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 Statement at 31 March 2015

Figures are shown on a like-for-like basis, net of the Business Media BU and the Software Area disposed of in the prior year.

- **Group consolidated revenue reaches 84.8 million euro, up by 0.5 million euro** (+0.6% versus 1Q14), continuing the positive trend started in 2014, thanks to the strategy implemented to create a multimedia system with a chain of specialist digital dailies, which increase revenue from highly profitable digital information content, along with the good performance of advertising sales and training.
- **Digital revenue from information content** increases by 2.2 million euro, or 14.8% versus 1Q14, and outperforms revenue from print content, now accounting for more than 50% of total revenue from content versus 41% in 1Q14.
- Overall Group digital revenue amounts to 26.5 million euro, contributing 31.2% of total revenue (29.1% in 1Q14), up by 7.8% versus 1Q14.
- Circulation revenue from the daily newspaper grows (+0.9%) versus 1Q14, bucking the market trend. Advertising revenue increases by 3.6% versus the market's drop of 5.2%, revenue from the Training Area advances by 13.1%, and revenue from the Culture Area moves up by 2.1%.
- **Gross operating profit (EBITDA)** improves by 0.4 million euro (+28.3%) and comes to 1.8 million euro versus 1.4 million euro in 1Q14. A result achieved thanks to the increase in revenue, to the constant focus on cost containment, to the effects of the reorganization of a number of business areas, and to the reduction in operating costs of corporate functions.
- **Il Sole 24 ORE** in 1Q15 retains its ranking as Italy's leading digital newspaper with over 213 thousand digital copies in March 2015 (+25.4% versus March 2014) and as the second major national daily newspaper in terms of print + digital circulation, with a total of 389 thousand print + digital copies in March 2015 (+7.4% versus March 2014), bucking the market's drop of 3.8% (*ADS January-March 2015*). Complementing the Sole system, in addition to the print+digital copies, the over 30,000 active paid subscriptions to IlSole24ore.com.
- **www.ilsole24ore.com**, the first fee-based website in Italy, reports in 1Q15 an average of almost 767 thousand unique browsers, up by 8.7%, and an increase in page views by 12.0% versus the average in 1Q14 (*Omniture Sitecatalyst*). In 1Q15, the mobile version of *www.ilsole24ore.com* sees unique browsers increase by 196.4% on average day and page views by 66.3% (*Omniture Sitecatalyst*), thanks to the graphical restyling and optimized user experience.

- **System advertising sales amount to 33.3 million euro**, up by 3.6% versus 1Q14 and versus the market's drop of 5.2%, and moves in the opposite direction of the negative media trend. All of the media outperform the market: Radio 24 (+12.6% versus the market's 5.2%), print (+2.8% versus the market's -8.0%), online (-1.0% versus the market's -5.3%, *Nielsen January-February 2015)*. The agency increases revenue on print media by 0.6 million euro versus 1Q14.

- **Radio 24** in 2014 strengthens its 9th position in the national radio ranking with 1,965 thousand listeners, increasing to 2,178 thousand from Monday to Friday. Radio 24 advertising sales advance by 12.6% versus 1Q14, outperforming the national radio market (6.2%, *Fcp Assoradio January-March 2015*). In terms of space, Radio 24 posts a +9.2% increase versus the same period of 2014 (*Nielsen, analysis by seconds January-March 2015*), with its share of seconds holding ground at 9.4% versus the total radio market.

- Revenue from the **Training and Events Area** is on the rise, up by 1.0 million euro or +13.1%, reaching 8.7 million euro, thanks to the increase in sales, the product mix of the *Business School* and the increase in Newton's client portfolio.
- The **Culture Area** confirms its leadership on the national stage with revenue rising by 2.1%.
- **The result attributable to the owners of the parent** improves by 3.0 million euro (+51.7%) and comes to -2.8 million euro versus -5.8 million euro in 1Q14.
- **The Net Financial Position** comes to -21.2 million euro (+2.2 million euro at 31 December 2014).

