Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Interim Management Report at 30 September 2016

Highlights

- In 9M16, the 24 ORE Group achieved **consolidated revenue** of 208.4 million euro versus 227.4 million euro in 9M15* (-18.9 million euro). The change is attributable to the deconsolidation for 8.7 million euro of the subsidiaries Newton Management Innovation and Newton Lab. Net of the above change, consolidated revenue falls by 10.2 million euro, mainly as a result of the drop of 4.9 million euro (-5.7%) in advertising revenue, and of the drop of 3.5 million euro (-20.2%) in revenue from add-ons and print books and magazines.

- **Overall Group digital revenue** amounts to 73.8 million euro, accounting for 35.4% of total revenue (32.9% in 9M15), falling by 1.5% versus 2015. **Overall digital revenue from information content** amounts to 56.0 million euro versus 54.8 million euro (+2.2%) in 9M15.

- **Circulation revenue from the Daily** (print+digital) falls by 1.3 million euro (-2.4%) to 50.6 million euro versus 9M15. Revenue from digital information content of the Daily and of vertical newspapers grows by 2.4 million euro (+12.6%).
- **Advertising revenue**, amounting to 80.4 million euro, drops by 4.9 million euro (-5.7%) versus 9M15, due mainly to the termination of a number of third-party publisher concessions; net of this change, the area revenue is down by 3.8%. The relevant market drops by an overall 3.0% (*Nielsen January – August 2016*).
- **Revenue from the Culture Area**, amounting to 13.0 million euro, falls by 0.2 million euro (-1.9%) versus 2015, due to lower exhibition turnout.

- **Gross operating profit (EBITDA)** amounts to -25.3 million euro versus a restated -12.5 million euro in 9M15. A difference explained mainly by the drop in revenue and by non-recurring charges of 9.1 million euro, as well as by lower operating income. **EBITDA, net of non-recurring charges, amounts to -16.2 million euro**.
- **Operating profit (EBIT)** amounts to -46.9 million euro versus a restated -24.3 million euro in 2015, and includes non-recurring charges of 15.1 million euro. **EBIT, net of non-recurring charges, amounts to -31.8 million euro**.
- The Group closes 9M16 with a **net result** of 61.6 million euro, affected by the write-down of deferred tax assets for 10.4 million euro versus a restated 26.1 million euro in 2015. **Net of non-recurring charges, the net result amounts to -35.1 million euro.**

* Comparative figures for 2015 have been restated as a result of a change in an accounting standard and of various corrections of errors

- At 30 September 2016, Group **equity** stands at 16.4 million euro, decreasing by 70.8 million euro versus 87.2 million euro at 31 December 2015, as a result of the loss for the period of 61.6 million euro, of the restatement of certain comparative figures, and of other changes for a total of 9.2 million euro.

- Parent equity amounts to 18,229 thousand euro at 30 September 2016, while the share capital amounts to 35,124 thousand euro, below the limit set by art. 2446 of the Italian Civil Code.

- The Board of Directors has taken note of the financial situation and believes that, pursuant to art. 2446 of the Italian Civil Code, a General Meeting should be called without delay to take appropriate action, within the time limits of law. The new Board of Directors to be appointed by the General Meeting on 14 November 2016 is, therefore, invited to take action without delay, pursuant to the time limits of law.

- The **net financial position** comes to -40.8 million euro and includes the remaining debt of 6.6 million euro from the sale and lease back of the Bologna rotary press. The figure deteriorates by 6.9 million euro versus the restated figure of -33.9 million euro at 31 December 2015.
- In light of the business, financial and equity results reported in 9M16, the Directors have been called to make assessments on the validity of the going concern assumption in the preparation of the Interim Management Report at 30 September 2016, as they did with the Half-Year Financial Report at 30 June 2016. At their meeting on 3 November 2016, the Directors approved the 2016-2020 Business Plan, the guidelines of which had been approved last 27 September. The lenders have expressed their willingness to redefine the debt structure, and a standstill is under approval.

- The majority shareholder has expressed its willingness to take a capital increase into consideration. Notwithstanding existing material uncertainties, the Directors have prepared the Interim Management Report at 30 September 2016 on a going concern basis, as they believe that the Group will have adequate financial resources to continue to operate in the future as a going concern.

Milan, 11 November 2016. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Dr. Carlo Robiglio, approved the Interim Management Report at 30 September 2016.

Premise

The Interim Management Report at 30 September 2016 presents changes in a number of financial statement items related to 2015, previously shown in the Half-Year Financial Report at 30 June 2016.

Specifically, compared with 2015, a change has been made in the recognition of revenue from the sale of databases. The change was made in light of product and contract developments which call for a pro-rata temporis representation of revenue, applied by adopting a “retroactive" method, as required by IAS/IFRS. This recognition method is consistent with the database sale contracts, and offers a more appropriate interpretation of financial disclosures. Revenue and relevant commission costs have therefore been restated from 2012 - the period in which the products subject to change in the accounting policy started being sold - until the beginning of the current year, with a negative impact on equity of 7.5 million euro at 31 December 2015.

In 2013, a rotary press used for the printing of the Daily had been transferred to a leasing firm. The press was then leased by a supplier of the Group, who continues to use it today for the printing of our Daily. Further analysis of the contracts has led to the conclusion that the transaction as a whole may be regarded as a single sale and lease back transaction, to be accounted for in accordance with IAS 17. The change had a negative impact of 1.2 million euro on equity.

In 2008, the Group acquired the entire share capital of EMC Inc, a company that provides almost exclusively journalistic services to the Group. Given the irrelevant amount of total assets and total revenue, the company was not included in the consolidation scope. The change had a positive impact of 0.3 million euro on equity.

Additionally, an error was found in the method used in the recognition of advertising revenue from funds. This type consists in services for the online and print publication of the price of funds managed by customers. The sale agreements are all due on 31 December of the year when they were concluded. Revenue was recognized at the time the agreement was signed. Unlike the prior year, it is deemed appropriate to recognize revenue throughout the year. The change has no effect on the annual consolidated financial statements.

In accordance with IAS 8, the Group has deemed it appropriate to correct the data retroactively, by changing the comparative amounts.

