GRUPPO 24 ORE

Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Half-Year Financial Report at 30 June 2017

LOSSES REDUCED

Net of non-recurring charges versus restated 1H16:

- **EBITDA improves by 5.6 million euro (from -14.7 million euro to -9.1 million euro)**
- **EBIT improves by 8.3 million euro (from -24.9 million euro to -16.6 million euro)**
- **loss improves by 8.9 million euro (from -23.6 million euro to -14.7 million euro)**
- **direct and operating costs cut by approximately 20 million euro in 1H17 (-19.6%)**

Milan, 4 September 2017. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Dr. Giorgio Fossa, approved the Half-Year Financial Report at 30 June 2017.

Market environment

The relevant advertising market ended the first six months of the year (latest consolidated figure by Nielsen) on a negative tone, driven downwards by the bad performance of daily newspapers (net of the local typology), down by 12.5%, and magazines, down by 7.0%. The Radio market continued on its northward trend, rising by +5.0% versus the same period last year, while the Internet dropped by 1.7% versus the same period of 2016 (*Nielsen - January-June 2017*).

Regarding newspaper circulation, ADS data for January-June 2017 show a drop of approximately 14% in print circulation for the major national newspapers versus the same period of 2016. Print + digital circulation fell by 13.5%. It should be noted that the digital copies falling under the new rules effective from May 2017 on reporting limits, multiple digital copies in particular, are excluded from the calculation when comparing the figures with the digital copies reported in the first half of the prior year.

The latest audience data for 2016 indicate that radio listeners totaled 35,504,000 on average day, up by 1.4% (+486,000) versus 2015 (*GFK Eurisko, RadioMonitor*).

The table below shows the Group's key financial figures at 30 June 2017:

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in € million	1H 2017	1H 2016 Restated	(***)
Revenue	121.2	138.5	
Gross operating profit (EBITDA)	(32.8)	(23.4)	(*)
EBITDA net of non recurring charges	***(9.1)***	***(14.7)***	(*)
Operating profit (loss) (EBIT)	(40.3)	(39.7)	
EBIT net of non recurring charges	***(16.6)***	***(24.9)***	
Pre-tax profit (los)	(43.0)	(42.9)	
Profit (loss) from continuing operations	(49.4)	(53.4)	
Profit (loss) from assets held for sale	3.9	3.6	
Profit (loss) attrbutable to owners of the parent	(45.5)	(49.8)	
Profit (loss) net of non recurring charges	***(14.7)***	***(23.6)***	
Net financial position	(55.2)	(50.7)	(1)(**)
Equity attributable to owners of the parent	(57.5)	(12.4)	(1)
Numero medio dipendenti	1,173	1,236	

(1) As at 31 december 2016

(*) 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 24 ORE Group to determine EBITDA may differ from the criteria adopted by other groups. Hence, its amount may not be comparable with the amount determined by other groups.

(**) Net financial position is defined as the sum of cash and cash equivalents, short-term financial assets, non-current financial assets and the fair value measurement of hedged financial instruments, netted against overdrafts and bank loans due within a year and non-current financial liabilities. Net financial position is not seen as an accounting measure by the European IFRS. The principle adopted by the Issuer to determine net financial position may differ from the criteria adopted by other groups. Hence, the Group resulting balance, determined by the Issuer, may not be comparable with the balance determined by other groups.

(***) 2016 figures have been restated as a result of the reclassification of the Training and Events Area under Assets held for sale. Additionally, in the 2016 financial statements, the Group changed the method of recognizing costs and revenue arising from the activities in support of the sale of print and digital copies. Accordingly, costs for services and revenue dropped by an equal amount (7,963 thousand euro on an annual basis and 3,875 million euro on a half-year basis), but with no change reported in the result and in equity. Income statement figures in 1H16 have been reviewed based on the above reclassification.