Statement by Chairman of the 24 Ore Group Dott. Cav. Lav. **Benito Benedini**:

> "In a publishing market that remains extremely challenging, the 24 Ore Group has continued to grow, driven by the good performance of circulation revenue and advertising sales. Revenue growth and ongoing focus on cost containment have brought a positive EBITDA for the second straight quarter."

Milan, 12 May 2015. 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 Statement at 31 March 2015.

MAIN FIGURES OF THE 24 ORE GROUP ON A LIKE - FOR- LIKES BASIS			
Amounts in € million	1Q 2015	1Q 2014	
Revenues	84.8	84.3	
Gross operating profit (EBITDA)	1.8	1.4	(*)
Operating profit (loss) (EBIT)	(2.0)	(2.2)	
Pre-tax profit (loss)	(2.3)	(3.0)	
Net profit (loss) on a like - for - like basis	(3.0)	(3.8)	
Profit from discontinued operations	-	(0.8)	
Profit (loss) from other discontinued operations	-	(1.2)	
Profit (loss) attributable to owners of the parent	(2.8)	(5.8)	
Net financial position	(21.2)	2.2	(**)(1)
Equity attributable to owners of the parent	107.0	109.8	(1)
Employees headcount at the end of period	1,229	1,228	(1)

(1) As at 31 december 2014

Market trend

Market figures in 1Q15 continue the downward trend reported in 2014 by advertising sales and newspaper circulation.

In the first two months of 2015, the advertising market as a whole, considering all its components, including television, lost 5.2% versus the same period of 2014.

Print media advertising sales continue to be hit (-8.0%), daily newspapers fall by 8.9% and magazines by 6.2%. Online investments drop (-5.3%), while radio increases by 5.2% (*Nielsen, January-February 2015*).

Looking at circulation figures, ADS data in January-March 2015 show a drop of approximately 9.1% in print circulation of the major national newspapers versus the same period of 2014. Print + digital circulation falls by 3.8%.

In the first two months of 2015, the professional publishing market follows the same downward patterns seen in the prior year, confirming, to date, the forecasts in 2015 of a general decline of about -5% versus 2014 (*Databank 2014*).

The latest full-year radio audience figures of 2014 indicate 34,314,000 listeners on average day, dropping by 1.5% (-539,000) versus 2013.

The current economic crisis continues to adversely affect the final demand coming from the Group's main markets: businesses, households, and professionals. Signs of a recovery are starting to appear in 2015, confirmed by the estimates from Confindustria's Study Centre, which forecasts a 0.7% growth for Italy.

(*) 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 noncurrent 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.

The consumer model is shifting towards electronic media, databases, and online products and services. This shift produces a contraction in expenditure owing to the difficulty on the professional market in selling online information at prices comparable to the print versions.

Analysis of 1Q15 consolidated results

In 1Q15, the 24 ORE Group achieved **consolidated revenue** of 84.8 million euro, up by 0.5 million euro versus 1Q14. A result driven by product and service innovation with focus on customer needs, and by content integration, which allowed print+digital circulation revenue to increase by 0.9%, with circulation figures rising by 7.4% versus the market's drop of 3.8% (*ADS surveys January-March 2015*), and advertising revenue to rise sharply by 3.6%, bucking the market trend (-5.2%, *Nielsen January-February 2015)*. Revenue from the Training area (+13.1%) and from Culture (+2.1%) grew.

Digital revenue from information content increased by 2.2 million euro, or 14.8% versus 1Q14, and outperformed revenue from print content, now accounting for more than 50% of total revenue from content versus 41% in 1Q14.
Overall Group digital revenue amounted to 26.5 million euro, accounting for 31.2% of total revenue (29.1% in 1Q14), increasing by 7.8% versus 1Q14.