First nine months of 2015 figures restated as shown above:

MAIN FIGURES OF THE 24 ORE GROUP 9M 2015							
Amounts in € million	9M 2015	Database revenue adjustment	Fund Advertising revenue adjustment	EMC consolidation	Rotary press	9M 2015 Restated	
Revenue	227.9	0.4	(1.1)	0.2		227.4	
Gross operating profit (EBITDA)	(12.5)	0.5	(1.1)	(0.0)	0.7	(12.5)	
Operating profit (loss) (EBIT)	(23.6)	0.5	(1.1)	(0.0)	(0.1)	(24.3)	
Pre-tax profit (loss)	(24.7)	0.5	(1.1)	(0.0)	(0.4)	(25.8)	
Profit (loss) for the period	(25.4)	0.5	(1.1)	(0.1)	(0.4)	(26.5)	
Profit (loss) attributable to owners of the parent	(25.0)	0.5	(1.1)	(0.1)	(0.4)	(26.1)	
Net financial position	(26.8)	-	-	0.1	(7.2)	(33.9)	(1)
Equity	87.2	(7.5)	-	0.3	(1.2)	78.8	(1)
Average number of employees	1,236	-	-	2	-	1,238	

(1) As at 31 december 2015

Main income statement, balance sheet and financial figures of the Group at 30 September 2016 versus the 9M15 restated figures:

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in € million	9M 2016	9M 2015 Restated	
Revenue	208.4	227.4	
Gross operating profit (EBITDA)	(25.3)	(12.5)	(*)
EBITDA net of non recurring charges	***(16.2)***	***(12.5)***	
Operating profit (loss) (EBIT)	(46.9)	(24.3)	
EBIT net of non recurring charges	***(31.8)***	***(24.3)***	
Pre-tax profit (loss)	(51.1)	(25.8)	
Profit (loss) from continuing operations	(61.6)	(26.5)	
Profit (loss) attributable to owners of the parent	(61.6)	(26.1)	
Profit (loss) net of non recurring charges	***(35.1)***	***(26.1)***	
Net financial position	(40.8)	(33.9)	(**)(1)
Equity attributable to owners of the parent	16.4	78.8	(1)
Average number of employees	1,229	1,238	

(1) As at 31 december 2015

(*)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.

Market environment

Market figures in 2016 continue the downward trend reported in 2015 by advertising sales and newspaper circulation.

The relevant advertising market closes the first eight months down by 3.0%. The downward trend is attributable to the negative performance of print (-5.3%), with dailies and magazines falling by 6.8% (net of the local typology) and 3.6% respectively, and to the drop of the Internet (-1.6%). Advertising revenue on Radio is the only positive performer (+1.3%, *Nielsen - January-August 2016*).

As for **circulation**, in June 2016 the ADS Board of Directors approved to **suspend** the release of monthly estimate statements on **multiple digital copies**. The suspension for dailies and weeklies runs from April. Comparisons with the prior year are made net of multiple digital copies. In the January-September 2016 period, ADS data (net of multiple copies from the start of the year) show a drop of approximately 10.5% in print circulation for the major national newspapers versus the same period of 2015. Print+digital circulation falls by 9.6%.

The latest radio audience figures (1H16) indicate a total of 35,611,000 listeners on average day, increasing by 2% (+684,000) versus 1H15 (*GFK Eurisko, RadioMonitor*).

The persisting economic crisis has adversely affected the final demand coming from the Group's main markets: businesses, households, and professionals.

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 consolidated results at 30 September 2016

In 9M16, the 24 ORE Group achieved **consolidated revenue** of 208.4 million euro versus a restated 227.4 million euro in 9M15, falling by 18.9 million euro. The change is attributable to the deconsolidation for 8.7 million euro of the subsidiaries Newton Management Innovation and Newton Lab. Net of the above change, consolidated revenue fell by 10.2 million euro, mainly as a result of the drop of 4.9 million euro (-5.7%) in advertising revenue, and of the drop of 3.5 million euro (-20.2%) in revenue from add-ons and print books and magazines.

Overall Group digital revenue amounted to 73.8 million euro, accounting for 35.4% of total revenue (32.9% in 9M15), falling by 1.5% versus 2015. **Overall digital revenue from information content** amounted to 56.0 million euro versus 54.8 million euro (+2.2%) in 9M15.

As for circulation, mention should be made of ADS's decision to suspend, as from April, the collection of data relating to the release of figures on multiple copies, pending verification of the technical procedures to assess such copies.

The multiple copies subject to suspension include copies sold to companies and professionals in the business-financial area and distributed by such subjects to their staff through the Intranet, the Internet or on tablets. In keeping with its business model, Il Sole 24 Ore holds a significant number of such type of multiple copies.

ADS data on circulation in September 2016, net of multiple copies, show a total daily circulation (print+digital) of Il Sole 24 Ore of 203 thousand average copies, 98 thousand of which digital. This is an estimate which is being closely looked at and assessed also with regard to promotional copies. Under ADS Regulations, such estimates will undergo annual assessment and certification by independent experts.

Main trends in consolidated revenue:

- Circulation revenue from the Daily (print+digital) fell by 1.3 million euro (-2.4%) versus 9M15. Revenue from digital information content of the Daily and of vertical newspapers grew by 2.4 million euro (+12.6%).
- Advertising revenue, amounting to 80.4 million euro, dropped by 4.9 million euro (-5.7%) versus 9M15, due mainly to the termination of a number of third-party publisher concessions; net of this change, the area revenue was down by 3.8%. The relevant market dropped by an overall 3.0% (*Nielsen January–August 2016*).
- Revenue from Tax & Legal databases fell by -5.2% or 1.6 million euro. The various business lines reported different downward patterns: a more moderate drop in Tax and Employment, a sharper drop in Law, Construction and PA.
- Revenue from the Education & Services Area amounted to 13.2 million euro, down by 8.3 million euro as a result of the deconsolidation of the Newton subsidiaries; net of the change in the consolidation scope, revenue was up by 3.1%.
- Revenue from the Culture Area, amounting to 13.0 million euro, fell by 0.2 million euro, or -1.9% versus 2015. Specifically, 13 exhibitions were organized in 9M16 versus 11 exhibitions in 9M15, with total number of visitors down. The decline in revenue from exhibitions was partly offset by other MUDEC activities.
- Revenue from the sale of add-ons, books and print magazines, amounting to 13.7 million euro, dropped by 20.2% versus 2015, as a result of the reduction of the portfolio of print products.

Direct and operating costs amounted to 148.4 million euro, falling by 19.3 million euro (-11.5%) versus the restated figure of 9M15, 8.1 million euro of which due to the deconsolidation of the Newton subsidiaries. The main decreasing cost items were:

- promotional and marketing expenses, down by 5.1 million euro (-29.1%), as a result of lower marketing costs for the Daily (-3.2 million euro), and of lower advertising costs of the Culture Area, due to slower business activity (-1.1 million euro);
- costs for the production of exhibitions of the Culture Area, down by 3.0 million euro;
- advertising fees to third-party publishers, down by 2.1 million euro (14.4%), as a result of the reduction in titles under concession;
- property management costs (rent, co-owned property fees and other), down by 0.9 million euro (-6.6%), 0.7 million euro of which related to the termination of the rental agreement on the Pero offices as from July 2016.

The main increasing costs items were:

- sale costs, up by 0.6 million euro (+3.0%). Specifically, agency sale costs increased by 1.0 million euro, due to the recognition of charges arising from the FIGC-Infront agreement on advertising sales for the Italian football team over the 2015-2018 four-year period;

- contractual charges of 1.7 million euro following departure from the Pero/MI offices.