Consolidated results at 30 June 2017

Mention should be made that the Training and Events Area is the object of a transaction envisaging the disposal to a third party of a minority interest, to start with, in the business unit involved in the above activities.
On 19 June 2017, the Board of Directors, based also on the fairness opinion issued by Prof. Andrea Amaduzzi, resolved to accept the bid submitted by Palamon Capital Partners. Palamon's bid is based on an Enterprise Value of 80 million euro for the entire business activity.
On 8 August 2017, the Company signed an agreement with Palamon Capital Partners LP on the disposal to the latter of a 49% interest, to start with, in Business School24 S.p.A., a newly-formed company and transferee of the business unit specialized in training activities on behalf of the Issuer. The agreement includes, *inter alia*, clauses that envisage a situation of joint control. Under IFRS 5, the Area has been, therefore, reclassified under Assets held for sale.
In 1H17, the 24 ORE Group achieved **consolidated revenue** of 121.2 million euro versus a restated 138.5 million euro in 1H16 (-17.3 million euro, down by -12.5%).
The change is attributable specifically to the drop of 6.9 million euro (-11.2%) in publishing revenue, and to the drop of 6.8 million euro (-11.5%) in advertising revenue. Against this backdrop, the reporting period saw an improvement in advertising revenue. Revenue, in fact, fell by 8% in 2Q17, while the figure had dropped by 15% in 1Q17 versus 1Q16.

Average print circulation in the January-June 2017 period amounted to approximately 100 thousand copies (-23.1% versus 2016). Digital circulation amounted to 85 thousand copies (+0.5% versus 2016). Print + digital circulation amounted to a total of 185 thousand average copies (-13.8% versus 2016).
Regarding multiple digital copies, the Company decided to disclose a number of copies equal to zero. The decision is based on the fact that, as from May 2017, under the new ADS rules, the Company's customers are required to adopt data-collection procedures for multiple digital copies certifying their activation and actual use, otherwise digital copies are excluded from the calculation of circulation figures.
The above criteria were thus adopted in the calculation of circulation figures for 2017. These criteria were also used to restate circulation figures for 2016.
As for average copies sold in the January-June 2017 period, print copies amounted to 87 thousand (-21.6% versus 2016). Print copies sold were less than print copies distributed, due also to the copies distributed through Osservatorio Giovani Editori. Digital copies totaled 146 thousand (-8.2% versus 2016), 61 thousand of which are multiple digital copies sold to large customers. Total digital + print copies sold in the January-June 2017 period amounted, therefore, to 233 thousand (-13.7% versus 2016).

Operating margins benefited from the strong decrease by approximately 20 million euro in **direct and operating costs** (-19.6% versus 1H16).
Gross operating profit (EBITDA), net of non-recurring charges, improved by 5.6 million euro to reach -9.1 million euro versus -14.7 million euro in 1H16. EBITDA in 1H17, including non-recurring charges, came to -32.8 million euro versus a restated -23.4 million euro in 1H16.
EBIT, net of non-recurring charges, improved by 8.3 million euro to reach -16.6 million euro versus a restated -24.9 million euro in 1H16. EBIT, including non-

recurring charges, came to -40.3 million euro versus a restated -39.7 million euro in 1H16.
Amortization and depreciation amounted to 7.4 million euro versus a restated 10.3 million euro in 1H16. The sharp reduction is due mainly to the effects of the write-down of assets made in the prior year.
Profit before tax came to -43.0 million euro and was in line with the restated figure in 1H16.
Net financial charges and income amounted to 2.7 million euro versus 2.9 million euro in 1H16.
Income taxes amounted to -€6.4 million (versus a restated -10.5 million euro in 1H16). Deferred tax assets dropped by 6.4 million euro, based on the estimated probability of recovering recognized assets following the update to the 2017-2020 Business Plan. Withdrawal of the Training and Events business unit from the Group's tax consolidation scheme, in fact, results in lower prospective taxable income.
Profit/loss from assets held for sale, amounting to 3.9 million euro, refers to the Training and Events business unit, the minority interest of which, to start with, is planned to be sold to a third party.
Loss, net of non-recurring charges, improved by 8.9 million euro from a restated -23.6 million euro in 1H16 to -14.7 million euro in 1H17. Loss, including non-recurring charges, amounted to -45.5 million euro versus a restated -49.8 million euro in 1H16.
The **net financial position** came to -55.2 million euro at 30 June 2017. Net debt at 31 December 2016 amounted to -50.7 million euro; the change is due mainly to the trend of cash flow from operations.