Overall costs amounted to 86.3 million euro and were in line with 1Q14. Some types of costs fell, thanks to the implementation of the digital strategy and the cost-curbing policies and measures pursued; specifically, costs for raw materials and consumables, printing costs and distribution costs decreased by a total of 2.1 million euro, thanks to the strategy adopted by the Group in its transition to the digital business, which resulted in lower production and distribution of print products. Cost for centralized services of corporate functions fell by 1.3 million euro versus 1Q14 and accounted for 11.4% of consolidated revenue in 1Q15 versus 13% in 1Q14.

Some other types of costs increased, parallel to the increase in revenue, in particular advertising fees to third-party publishers, costs related to events and sale costs, for a different mix of products sold and as a result of the agency agreement signed with TeamSystem following the disposal of the Software area.

Personnel expense, amounting to 27.7 million euro, was in line with 1Q14: the decline in costs from the reduction in average staff, along with the benefits from increased solidarity, helped neutralize the extra costs from the application of the collective labour agreements.
Staff employed at 31 March 2015 came to 1,229 units versus 1,228 units at 31 December 2014. Average staff dropped by 13 units versus 1Q14 and came to 1,207 units (1,220 units in 1Q14).

Gross operating profit (EBITDA) came to a positive 1.8 million euro, improving by 0.4 million euro (+28.3%) versus 1.4 million euro in 1Q14. A result achieved thanks to the **increase in revenue,** specifically from advertising, training and digital products, along with the constant focus on cost containment and on the measures to optimize the organizational, production and distribution structure, and on process efficiency across all the areas of the Group.

Operating profit (EBIT) improved by 0.2 million euro versus 1Q14 (+9.7%) and came to **-**2.0 million euro versus -2.2 million euro in 2014. Amortization, depreciation and impairment losses amounted to 3.9 million euro versus 3.6 million euro in 1Q14.

The **result of discontinued operations** in 1Q14 had come to -0.8 million euro and referred to the net result of the Software area disposed of in May 2014; the **result of other discontinued operations** in 1Q14 had come to -1.2 million euro and referred to profit/loss of the Business Media BU, whose disposal was completed in January 2014.

The result attributable to the owners of the parent improved by 3.0 million euro (+51.7%) and came to -2.8 million euro versus -5.8 million euro in 1Q14.

The **net financial position** came to -21.2 million euro versus +2.2 million euro at 31 December 2014, a decrease explained mainly by the trend in net working capital, in relation to payments at the start of the year, by the different seasonal patterns of collections and by net investments.

Business outlook for the year

The recession continued to bite into revenue and margins of the publishing industry in the early months of 2015, albeit to a lesser extent than in prior years. Forecasts for 2015 show an upswing in GDP and a recovery of the Italian economy estimated at 0.7% (*Confindustria Study Centre*).
In the first two months of 2015, the advertising market continued its downward trend, with different impacts on the various media. Forecasts on the advertising market for 2015 remain, to date, rather uncertain.

The foregoing macro-economic trends are mirrored in the 2015 - 2019 plan forecasts.
The Group continues to focus on activities aimed at process optimization and cost reduction.

In 2015, the Group will continue to strengthen and expand the business initiatives launched in 2014, and will keep focusing on measures to increase revenue, specifically by continuing with the development of the new products launched in 2014. The offering will be further expanded in 2015 with the launch of new databases for the professional market in the Employment and Law sector and new digital products for the technical operators market.

In 2015, the Group will continue to develop digital products and vertical dailies, supported by the increasing integration of all of the professional content from Il Sole 24 Ore, in order to alleviate the expected drop of traditional print publishing. The Culture area will step up activities, with international events and with the *Museo delle Culture* in via Tortona – Milan, opened at end March. The Training area will leverage on the opportunities provided by the spaces in via Tortona, with the inauguration of the Mudec Academy, which will play host to new educational initiatives and events.

To date and in the absence of unpredictable events at this time, the Group continues to keep a sharp eye on its relevant market, still marked by a high degree of uncertainty, regarding the advertising market trend in particular. Against this backdrop, forecasts for 2015 confirm an improvement in EBITDA versus 2014.

