal** business unit (-4.5%), and led, for instance, to the closure of loss-making print publications.
Periodicals continued to be rewarded by the unswerving loyalty of their subscribers, thanks also to the development of online periodicals designed to satisfy the growing interest of target users in e-media and the Internet.

Revenues generated by the **Software Solutions** business unit were up 67.9% vs. the same period last year. Excluding the variation in the consolidation scope for the acquisition of ESA Software S.p.A. on October 30, 2008, revenues advanced by 5.1% vs. the same period last year. An outstanding performance achieved in a negative market environment, thanks also to the new business model for the software solutions of *Via Libera* - no longer a one-shot sale, but now an automatically-renewed annual subscription with loyalty levels of 94% - and the launch of the new *Gestione IRAP* product. Positive news came also from the increase in revenues generated on the corporate market, specifically by *Impresa24*, and from the sale of new products developed also by re-using software designed by acquired companies: *Via Libera Azienda, Studio24Edilizia, Studio24Avvocati, Studio24Commercialisti* and *Via Libera Paghe Online*.

STR branded products followed the same positive pattern, thanks mainly to the provision of services and custom solutions and also to the strong increase in service contracts, and in software activities of Data Ufficio (+ 11.2%), which remains the company's only active business following disposal of the printing branch at the beginning of September.

Revenues generated by **Education** advanced by 20.2% vs. the same period last year. Excluding the variation brought by Newton Management Innovation in the consolidation basis, revenues dropped by 5.5%, owing to changes in editorial planning and to the cancellation of initiatives in the financial area caused by the ongoing financial market crisis.

Revenues generated by **Multimedia** were down -7.5% vs. the same period last year, which is the overall performance of the various business areas.

Revenues generated by real-time financial information continued to slide (-10%), with the long-established downward trend now coinciding with the impacts of the cost rationalization measures adopted by the major private clients, banking groups in particular.

The **Radiocor** agency, instead, **saw its revenues rise by 3.1%**, thanks to the increased sales on the diversified Editorial Products line, coupled with the renewed annual orders that have a substantial impact on revenues in the PA segment.

In the first nine months of 2009, the **Online** business unit saw its revenues fall by 9.6% vs. the same period last year, as a result of the 11.1% decline in advertising and the negative performance of other products, particularly of the *Big On Line* databank. A positive development worth mentioning for the business unit in the first nine months of 2009 is the increase in unique visitors (+34%, over 4.8 million/month) and page views (+21%). B2C e-commerce achieved similarly good results.

Radio listenership has, for some years now, reached basically steady levels, with its daily figure hovering typically above 39 million, a result confirmed in the fourth two-month period of 2009. As for advertising sales, which generate virtually all of its revenues, the January-August 2009 period witnessed a -15.8% contraction, which is still less than the drop currently experienced by print media.

In the first nine months of 2009, revenues generated by **Radio 24** fell by 3.8% vs. the same period last year, while advertising revenues declined by 5.8%, far less than the market.

In the first nine months of 2009, €3.1 million were invested in the purchase of new frequencies to improve the radio signal quality and to cover a number of important road stretches.

Significant events after September 30, 2009

As part of the operating cost-curbing and process optimization measures, a number of steps were taken in October to streamline the Group's corporate structure. Specifically, on October 2, the extraordinary shareholders' meeting of H24 Software S.p.A., which heads the companies operating in the software segment, resolved to proceed with the merger by incorporation of the wholly-owned subsidiaries STR S.p.A. and Data Ufficio S.p.A, and to change the name of the company into Innovare24 S.p.A.

Business outlook

Current indications for the final part of the year continue to show the same patterns seen so far, and provide no means of forecasting a reasonable improvement in business as far as advertising is particularly concerned.
Brighter prospects, despite the continuing negative figures vs. 2008, are expected for the Group's professional area.
Against this extremely critical backdrop, the operating cost-curbing plan is proceeding as scheduled, with about €15 million less in costs expected in the 2009 results.
The measures will help save approximately €40 million over the next two years vs. the total costs incurred in 2008, which had already benefited from over €20 million in cost savings.
The plan also includes structural measures on staff, which should be reduced by a total of 200 units once the measures are fully operational. For this purpose, talks have been held with the trade unions in order to reach an agreement by the end of the year, effective as from the first quarter of 2010.
Moreover, the final touches are being put to a sweeping reorganization plan involving Business Media activities, aimed at regaining efficiency and profitability. Its effects should be felt starting from the 2010 financial year.
Excluding extraordinary charges for said measures, the gross operating profit for the whole 2009 year is, to date, expected to be only slightly positive.