The figure includes non-recurring restructuring costs of 21.2 million euro, 20.6 million euro of which booked under personnel expense and 0.6 million euro under profit/loss from assets held for sale. These costs were allocated based on the 2017-2020 Business Plan approved by the Board of Directors on 20 February 2017.
On 5 July 2017, the Group signed an agreement with the national trade-union representatives and the unitary company-level union officials on the crisis-related reorganization plan for printers and graphic designers, which envisages the reorganization of the main areas of activity and the rationalization of costs in order to achieve a structural 30% reduction in labour costs by the end of the first half of 2019. In accordance with the agreement, the solidarity procedure was put back in place as from 15 July 2017.
Additionally, the Business Plan was reviewed, taking account of the withdrawal of the Training and Events Area from the Group's tax consolidation scheme, resulting, therefore, in lower prospective taxable income; the resulting write-down of deferred tax assets amounted to 6.4 million euro.

Directors' assessment on the going concern assumption and business outlook

The Directors have made their final assessments of the validity of the going concern assumption, taking account of the following points:

i. the agreements reached with the trade unions on the structural reduction of labour costs;

ii. the agreements reached with Palamon on the disposal of the Training and Events business unit;

iii. the ongoing capital increase process, in which the Group has already received an underwriting commitment from Confindustria to go ahead with the exercise of a share of its option rights for a maximum of 30 million euro, and the pre-guarantee agreement to ensure completion of the capital increase with the subscription of any unsubscribed shares for a maximum of 20 million euro;

iv. the progress of talks held with lenders for the granting of revolving credit facilities.

The Directors are, thus, confident that the above points will be fulfilled and that they will be able to implement the actions set out in the 2017-2020 Business Plan, as reviewed on 4 September 2017, and have, therefore, prepared this Half-Year Financial Report based on the going concern assumption of the Group.

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Consolidated financial statements at 30 June 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Amounts in € million	30.06.2017	31.12.2016
ASSETS		
Non-current assets		
Property, plant and equipment	22.4	24.7
Goodwill	16.0	16.0
Intangible assets	41.7	45.7
Investments in associates and joint ventures	0.6	0.6
Available-for-sale financial assets	0.7	0.7
Other non-current assets	3.2	3.4
Deferred tax assets	28.1	34.6
Total	**112.6**	**125.7**
Current assets		
Inventories	3.8	4.5
Trade receivables	83.5	92.6
Altri crediti	11.9	8.3
Other current financial assets	0.6	1.0
Other current assets	7.3	5.1
Cash and cash equivalents	28.1	29.8
Total	**135.2**	**141.2**
Assets held for sale	2.8	-
TOTAL ASSETS	**250.7**	**267.0**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € million	30.06.2017	31.12.2016
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	35.1	35.1
Equity reserves	-	61.7
Revaluation reserves	-	7.0
Hedging and translation reserves	-	11.3
Other reserves	(3.9)	(4.3)
Retained earnings	(43.2)	(30.6)
Profit (loss) attributable to owners of the parent	(45.5)	(92.6)
Total	**(57.5)**	**(12.3)**
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	0.0	0.0
Profit (loss) attributable to non-controlling interests	0.0	(0.0)
Total	**0.0**	**(0.0)**
Total equity	**(57.5)**	**(12.4)**
Non-current liabilities		
Non-current financial liabilities	5.9	6.2
Employee benefit obligations	21.5	23.8
Deferred tax liabilities	5.3	5.3
Provisions for risks and charges	13.3	14.0
Other non-current liabilities	18.6	0.0
Total	**64.5**	**49.2**
Current liabilities		
Bank overdrafts and loans - due within one year	75.6	74.1
Other financial liabilietes	2.4	1.3
Trade payables	128.1	125.8
Other current liabilities	0.0	0.1
Other payables	32.7	29.0
Total	**238.9**	**230.2**
Liabilities held for sale	4.8	-
Total liabilities	**308.2**	**279.3**
TOTAL EQUITY AND LIABILITIES	**250.7**	**267.0**

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CONSOLIDATED INCOME STATEMENT		
Amounts in € millions	1H 2017	1H 2016 Restated
1) Continuing operations		
Revenue	**121.2**	**138.5**
Other operating income	1.7	2.4