Personnel expense, amounting to 84.8 million euro, was up by 6.5 million euro versus 9M15. The increase is attributable specifically to non-recurring charges of 7.4 million euro, 5.5 million euro of which for restructuring costs and 1.9 million euro for non-recurring charges from the departure of the Group CEO and the CEO of 24 ORE Cultura S.r.l.. Overall, personnel expense, net of non-recurring charges, dropped by 0.9 million euro, due mainly to the reduction in average headcount (related partly to the deconsolidation of Newton subsidiaries) and to the increased use of holidays. Average headcount came to 1,229 units, down by 9 units; net of the deconsolidation of the Newton subsidiaries, average headcount increased by 5 units. The increase is attributable to the application of the Jobs Act, which has allowed atypical contracts to be converted into permanent employment contracts, taking advantage of the reduction in social contributions under the law, with basically no increase in costs.

Gross operating profit (EBITDA) amounted to -25.3 million euro versus a restated -12.5 million euro in 9M15. A difference explained mainly by the drop in revenue and by non-recurring charges of 9.1 million euro, as well as by lower operating income. EBITDA, net of non-recurring charges, amounted to -16.2 million euro.

Operating profit (EBIT) amounted to -46.9 million euro versus a restated -24.3 million euro in 2015, and includes non-recurring charges of 15.1 million euro.

EBIT, net of non-recurring charges, amounted to -31.8 million euro. Amortization and depreciation amounted to 15.6 million euro versus 13.0 million euro in 9M15, up by 2.6 million euro, due mainly to the changed estimate of the useful life of certain intangible assets. EBIT includes non-recurring charges from the deconsolidation of Newton for 2.8 million euro, and losses of 2.1 million euro mainly from the disused assets following departure from the Pero offices as a result of the early termination of the lease. EBIT was also impacted by the write-off of software and licenses for 0.9 million euro, and by the impairment of goodwill of the Culture Area for 0.2 million euro.

Profit before tax came to -51.1 million euro versus a restated -25.8 million euro in 9M15. The result was affected by financial charges of 4.2 million euro (2.9 million euro in the restated figure of 9M15), which included the non-recurring charges of 1.0 million euro from the early cash-in of the vendor loan. 9M15 had benefited from interest income of 1.4 million euro from the vendor loan.

Income taxes amounted to -10.6 million euro (-0.7 million euro in 9M15). Deferred tax assets were written down by 10.4 million euro, based on an estimate of the probability to recover recognized assets relating to losses carried forward.

The result attributable to the owners of the parent came to -61.6 million euro versus a restated 26.1 million euro in 2015. Net of non-recurring charges, the net loss amounted to -35.1 million euro.

The **net financial position** came to -40.8 million euro, which includes the remaining debt of 6.8 million euro relating to the recognition of the sale and lease back of the Bologna rotary press, versus a restated -33.9 million euro at 31 December 2015, deteriorating by 6.9 million euro. Mention should be made of the early cash-in of the vendor loan of 24.5 million euro in March 2016.

Significant events after 30 September 2016

On 2 October 2016, the meeting of the Board of Directors of Il Sole 24 Ore S.p.A., attended by Luigi Abete, Nicolò Dubini, Marcella Panucci and Carlo Robiglio, with the absence of CEO Gabriele Del Torchio for health reasons, and Board Member Maria Carmela Colaiacovo, called on the request of three board members in accordance with art. 25 of the by-laws, confirmed their utmost confidence in CEO Gabriele Del Torchio and took note of the irrevocable resignation effective from 30 September 2016 of board members Giorgio Squinzi, Mauro Chiassarini, Claudia Parzani, Carlo Pesenti, and Livia Pomodoro.

Additionally, the Board took note of the resignation tendered last 1 October of Maria Carmela Colaiacovo, who remains a member of the Board of Directors under prorogatio pursuant to art. 2385 of the Italian Civil Code, appointed Board Member Carlo Robiglio as Chairman of the Board of Directors and, on a proposal from Chairman Robiglio, appointed Board Member Luigi Abete as Vice-Chairman.

Chairman Robiglio and Vice-Chairman Abete accepted their respective interim roles, stating their willingness to hold these positions only until the next General Meeting. The Board of Directors assigned Chairman Robiglio the same powers previously held by the outgoing Chairman, in order to preserve the existing balance among the powers granted to the various company roles.

The Meeting called the Ordinary General Meeting in the minimum time provided by the current by-laws on 14 November 2016 at 10.00 AM on first call, and on 21 November, same time. on second call, to resolve on the appointment of the Board of Directors.

On 19 October 2016, Consob, together with the Italian Finance Police, launched an audit process to acquire useful information on circulation figure collection procedures and the relevant sales figures, on the impact of circulation figures on staff remuneration and on the sale of advertising space and, to conclude, on the business dealings between the 24 ORE Group and Di Source Ltd.

On 24 October 2016, Il Sole 24 Ore S.p.A. informed Borsa Italiana S.p.A. of the candidates on the single list filed for the appointment of the new Board of Directors scheduled at the Shareholders' Meeting to be held on 14 November 2016 on first call, and on 21 November 2016 on second call. The list has been filed by the shareholder Confindustria and includes: Luigi Abete, Francesca Di Girolamo, Giorgio Fossa, Edoardo Garrone, Luigi Gubitosi, Giuseppina Mengano Amarelli, Patrizia Elvira Micucci, Marcella Panucci, Carlo Robiglio, Livia Salvini and Massimo Tononi.

On 3 November 2016, the Board of Directors approved the 2016-2020 Business Plan, based on the guidelines approved on 27 September 2016.

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The Board of Directors has taken note of the financial situation and believes that, pursuant to art. 2446 of the Italian Civil Code, a General Meeting should be called without delay to take appropriate action, within the time limits of law. The new Board of Directors to be appointed by the General Meeting on 14 November 2016 is, therefore, invited to take action without delay, pursuant to the time limits of law.

Directors' assessment on the going concern assumption and business outlook

Premise

In light of the business, financial and equity results reported in 9M16, the Directors have been called to make assessments on the validity of the going concern assumption in the preparation of the Interim Management Report at 30 September 2016, as they did with the Half-Year Financial Report at 30 June 2016.

Specifically, the current material uncertainties may cast significant doubts on the validity of the going concern assumption, related in particular to the following aspects:

- business performance: 9M16 ended with highly negative results that deviate from the latest budget forecasts for 2016, even taking the negative effects of seasonality into consideration. This situation is expected to continue until year end;
- financial position: Group current assets and liabilities show an imbalance, with significant liquidity absorption and failure to meet the financial covenants contained in the loan agreement in place with the pool of banks;
- equity position: Group equity is heavily eroded. Specifically, at 30 September 2016, Il Sole 24 ORE S.p.A. equity amounts to 18,229 thousand euro, while the share capital amounts to 35,124 thousand euro, below the limit set by art. 2446 of the Italian Civil Code.

Business performance

The current year's performance and full-year estimates deviate significantly from the budget forecasts for 2016, based on the 2015-2019 Business Plan approved by the Board of Directors on 13 March 2015. As this Plan was deemed unfulfilled and unenforceable, a new business plan was prepared.