Under paragraph 2, article 154-bis of the Consolidated Finance Law (TUF), Valentina Montanari, in her 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.

Media contacts:
Press Office Manager Il Sole 24 ORE:
Ginevra Cozzi - Tel. 02/3022.4945 – Mob. 335/1350144

Investor Relations
Ines Di Terlizzi Tel. 02/3022.3728

Consolidated Financial Statement of the 24 ORE Group at 31 march 2015

CONSOLIDATED INCOME STATEMENT ON A LIKE-FOR-LIKE BASIS		
Amounts in € million	1Q 2015	1Q 2014
Revenues from sales and services	84.8	84.3
Other operating income	3.4	3.4
Personnel expenses	(27.7)	(27.9)
Change in inventories	(1.3)	(1.1)
Purchase of raw materials and consumables	(2.0)	(3.3)
Costs for services	(47.8)	(45.2)
Other operating costs	(7.1)	(7.6)
Provisions and provision for bad debts	(0.4)	(1.2)
Gross operating profit (EBITDA)	**1.8**	**1.4**
Depreciation and amortisation	(3.9)	(3.6)
Gains/(losses) on disposal of non-current assets	0.1	0.0
Operating profit (loss) (EBIT)	**(2.0)**	**(2.2)**
Financial income (expenses)	(0.3)	(0.8)
Pre-tax profit (loss)	**(2.3)**	**(3.0)**
Income taxes	(0.7)	(0.8)
Net profit (loss) on a like - for - like basis	**(3.0)**	**(3.8)**
Discontinued operations	-	(0.8)
Profit (loss) from other discontinued operations	-	(1.2)
Profit (loss) attributable to non-controlling interests	(0.2)	0.1
Profit (loss) attributable to owners of the parent	**(2.8)**	**(5.8)**

The above consolidated income statement on a like-for-like basis requires the reclassification of assets sold in January 2014

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in € million	1Q 2015	1Q 2014 Restated
Revenues from sales and services	84.8	85.0
Other operating income	3.4	3.4
Personnel expenses	(27.7)	(28.4)
Change in inventories	(1.3)	(1.1)
Purchase of raw materials and consumables	(2.0)	(3.3)
Costs for services	(47.8)	(46.4)
Other operating costs	(7.1)	(7.7)
Provisions and provision for bad debts	(0.4)	(1.3)
Gross operating profit (EBITDA)	**1.8**	**0.2**
Depreciation and amortisation	(3.9)	(3.6)
Gains/(losses) on disposal of non-current assets	0.1	0.0
Operating profit (loss) (EBIT)	**(2.0)**	**(3.4)**
Financial income (expenses)	(0.3)	(0.8)
Pre-tax profit (loss)	**(2.3)**	**(4.2)**
Income taxes	(0.7)	(0.8)
Profit (loss) from continuing operations	**(3.0)**	**(5.0)**
Profit (loss) from discontinued operations	-	(0.8)
Net profit (loss)	**(3.0)**	**(5.7)**
Profit (loss) attributable to non-controlling interests	(0.2)	0.1
Profit (loss) attributable to owners of the parent	**(2.8)**	**(5.8)**

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT		
Amounts in € million	31.03.2015	31.12.2014
ASSETS		
Non-current assets		
Property plant and equipment	43.9	45.4
Goodwill	18.4	18.1
Intangible assets	58.4	59.5
Investments in associates and joint ventures	0.0	0.0
Available-for-sale financial assets	0.9	0.9
Other non-current assets	27.5	27.0
Deferred tax assets	57.7	57.7
Total	**206.8**	**208.7**
Current assets		
Inventories	5.4	6.8
Trade receivables	114.7	112.0
Other receivables	15.5	10.8
Other current assets	7.7	4.5
Cash and cash equivalents	30.8	34.5
Total	**174.2**	**168.6**
Assets held for sale	-	-
TOTAL ASSETS	**381.0**	**377.3**