Under section 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.

For further information:
Il Sole 24 ORE Press Office:
Ginevra Cozzi - Tel. 02/3022.4945 – Mobile 335/1350144
PMS: Fabio Marando – Mobile 329/4605000

Interim management report as at September 30, 2009

Financial schedules

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in €millions	9M 2009	9M 2008
Revenues from sales and services	368.9	421.4
Other operating income	8.2	8.2
Personnel expenses	(142.7)	(127.2)
Change in inventories	(1.6)	(4.4)
Purchase of raw materials and consumables	(24.7)	(25.9)
Costs for services	(175.5)	(196.1)
Other operating costs	(35.2)	(33.5)
Provisions and bad debts	(5.7)	(6.3)
Gross operating profit (EBITDA)	**(8.4)**	**36.3**
Amortisation and depreciation	(23.6)	(26.0)
Capital gains/loss from intangible and tangible assets	0.4	(0.0)
Operating profit (EBIT)	**(31.6)**	**10.2**
Financial income (expenses)	2.1	7.4
Income (expenses) from equity investments	(0.2)	-
Pre-tax profit	**(29.8)**	**17.6**
Income tax	7.1	(3.9)
Net profit	**(22.7)**	**13.7**
Profit attributable to minorities	(0.6)	(0.3)
Profit attributable to the shareholders of the parent company	**(22.1)**	**14.0**

GRUPPO 24 ORE

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT		
Amounts in €million	30.09.2009	31.12.2008
ASSETS		
Non-current assets		
Property, plant and equipment	92.2	96.4
Goodwill	81.7	80.0
Intangible assets	104.2	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	19.1	18.7
Other non-current assets	1.0	1.0
Deferred tax assets	21.8	15.1
Total	**327.3**	**331.1**
Current assets		
Inventories	17.4	20.0
Trade receivables	186.9	215.6
Other receivables	18.1	4.6
Other current financial assets	0.0	0.0
Other current assets	9.8	6.8
Cash and cash equivalents	115.0	150.1
Assets held for sale	-	-
Total	**347.3**	**397.1**
TOTAL ASSETS	**674.6**	**728.2**

GRUPPO 24 ORE

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)		
Amounts in €million	30.09.2009	31.12.2008
EQUITY AND LIABILITIES		
Equity		
Equity attributable to shareholders of parent company		
Share capital	35.1	35.1
Equity reserves	180.3	180.3
Revaluation reserves	20.6	20.6
Hedging and translation reserves	(0.5)	(0.1)
Other reserves	34.2	32.3
Profit/(loss) carried forward	78.8	72.8
Gains (loss) attributable to shareholders of parent compan	(22.1)	16.1
Total	**326.5**	**357.1**
Equity attributable to minorities		
Capital and reserves attributable to minorities	1.4	1.5
Gains (loss) attributable to minorities	(0.6)	(0.1)
Total	**0.8**	**1.4**
Total equity	**327.3**	**358.5**
Non-current liabilities		
Non-current financial liabilities	12.6	14.1
Employee benefit obligations	40.8	42.3
Deferred tax liabilities	23.7	26.7
Provisions for risks and charges	23.6	23.7
Other non-current liabilities	0.0	1.4
Total	**100.8**	**108.2**
Current liabilities		
Bank overdrafts and loans due within one year	4.3	4.8
Other current financial liabilities	(0.0)	-
Financial liabilities held for trading	0.6	0.1
Trade payables	165.5	174.9
Other current payables	12.6	9.4
Other payables	63.4	72.2
Total	**246.5**	**261.5**
Total liabilities	**347.3**	**369.7**
TOTAL EQUITY AND LIABILITIES	**674.6**	**728.2**