At their meeting on 3 November 2016, the Directors approved the 2016-2020 Business Plan, the guidelines of which had been approved last 27 September. The Plan was submitted to an independent business review (IBR) performed by Deloitte FA S.r.l. as independent expert, based on the opinion of whom the Plan sets out measures to achieve greater operational efficiency and cost saving, such as to achieve incremental margins versus the amounts of 2016. However, the Group's relevant market, Publishing & Digital in particular, is clearly marked by uncertainty and risk, factors that cannot rule out even a significant deviation from the revenue and margin forecasts envisaged in the Plan. The experts believe that, if such negative scenarios were to occur, Management should consider taking stronger action on the cost front in order to absorb any reduction in revenue and margins.

Financial position

Available credit lines

In order to meet its short-term financial requirements, the Group currently has total available and usable credit lines of 78.0 million euro; specifically:

- 5.5 million euro relating to revocable credit lines for current account overdrafts, subject to collection and unsecured, at an average interest rate of 3.48%;
- 2.5 million euro relating to revocable credit lines for hot money that may be used to meet short-term temporary financial requirements, at an interest rate of 1.95%;
- 20.0 million euro relating to borrowing facilities for advances in trade receivables;
- 50.0 million relating to the syndicated loan for a duration of 36 months from its signing in October 2014, at a Euribor interest rate +5.50%.

At 30 September 2016, credit lines drawn down amounted to 69.4 million euro; the remaining lines and available cash amount to 44.8 million euro.

The Group currently has available and usable credit lines of 78.0 million euro, deemed insufficient to meet the expected total financial requirements for 2017 and 2018 and, specifically, to repay the syndicated loan of 50.0 million euro due on 23 October 2017. The securitization transaction, which contributes significantly to optimizing net working capital, falls due in May 2018.

Medium-term syndicated loan

On 23 October 2014, the Group concluded a medium-term syndicated loan with its main lenders.

The loan consists of a revolving cash credit line amounting to 50.0 million euro, granted by a pool of banks including Intesa Sanpaolo, Banca Popolare di Milano, Banca Popolare di Sondrio, Banca Monte Paschi di Siena and Credito Valtellinese; Banca IMI acts as coordinator and agent bank.

The loan has a 3-year duration from the signing date; repayment must be made on the due date of each drawdown, every 1, 3 and 6 months and, in any event, on the final due date for the total exposure of the loan. The interest margin on the loan is the Euribor rate +5.50%.

The loan does not require any collateral or compulsory security, but has financial covenants recognized at a consolidated level. The initial structure of the covenants was changed on 27 July 2015 in agreement with the lenders, and is as follows:

- the NFP/equity ratio must not exceed 0.75 for the entire duration of the loan;
- the net financial position must not exceed a negative 30.0 million euro at 30 June 2015, at 31 December 2015 and at 30 June 2016;
- EBITDA must not exceed a negative 3.0 million euro at 30 June 2015 and at 31 December 2015, and must be greater or equal to zero at 30 June 2016;
- the NFP/EBITDA ratio must not exceed:

    3.0 at 31 December 2016;
    3.0 at 30 June 2017.

Failure to meet even one of the covenants results solely in the right to early withdrawal from the loan by the lenders. However, 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.

A clean-down clause is also envisaged, under which from 2015 the total use of the credit line must be reduced at least once a year by an amount not exceeding 30% of the total amount agreed for at least three consecutive business days. The clean down for the current year was performed on 5 April 2016.

State of relations with the financial system

At 30 June 2016, as a result of extraordinary and one-off events, of external factors and of various market trends that specifically marked the second quarter of the year, the Group requested the lenders to suspend the application of the EBITDA-related financial covenant for the calculation date of 30 June 2016 relating to the above syndicated loan.

On 2 August 2016, the lenders accepted the Group's request and confirmed the approval by their decision-making bodies to suspend the application of the EBITDA-related financial covenant solely for the calculation date of 30 June 2016.

In consideration of the negative net financial position of 29.6 million euro and the negative equity of 28.2 million euro at 30 June 2016, calculated following approval of the above waiver, non-compliance also resulted with the NFP/equity-related financial covenant, which must not exceed 0.75 for the entire duration of the loan. On 26 September 2016, the lenders participating in the pool received notice of the failure to meet the financial covenants, requesting their willingness to make arrangements for a meeting to explain the reasons for such failure and to redefine the loan, in line with the forecasts of the 2016-2020 Business Plan.

On 6 October 2016, the Company Management met the pool of lenders to illustrate the results of the Half-Year Financial Report at 30 June 2016 and to share the guidelines of the 2016-2020 Business Plan approved by the Board of Directors on 27 September 2016.

In order to have the time required to negotiate and redefine the loan agreement in line with the new Business Plan, the Group requested the lenders to freeze fundings and borrowing facilities in place, allowing the renewal of all existing utilizations, also in view of the forthcoming appointment of the new Board of Directors, to take place at the General Meeting of 14 November 2016. The lenders announced that such a derogation from the loan agreement should be approved by the respective decision-making bodies.

The Group also requested the other banks, where it holds borrowing facilities, advances or loan guarantees, to freeze their respective credit lines.

Equity position

With regard to Group equity, which came to 28.2 million euro at 30 June 2016 and to 16.3 million euro at 30 September 2016, shareholders were called to take action through a statement of willingness to increase the share capital, in order to provide the Group with adequate resources to meet short-term financial requirements and to meet any repayment of the syndicated loan at maturity, as well as to ensure a balanced equity/debt ratio.

In this regard, on 29 September 2016, the majority shareholder expressed its willingness to take into consideration, also in light of the financial and equity requirements envisaged in the Business Plan, any action on the share capital as may be necessary to allow continuity as a going concern.

Il Sole 24 ORE S.p.A. equity at 30 September 2016 amounts to 18,229 thousand euro, while the share capital amounts to 35,124 thousand euro, decreasing by over a third and finding itself in the position set out in art. 2446 of the Italian Civil Code.

Directors' conclusions on continuity as a going concern

Acknowledging the above situation, the Directors accordingly took the following steps:

- on 29 September 2016, the majority shareholder expressed its willingness to consider taking, also in light of the financial and equity requirements envisaged in the 2016-2020 Business Plan, any action on the share capital as may be necessary to allow continuity as a going concern;

- on 3 November 2016, the Board of Directors approved the 2016-2020 Business Plan, submitted to an independent business review (IBR) performed by an independent expert, the guidelines of which had been previously approved by the Board of Directors last 27 September 2016;

- the lenders were asked to freeze fundings and borrowing facilities in place, allowing the renewal of all existing utilizations.