GRUPPO 24 ORE

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)		
Amounts in € million	31.03.2015	31.12.2014
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	35.1	35.1
Equity reserves	83.0	98.8
Hedging and translation reserves	(0.0)	(0.0)
Other reserves	13.7	13.7
Retained earnings	(22.0)	(28.0)
Profit (loss) attributable to owners of the parent	(2.8)	(9.8)
Total	**107.0**	**109.8**
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	0.8	0.3
Profit (loss) attributable to non-controlling interests	(0.2)	0.5
Total	**0.6**	**0.8**
Total equity	**107.6**	**110.6**
Non-current liabilities		
Non-current financial liabilities	15.0	15.0
Employee benefit obligations	27.1	27.5
Deferred tax liabilities	6.7	6.7
Provisions for risks and charges	9.9	11.3
Other non-current liabilities	0.0	0.0
Total	**58.7**	**60.5**
Current liabilities		
Bank overdrafts and loans - due within one year	37.0	17.2
Financial liabilities held for trading	0.0	0.0
Trade payables	140.4	149.9
Other current liabilities	0.2	0.0
Other payables	37.2	39.1
Total	**214.7**	**206.3**
Liabilities held for sale	-	-
Total liabilities	**273.4**	**266.8**
TOTAL EQUITY AND LIABILITIES	**381.0**	**377.3**

CONSOLIDATED STATEMENT OF CASH FLOWS		
(in million of euro)	1Q 2015	1Q 2014 Restated
Pre-tax profit (loss) attributable to owners of the parent [a]	(2.1)	(5.8)
Adjustments for [b]	**1.4**	**8.1**
Profit (loss) attributable to non-controlling interests	(0.2)	0.1
Amortization and depreciation	3.9	6.8
(Gains) loss	(0.1)	0.0
Profit (loss) from discontinued operations	-	0.8
Increase (decrease) in provisions for risks and charges	(1.4)	(0.1)
Increase (decrease) in employee benefits	(0.4)	(0.0)
Income tax effects and deferred tax assets/liabilities	(0.7)	(0.2)
Financial income (expenses)	0.3	0.9
Changes in net working capital [c]	**(20.5)**	**(9.2)**
Increase (decrease) in inventories	1.3	1.2
Increase (decrease) in trade receivables	(2.6)	(22.2)
Increase (decrease) in trade payables	(9.5)	27.6
Income tax paid	-	-
Other changes in net working capital	(9.7)	(15.7)
Total cash flow used in operating activities [d=a+b+c]	**(21.2)**	**(6.9)**
Cash flow from investing activities [e]	**(1.5)**	**(1.5)**
Investments in intangible assets and property plant and equipment	(1.6)	(1.8)
Proceeds from the disposal of intangible assets and property plant and equipment	0.1	0.0
Other changes in investing activities	(0.0)	0.2
Cash flow from financing activities [f]	**2.1**	**10.5**
Net financial interest paid	(0.7)	(0.9)
Repayment of medium/long term bank loans	-	(0.1)
Changes in short-term bank loans	2.8	11.4
Cash flow absorbed during the year [g=d+e+f]	**(20.6)**	**2.1**
OPENING CASH AND CASH EQUIVALENTS	**24.8**	**(14.8)**
CLOSING CASH AND CASH EQUIVALENTS	**4.2**	**(12.7)**
INCREASE (DECREASE) FOR THE PERIOD	**(20.6)**	**2.1**

CONSOLIDATED NET FINANCIAL POSITION

Amounts in € million	31.03.2015	31.12.2014
Cash and cash equivalents	30.8	34.5
Bank overdrafts and loans due within one year	(37.0)	(17.2)
Short-term net financial position	**(6.1)**	**17.3**
Non-current financial liabilities	(15.0)	(15.0)
Fair value of hedging instruments	(0.0)	(0.0)
Medium/long-term net financial position	**(15.1)**	**(15.1)**
Net financial position	**(21.2)**	**2.2**