CONSOLIDATED CASH FLOW STATEMENT		
Amounts in €million	9M 2009	9M 2008
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Result for the period attributable to the shareholders of the parent company	(22.1)	14.0
Adjustments for:	-	-
Dividends received	(0.0)	-
Amortisation of property, plant and equipment	8.6	9.8
Amortisation of other intangible assets	14.8	16.3
Impairment of other tangible assets and goodwill	0.2	-
Depreciation of non-current assets	0.2	-
(Gains) loss from sale of property, plant and equipment	(0.2)	0.0
(Gains) loss from disposal of intangible assets	(0.2)	(0.0)
(Gains) loss from branch's transfer	(0.1)	(0.0)
Increase (decrease) in provisions for risks and charges	(0.0)	(2.0)
Increase (decrease) in employee benefit obligations	(1.2)	(0.9)
Increase (decrease) in deferred tax assets/liabilities	(9.6)	(13.5)
Annual instalment of substitute tax	4.9	1.5
Net financial (income) expenses	(2.1)	(7.4)
Cash flows from ordinary activities before change in working capital	**(6.7)**	**17.6**
(Increase) decrease in inventories	1.6	4.4
(Increase) decrease in trade receivables	28.9	(2.6)
Increase (decrease) in trade payables	(9.7)	(15.1)
Income tax paid	(8.5)	(3.5)
Increase (decrease) in other assets/liabilities	(18.3)	(4.7)
Changes in net working capital	**(5.9)**	**(21.6)**
TOTAL NET CASH FLOWS FROM ORDINARY ACTIVITIES (A)	**(12.6)**	**(4.0)**

GRUPPO 24 ORE

CONSOLIDATED CASH FLOW STATEMENT (CONT.)		
Amounts in €million	9M 2009	9M 2008
B) CASH FLOWS FOR INVESTING ACTIVITIES		
Dividends received	0.0	-
Proceeds from sale of tangible assets	0.6	0.1
Proceeds from sales of intangible assets	0.2	0.0
Proceeds from the sale of branches of business	0.6	0.0
Investments in tangible assets	(5.1)	(13.2)
Investments in intangible assets	(7.1)	(5.4)
Other changes in tangible assets	(0.2)	0.0
Other changes in intangible assets	0.0	-
Increase in goodwill from business combinations	0.0	-
Investments in intangible assets from business combinations	(0.0)	-
Purchase of investments in associates	-	(0.4)
Purchase of investments in subsidiaries	(0.9)	(2.3)
Decrease in associates due to business combinations	0.0	-
Other decreases (increases) in investments in associates	(0.1)	-
Other decreases (incr.) of other non-current assets and liabilities	(1.3)	(0.8)
Purchase of financial assets available for sale	(0.0)	(0.3)
TOTAL NET CASH FLOWS FOR INVESTING ACTIVITIES (B)	**(13.3)**	**(22.3)**
FREE CASH FLOW (A + B)	**(25.9)**	**(26.3)**

GRUPPO 24 ORE

CONSOLIDATED CASH FLOW STATEMENT (CONT.)		
Amounts in €million	9M 2009	9M 2008
C) CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(10.3)	(13.9)
Registering (repayment) of medium/long-term bank loans	(1.5)	(1.6)
Change in other non-current financial assets	(0.4)	(0.4)
Change in financial assets/liabilities held for trading	0.5	-
Net financial interest received	2.1	7.4
Change in equity attributable to minorities	(0.6)	(0.3)
Other changes in reserves	1.6	9.8
TOTAL CASH FLOWS FOR FINANCING ACTIVITIES (C)	**(8.7)**	**1.1**
NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(34.6)**	**(25.2)**
OPENING CASH AND CASH EQUIVALENTS	**145.3**	**238.6**
CLOSING CASH AND CASH EQUIVALENTS	**110.7**	**213.4**
INCREASE (DECREASE) FOR THE YEAR	**(34.6)**	**(25.2)**

GRUPPO 24 ORE

NET FINANCIAL POSITION

Amounts in €million	30.09.2009	31.12.2008
Cash and cash equivalents	115.0	150.1
Bank overdrafts and loans due within one year	(4.3)	(4.8)
Short-term net financial position	**110.7**	**145.3**
Non-current financial liabilities	(12.6)	(14.1)
Non-current financial assets and fair value of hedging insruments	17.8	17.8
Medium/long-term net financial position	**5.2**	**3.7**
Net financial position	**115.9**	**149.0**