Based on the above, notwithstanding the mentioned material uncertainties regarding the business performance and financial and equity position of the Group, confident of (i) the ability to implement the actions envisaged in the 2016-2020 Business Plan, approved by the Board of Directors on 3 November 2016, (ii) the possibility of redefining the terms of the loan agreements with the lenders consistent with the requirements set out in the proposed 2016-2020 Business Plan, (iii) the majority shareholder's support as may be necessary to maintain short and medium-long term equity and financial balance, consistent with the forecasts set out in the 2016-2020 Business Plan, (iv) that all the foregoing points take place in an appropriate and necessary timeframe, the Directors have prepared this Interim Management Report on a going concern basis, as they believe that the Group will have adequate financial resources to continue to operate in the future as a going concern.

Business outlook

The economy is slowly improving, with expected growth in 2016 recently revised downwards from beginning-of-year forecasts. This estimate is lower than the forecast at end 2015, which had pointed to a 1.4% increase in GDP *(Confindustria Study Centre).*

Looking at the advertising market, the summer period continued the drop witnessed in 2015 by advertising sales on newspapers and magazines. Forecasts for 2016 remain rather uncertain to date, and confirm a further decline in advertising sales on newspapers and magazines, and a slight growth by Radio. Internet is expected to grow, driven by the Over the Top, Google and Facebook in particular, which account for about two thirds of the market, while Internet advertising sales regarding publishers is expected to slightly fall.

At its meeting on 3 November 2016, the Board of Directors approved the 2016-2020 Business Plan, which was reviewed by an independent expert (IBR).

The Business Plan predicts a return to positive results starting from 2017 (EBITDA greater than zero), with revenue basically stable and a 3% CAGR in the time span of the Plan, based therefore on a challenging plan to curb and control all costs.

In 2016, the Group will continue to focus more on developing digital products, driven by the increasing integration of all the professional content from Il Sole 24 Ore, in order to alleviate the drop in traditional print publishing.

The Group continues to keep a sharp eye on its relevant market, still marked by a high degree of uncertainty, regarding the advertising market in particular. The latest full-year forecasts, to date and in the absence of unpredictable events at this time, suggest that the results of the last quarter of the year may basically confirm the loss at 30 September 2016.

GRUPPO 24 ORE

SUPPLEMENTS REQUIRED BY CONSOB PURSUANT TO ART. 114 OF LEGISLATIVE DECREE 58/1998, OF 27 MAY 2013

Net financial position of Il Sole 24 ORE S.p.A. and the 24 ORE Group, with separate disclosure of current and non-current components

Consolidated net debt

NET DEBT		
(in thousands of euro)	30.09.2016	30.12.2015 Restated
A. Cash in hand	36	120
B. Other cash and cash equivalents (bank and post office accounts)	36,100	39,078
C. Securities held for trading	-	-
D. Liquidity (A) + (B) + (C)	**36,136**	**39,198**
E. Current loan assets	**815**	**-**
F. Current portion of amounts due to banks	(19,268)	(15,457)
G. Current portion of non-current loans	(51,035)	(50,996)
H. Other current loans and borrowings	(1,199)	-
I. Current debt (F)+(G)+(H)	**(71,502)**	**(66,453)**
J. Net current debt (I) – (E) – (D)	**(34,551)**	**(27,255)**
K. Non-current bank loans and borrowings	(6,296)	(6,687)
L. Bonds issued	-	-
M Other non-current borrowings	-	-
N. Non-current debt (K) + (L) + (M)	**(6,296)**	**(6,687)**
O. Net debt (J) + (N)	**(40,847)**	**(33,942)**

Group net debt amounts to -40.8 million euro at 30 September 2016 versus the restated figure of 33.9 million euro at 31 December 2015, deteriorating by 6.9 million euro. The change in 9M16 is mainly attributable to the negative cash flow from operations, to operating investments and to the payment of non-recurring charges.

Mention should be made of the early cash-in of the vendor loan of 24.5 million euro in March 2016, referring to the portion of the deferred payment of the price for the disposal of the Software Area in March 2016.

Net debt of the Parent Il Sole 24 ORE S.p.A. is shown below, with separate disclosure of current and non-current components:

Net debt of the Parent Il Sole 24 ORE S.p.A.

NET DEBT		
(in thousands of euro)	30.09.2016	30.12.2015 Restated
A. Cash in hand	20	51
B. Other cash and cash equivalents (bank and post office accounts)	33,382	33,248
C. Securities held for trading	-	-
D. Liquidity (A) + (B) + (C)	**33,402**	**33,299**
E. Current loan assets	**13,894**	**17,262**
F. Current portion of amounts due to banks	(19,268)	(14,486)
G. Current portion of non-current loans	(51,035)	(50,980)
H. Other current loans and borrowings	(5,780)	(7,324)
I. Current debt (F)+(G)+(H)	**(76,083)**	**(72,790)**
J. Net current debt (I) – (E) – (D)	**(28,787)**	**(22,229)**
K. Non-current bank loans and borrowings	(6,296)	(6,687)
L. Bonds issued	-	-
M Other non-current borrowings	-	-
N. Non-current debt (K) + (L) + (M)	**(6,296)**	**(6,687)**
O. Net debt (J) + (N)	**(35,083)**	**(28,916)**

The net debt of the Company amounts to -35.1 million euro at 30 September 2016 versus a restated -28.9 million euro at 31 December 2015, deteriorating by 6.2 million euro.

The change in net debt is attributable to the negative cash flow from operations, to operating investments and to the payment of non-recurring charges.

Mention should be made of the early cash-in of the vendor loan of 24.5 million euro, referring to the portion of the deferred payment of the price for the disposal of the Software Area in March 2016.

GRUPPO 24 ORE

Amounts due from the Company and its Group, split up by nature (financial, trade, tax, social security and to employees) and any associated action by creditors (reminders, orders for payment, suspended deliveries, etc.)

Amounts due from the 24 ORE Group split up by nature

AMOUNTS DUE FROM THE 24 ORE GROUP										
	Dues split up by days overdue							total due	Due	Total
(in thousands of euro)	0-30	31-60	61-90	91-120	121-150	151-180	By more than 180 days			
Loans and borrowings	-	-	-	-	-	-	-	-	77,798	77,798
Trade payables	11,478	408	835	154	137	286	1,990	15,288	112,830	128,118
Social security institutions	-	-	-	-	-	-	-	-	4,093	4,093
Payables to employees	-	-	-	-	-	-	-	-	23,070	23,070
Tax liabilities	-	-	-	-	-	-	-	-	2,760	2,760

Amounts due from Il Sole 24 Ore S.p.A. split up by nature

AMOUNTS DUE FROM IL SOLE 24 ORE S.p.A.										
	Dues split up by days overdue							total due	Due	Total
(in thousands of euro)	0-30	31-60	61-90	91-120	121-150	151-180	By more than 180 days			
Loans and borrowings	-	-	-	-	-	-	-	-	82,378	82,378
Trade payables	10,860	294	728	110	97	171	1,500	13,760	107,305	121,065
Social security institutions	-	-	-	-	-	-	-	-	3,622	4,093
Payables to employees	-	-	-	-	-	-	-	-	22,335	22,335
Tax liabilities	-	-	-	-	-	-	-	-	2,584	2,760

Amounts due from the 24 ORE Group and the Parent Il Sole 24 ORE S.p.A. refer to trade payables past due mainly from 0 to 30 business days.

Regarding action by creditors, mention should be made that the reminders received fall into ordinary administrative activities. We have no evidence at this time of orders for payment served referring to the above amounts due; no suspended delivery has been made such as to affect normal business operations.

GRUPPO 24 ORE

Main changes in related party transactions of the Company and its Group since the latest Annual or Half-Year Financial Report approved, pursuant to art. 154-ter of the TUF

Related parties of the Group

RELATED PARTIES - 24 ORE GROUP								
Company	Trade and other receivables	Loan assets	Trade and other payables	Loans and borrowings	Revenue and operating income	Costs	Financial income	Financial expense
Confederazione Generale dell'Industria Italiana (Confederation of Italian Industry)	26	-	-	-	80	-	-	-
Total Ultimate Parent	**26**	**-**	**-**	**-**	**80**	**-**	**-**	**-**
Newton Management Innovation	7	326	(17)	-	43	(218)	10	-
Newton Lab	-	511	(58)	-	20	(102)	12	-
joint venture companies	**7**	**837**	**(76)**	**-**	**63**	**(320)**	**22**	**-**
Sipi S.p.A.	14	-	(24)	-	48	(70)	-	-
Key management personnel	-	-	(186)	-	-	(3,343)	-	-
Other managers	-	-	(1,069)	-	-	(4,471)	-	-
Board of Directors	-	-	(490)	-	-	(727)	-	-
Board of Statutory Auditors	-	-	(188)	-	-	(188)	-	-
Other related party persons	-	-	(209)	-	5	(931)	-	(32)
Total other related parties	**14**	**-**	**(2,166)**	**-**	**53**	**(9,729)**	**-**	**(32)**
Total related parties	**48**	**837**	**(2,241)**	**-**	**196**	**(10,048)**	**22**	**(32)**

Trade and other receivables refer mainly to:

- sale of daily newspapers, books and magazines;
- sale of computer-based products by subscription;
- sale of advertising space.

Financial receivables refer to current accounts relating to cash management agreements with Newton Management Innovation S.p.A. and Newton Lab S.r.l.. To its credit balances, the Parent applies a one-month Euribor interest rate at a 365 basis +5.5%. To its debit balances, the Parent applies a one-month Euribor interest rate at a 365 basis.

Trade and other payables refer mainly to payables for event management and editorial costs.

Revenue refers mainly to the sale of advertising space in the Group's titles and subscriptions to the Daily Newspaper.

Costs refer mainly to editorial services, press agency information, development of digital radio broadcasting, and management of events and training.

Costs include factoring fees of 102 thousand euro. Financial charges refer to the sale of receivables.

Key management personnel are two heads of business and two central unit managers. Costs refer to salaries, social security contributions and treatment of post-employment benefits. These costs include charges from the departure of the previous CEO.

Related parties of Il Sole 24 Ore S.p.A.

RELATED PARTY TRANSACTIONS - IL SOLE 24 ORE S.p.A.								
Company	Trade and other receivables	Loan assets	Trade and other payables	Loans and borrowings	Revenue and operating income	Costs	Financial income	Financial expense
Confederazione Generale dell'Industria Italiana (Confederation of Italian Industry)	26	-	-	-	80	-	-	-
Total Ultimate Parent	**26**	**-**	**-**	**-**	**80**	**-**	**-**	**-**
Il Sole 24 ORE Trading Network S.p.A.	544	37	(1,307)	(833)	544	(8,954)	1,037	-
Il Sole 24 ORE Uk Ltd	-	-	(189)	-	-	(463)	800	-
24 Ore Cultura S.r.l.	490	10,357	(1,435)	-	511	(445)	487	-
Food 24 S.r.l.	-	983	(22)	-	-	(20)	39	-
EMC	-	-	(198)	-	-	(731)	-	-
Next 24 S.r.l	30	1,863	(401)	-	30	(401)	59	-
Ticket 24ORE S.r.l.	1,276	-	(78)	(3,748)	-	(78)	-	-
BacktoWork 24 S.r.l.	52	475	-	-	52	-	25	-
Total subsidiaries	**2,391**	**13,716**	**(3,629)**	**(4,580)**	**1,137**	**(11,092)**	**2,447**	**-**
Newton Managment Innovation S.p.A.	7	326	(17)	-	13	(218)	10	-
Newton Lab S.r.l.	-	511	(58)	-	20	(102)	12	-
Total associates	**7**	**837**	**(61)**	**-**	**34**	**(305)**	**22**	**-**
Sipi S.p.A.	14	-	(24)	-	48	(70)	-	-
Key management personnel	-	-	(186)	-	-	(3,343)	-	-
Other managers	-	-	(698)	-	-	(3,900)	-	-
Board of Directors	-	-	(448)	-	-	(685)	-	-
Board of Statutory Auditors	-	-	(150)	-	-	(150)	-	-
Other related party persons	-	-	(209)	-	5	(931)	-	(32)
Total other related parties	**14**	**-**	**(1,715)**	**-**	**53**	**(9,079)**	**-**	**(32)**
Total related parties	**2,439**	**14,553**	**(5,405)**	**(4,580)**	**1,303**	**(20,476)**	**2,469**	**(32)**

Financial receivables refer to:

- current accounts with the subsidiaries 24 ORE Cultura S.r.l., Food 24 S.r.l., Next24 S.r.l., Ticket 24 ORE S.r.l., Il Sole 24 ORE Trading Network S.p.A. and Backtowork S.r.l. to maximize the yield of cash deposits of subsidiaries. To its credit balances, the Parent applies a one-month Euribor interest rate at a 365 basis +5.5%. To its debit balances, the Parent applies a one-month Euribor interest rate at a 365 basis;

- current accounts referring to cash management dealings with Newton Management Innovation S.p.A. and Newton Lab S.r.l.. To its credit balances, the Parent applies a one-month Euribor interest rate at a 365 basis +5.5%. To its debit balances, the Parent applies a one-month Euribor interest rate at a 365 basis.

Trade and other receivables refer mainly to:

- receivables from Backtowork S.r.l. for centralized services and the sale of advertising space;
- receivables from Ticket24 ORE S.r.l. under tax consolidation;
- receivables from 24 ORE Trading Network S.r.l. for centralized services;
- receivables from Next24 for centralized services;
- receivables from Newton Management Innovation S.p.A. for conference services;
- receivables from Sipi S.p.A. for advertising sales.

Trade and other payables refer mainly to:

- payables to the subsidiary Il Sole 24 ORE UK Ltd. for brokerage relating to the sale of advertising space in the UK;
- payables to the subsidiary Il Sole 24 ORE Trading Network S.p.A. for business activities relating to the sale of Sole products and for payables under tax consolidation;
- payables to the subsidiary 24 ORE Cultura S.r.l. for business services and payables under tax consolidation;
- payables to the subsidiary Next 24 S.r.l. for the provision of business services;
- payables to the subsidiary Ticket 24 ORE S.r.l. relating to the business services agreement;
- payables to Newton Management Innovation S.p.A. for production services.

Financial payables refer to the current accounts with the subsidiary Il Sole 24 ORE Trading Network S.p.A and with 24 ORE Ticket S.r.l.

Revenue and operating income refer mainly to:

- charging of centralized services to Group companies;
- sale of daily newspapers, books and magazines;
- sale of computer-based products by subscription;
- sale of advertising space in Group titles.

Costs refer mainly to:

- a contractual agreement with the subsidiary Il Sole 24 ORE UK Ltd. for brokerage relating to the sale of advertising space in the UK;
- a contractual agreement with the subsidiary Il Sole 24 ORE Trading Network S.p.A. for business activities relating to the sale of Sole products;
- operations services (operational planning and coordination, sales management and customer services);

- costs for the development of digital radio broadcasting;
- costs for management of events and training;
- costs for press agency and editorial consulting.

Costs include factoring fees of 102 thousand euro. Financial charges refer to the sale of receivables.

Key management personnel are two heads of business and two central unit heads. Costs refer to salaries, social security contributions and treatment of post-employment benefits. These costs include charges from the departure of the previous CEO.

Financial income refers to interest income on the financial receivables above and to the cash-in of the dividend of 1 million euro distributed by Il Sole 24ORE Trading and of 800 thousand euro by Il Sole 24 ORE UK Ltd.

From the latest Half-Year Financial Report approved on 30 September 2016, changes in related party transactions of the 24 ORE Group and the Parent Il Sole 24 ORE S.p.A. are as follows:

1. Key management personnel dropped from 5 to 4 units following the departure of a manager on 14 September 2016;
2. Other related party managers have decreased by three units following the departure of two managers of the Parent and of a manager of a subsidiary.

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

The loan agreement concluded with a pool of banks on 23 October 2014 does not require any collateral or compulsory security, but has financial covenants recognized at a consolidated level. The initial structure of the covenants was changed on 27 July 2015 in agreement with the lenders, and is currently as follows:

- the NFP/equity ratio must not exceed 0.75 for the entire duration of the loan;
- the net financial position must not exceed a negative 30.0 million euro at 30 June 2015, at 31 December 2015 and at 30 June 2016;
- EBITDA must not exceed a negative 3.0 million euro at 30 June 2015 and at 31 December 2015, and must be greater or equal to zero at 30 June 2016;
- the NFP/EBITDA ratio must not exceed:

    3.0 at 31 December 2016;
    3.0 at 30 June 2017.

Failure to meet even one of the covenants results solely in the right to early withdrawal from the loan by the lenders. However, 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 30 June 2016, as a result of extraordinary and one-off events, of external factors and of various market trends that specifically marked the second quarter of the year, the Group requested the lenders to suspend the application of the EBITDA-related financial covenant for the calculation date of 30 June 2016 relating to the above syndicated loan.

On 2 August 2016, the lenders accepted the Group's request and confirmed the approval by their decision-making bodies to suspend the application of the EBITDA-related financial covenant solely for the calculation date of 30 June 2016.

In consideration of the negative net financial position of 29.6 million euro and the negative equity of 28.2 million euro at 30 June 2016, calculated following approval of the above waiver, non-compliance also resulted with the NFP/equity-related financial covenant, which must not exceed 0.75 for the entire duration of the loan. On 26 September 2016, the lenders participating in the pool received notice of the failure to meet the second covenant, requesting their willingness to make arrangements for a meeting to explain the reasons for such failure and to redefine the loan structure, in line with the forecasts of the 2016-2020 Business Plan.

In November, in order to have the time required to negotiate and redefine the loan agreement in line with the new Business Plan, the Group requested the lenders to freeze fundings and borrowing facilities in place, allowing the renewal of all existing utilizations, also in view of the forthcoming appointment of the new Board of Directors, to take place at the General Meeting of 14 November 2016. The freezing of the borrowing facilities was requested while maintaining unchanged the payment of financial charges at the due dates agreed with the lenders, who announced that such a derogation from the loan agreement should be approved by the respective decision-making bodies.

The Group also requested the other banks, where it holds borrowing facilities, advances or loan guarantees, to freeze their respective credit lines.

The Group currently has no limits in the use of available credit lines.

As for the measurement of the covenants at the updated date of 30 September 2016, which is, however, by contract not the review date, the above financial parameters regarding the net debt/equity and NFP/EBITDA ratio have not been met, given EBITDA of -25.4 million euro, a net financial position of -40.8 million euro and equity of 16.4 million euro.

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

On 17 February 2016, the Board of Directors approved the 2016 Budget, which indicated a downward correction of result targets from the 2016 forecasts contained in the 2015-2019 Business Plan approved by the Board of Directors on 13 March 2015. The correction, however, was not deemed significant for EBITDA forecasts for 2016.

The Board of Directors, therefore, decided not to prepare a new business plan and confirmed the targets set in the 2015-2019 Business Plan, approving on 16 March 2016 the “2016-2019 Strategic Guidelines", which pointed to:

- confirming the achievement of a 10% EBITDA Margin in 2019;
- an average 3.5% growth rate of revenue;
- reducing net debt over the planned time period.

However, the significant negative deviations from the Budget forecasts for 2016, disclosed in the Group's results at 30 June 2016, rendered the 2015-2019 Plan unfulfilled; accordingly, a new 2016-2020 Business Plan was prepared and approved on 3 November 2016, based on the guidelines approved on 27 September 2016. Specifically, the Plan points to:

- a rebalancing of the business-financial structure of the Group through effective cost curbing and operational efficiency action;
- measures to adopt on the current loss-making areas;
- emphasis on quality positioning and on the strategic role of the Daily;
- positive cash flows to drive growth from 2019;
- generation of positive results, enhancing the Group's assets and the strength of the Brand: positive EBITDA from 2017 and a profit in 2019 (10% EBITDA Margin in 2020);
- stabilization of revenue, with a 3% CAGR forecast during the Business Plan;
- a share capital increase such as to make the Business Plan financially self-sufficient.

The 2016-2020 Business Plan was submitted to an independent business review (IBR) by an independent expert, based on the opinion of whom the Plan sets out measures to achieve greater operational efficiency and cost saving, such as to achieve incremental margins versus the amounts of 2016. However, the Group’s relevant market, Publishing & Digital in particular, is clearly marked by uncertainty and risk, factors that cannot rule out even a significant deviation from the revenue and margin forecasts envisaged in the Plan. The experts believe that, if such negative scenarios were to occur, Management should consider taking stronger action on the cost front in order to absorb any reduction in revenue and margins.

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.

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Consolidated Financial Statements of the 24 ORE GROUP at 30 September 2016
Financial Statements

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in € million	9M 2016	9M2015 Restated
Revenue	208.4	227.4
Other operating income	2.9	8.5
Personnel expenses	(84.8)	(78.3)
Change in inventories	(1.2)	(1.2)
Purchase of raw materials and consumables	(7.8)	(7.9)
Costs for services	(115.8)	(136.4)
Other operating costs	(23.5)	(22.2)
Provisions and provision for bad debts	(3.5)	(2.3)
Gross operating profit (EBITDA)	**(25.3)**	**(12.5)**
Depreciation and amortisation	(19.5)	(13.0)
Gains/(losses) on disposal of non-current assets	(2.1)	1.1
Operating profit (loss) (EBIT)	**(46.9)**	**(24.3)**
Financial income (expenses)	(3.9)	(1.4)
Income (expenses) from investments	(0.2)	-
Pre-tax profit (loss)	**(51.1)**	**(25.8)**
Income taxes	(10.5)	(0.7)
Profit (loss) from continuing operations	**(61.6)**	**(26.5)**
Profit (loss) from discontinued operations	-	-
Net profit (loss)	**(61.6)**	**(26.5)**
Profit (loss) attributable to non-controlling interests	(0.0)	(0.4)
Profit (loss) attributable to owners of the parent	**(61.6)**	**(26.1)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Amounts in € million	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	41.3	48.7	52.5
Goodwill	16.0	18.4	18.1
Intangible assets	54.1	59.7	59.6
Investments in associates and joint ventures	0.6	-	0.0
Available-for-sale financial assets	0.7	0.9	0.9
Other non-current assets	3.4	29.0	27.0
Deferred tax assets	36.6	47.4	57.7
Total	**152.7**	**204.1**	**215.8**
Current assets			
Inventories	4.3	5.6	6.8
Trade receivables	83.0	105.0	112.2
Other receivables	12.1	9.8	10.8
Other current financial assets	0.8	-	(0.0)
Other current assets	5.2	6.2	5.8
Cash and cash equivalents	36.1	39.2	34.5
Total	**141.5**	**165.8**	**170.1**
Assets held for sale		-	-
TOTAL ASSETS	**294.3**	**369.9**	**385.9**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)			
Amounts in € million	30.06.2016	31.12.2015 Restated	1.1.2015 Restated
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent			
Share capital	35.1	35.1	35.1
Equity reserves	61.7	83.0	98.8
Legal reserves	7.0	7.0	7.0
Negative goodwill	11.3	11.3	11.3
Post-employment benefits Reserve - IAS adjustment	(4.6)	(3.6)	(4.6)
Other reserves	0.3	0.3	0.3
Retained earnings	(32.9)	(29.4)	(35.3)
Profit (loss) attributable to owners of the parent	(61.6)	(25.4)	(9.8)
Total	**16.3**	**78.3**	**102.8**
Equity attributable to non-controlling interests			
Capital and reserves attributable to non-controlling interests	0.0	0.6	0.3
Profit (loss) attributable to non-controlling interests	(0.0)	(0.1)	0.5
Total	**0.0**	**0.5**	**0.8**
Total equity	**16.4**	**78.8**	**103.6**
Non-current liabilities			
Non-current financial liabilities	6.3	6.7	22.7
Employee benefit obligations	24.4	24.8	27.5
Deferred tax liabilities	5.2	5.2	6.7
Provisions for risks and charges	8.3	8.6	11.3
Total	**44.2**	**45.3**	**68.1**
Current liabilities			
Bank overdrafts and loans - due within one year	70.3	66.5	17.2
Other financial liabilietes	1.2	-	-
Trade payables	128.1	144.7	157.8
Other current liabilities	0.1	0.2	0.1
Other payables	33.9	34.4	39.2
Total	**233.7**	**245.8**	**214.2**
Liabilities held for sale	-	-	
Total liabilities	**277.9**	**291.1**	**282.4**
TOTAL EQUITY AND LIABILITIES	**294.3**	**369.9**	**385.9**

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CONSOLIDATED STATEMENT OF CASH FLOWS		
(in million of euro)	9M 2016	9M 2015 Restaated
Pre-tax profit (loss) attributable to owners of the parent [a]	(51.1)	(25.4)
Adjustments for [b]	**25.6**	**7.4**
Profit (loss) attributable to non-controlling interests	(0.0)	(0.4)
Amortization	15.6	13.0
Write-off	1.1	-
(Gains) loss	2.1	(1.1)
Deconsolidation of Newton	2.8	-
Increase (decrease) in provisions for risks and charges	(0.2)	(3.7)
Increase (decrease) employee benefits	(0.2)	(1.4)
Change in deferred tax assets/liabilities	0.5	(0.5)
Financial income (expenses)	3.9	1.4
Other adjustments	-	(0.0)
Changes in net working capital [c]	**3.1**	**(6.8)**
Increase (decrease) in inventories	1.2	1.2
Increase (decrease) in trade receivables	16.7	23.2
Increase (decrease) in trade payables	(13.0)	(24.9)
Income tax paid	(0.3)	(0.1)
Other changes in net working capital	(1.5)	(6.2)
Total cash flow used in operating activities [d=a+b+c]	**(22.4)**	**(24.8)**
Cash flow from investing activities [e]	**(5.8)**	**(7.7)**
Investments in intangible assets and property plant and equipment	(6.0)	(8.5)
Purchase of investments in of business branches	-	(0.3)
Purchase of investments in subsidiaries	-	(0.0)
Proceeds from the disposal of intangible assets and property plant and equipment	0.0	1.1
Changes in the scope of consoldation	-	(0.0)
Other changes in investing activities	0.2	0.0
Cash flow from financing activities [f]	**26.2**	**2.4**
Net financial interest paid	(3.9)	(2.5)
Repayment of medium/long term bank loans	(0.4)	(0.0)
Changes in short-term bank loans	4.8	4.7
Net change in financial assets	1.1	-
Dividends paid	-	(0.1)
Change in capital and reserves	(0.3)	0.6
Change in equity attributable to non-controlling interests	(0.5)	(0.2)
Other changes financing activities	25.3	(0.0)
Cash flow absorbed during of the period[g=d+e+f]	**(2.1)**	**(30.1)**
OPENING CASH AND CASH EQUIVALENTS	**(17.7)**	**24.8**
CLOSING CASH AND CASH EQUIVALENTS	**(19.8)**	**(5.3)**
INCREASE (DECREASE) FOR THE PERIOD	**(2.1)**	**(30.1)**

CONSOLIDATED NET FINANCIAL POSITION

Amounts in € million	30.09.2016	31.12.2015 Restated
Cash and cash equivalents	36.1	39.2
Bank overdrafts and loans due within one year	(70.3)	(66.5)
Short-term financial liabilities	(1.2)	-
Short-term financial payables to other lenders	0.8	-
Short-term net financial position	**(34.6)**	**(27.3)**
Non-current financial liabilities	(6.3)	(6.7)
Medium/long-term net financial position	**(6.3)**	**(6.7)**
Net financial position	**(40.8)**	**(33.9)**