Personnel expenses	(72.5)	(60.4)
Change in inventories	(0.7)	(1.0)
Purchase of raw materials and consumables	(3.6)	(5.5)
Services	(64.8)	(77.5)
Use of third party assets	(9.9)	(11.3)
Other operating costs	(2.5)	(5.9)
Provisions	(1.2)	(0.7)
Provisions for bad debts	(0.6)	(2.0)
Gross operating profit	**(32.8)**	**(23.4)**
Amortisation of intangible assets	(4.8)	(6.0)
Depreciation of property, plant and equipment	(2.6)	(4.3)
Change in scope of consolidation	-	(2.8)
Impairment losses on property, plant and equipment and intangible assets	(0.1)	(1.1)
Net gains on disposal of non-current assets	0.0	(2.1)
Operating profit	**(40.3)**	**(39.7)**
Financial income	0.1	0.2
Financial expenses	(2.8)	(3.1)
Total Financial income (expenses)	**(2.7)**	**(2.9)**
Other income from investment assests and liabilities	(0.0)	(0.2)
Net profit (loss) before tax	**(43.0)**	**(42.9)**
Income tax	(6.4)	(10.5)
Net profit (loss) from continuing operations	**(49.4)**	**(53.4)**
2) Discontinued operations		
Profit (loss) from discontinued operations	**3.9**	**3.6**
Profit (loss) for the year	**(45.5)**	**(49.8)**
Profit (loss) attributable to minorities	**0.0**	**0.0**
Profit (loss) attributable to the shareholders of the parent company	**(45.5)**	**(49.8)**

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CONSOLIDATED STATEMENT OF CASH FLOWS		
Amounts in € millions	1H 2017	1H 2016 Restated
Items of the statement of cash flows		
Net profit (loss) before tax of the Group	(39.2)	(39.3)
Profit (loss) from discontinued operations	3.9	3.6
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	(43.0)	(42.9)
Adjustments for [b]	**30.8**	**23.0**
Profit (loss) attributable to non-controlling interests	0.0	0.0
Amortization	7.4	10.3
Write-off	0.0	1.1
(Gains) loss	(0.0)	2.1
Deconsolidation of Newton	-	2.8
Increase (decrease) in provisions for risks and charges	(0.7)	(0.3)
Increase (decrease) in employee benefits	(1.3)	0.0
Changes in deferred tax assets/liabilities	(0.0)	0.3
Financial income (expenses)	2.7	2.9
Current value of restructuring costs	18.6	-
Change in shareholders' equity of associates and joint venture	0.0	-
Cash flow from discontinued operations	4.0	3.7
Changes in net working capital [c]	**11.8**	**4.8**
Increase (decrease) in inventories	0.7	1.0
Increase (decrease) in trade receivables	6.2	(1.0)
Increase (decrease) in trade payables	10.2	6.9
Income tax paid	(0.0)	(0.3)
Other changes in net working capital	(1.7)	(1.2)
Cash flow from discontinued operations	(3.6)	(0.5)
Total cash flow used in operating activities [d=a+b+c]	**(0.4)**	**(15.0)**
Cash flow from investing activities [e]	**(1.3)**	**(3.6)**
Investments in intangible assets and property plant and equipment	(1.4)	(3.8)
Proceeds from the disposal of intangible assets and property plant and equipment	0.0	-
Other changes in investing activities	0.0	0.2
Cash flow from discontinued operations	-	(0.0)
Cash flow from financing activities [f]	**(1.2)**	**30.7**
Net financial interest paid	(2.7)	(2.9)
Repayment of medium/long term bank loans	(0.3)	(0.2)
Changes in short-term bank loans	0.2	7.1
Net change in non-current financial assets	1.1	1.5
Change in capital and reserves	(0.0)	(0.3)
Change in equity attributable to non-controlling interests	0.0	(0.5)
Other changes in financial assets and liabilities	0.7	26.1
Cash flow da attività destinate alla dismissione	(0.2)	-
Cash flow absorbed during of the yearg=d+e+f]	**(3.0)**	**12.1**
Opening cash and cash equivalents	**(26.2)**	**(17.7)**
Closing cash and cash equivalents	**(29.3)**	**(5.6)**
Increase(decrease) for the period	**(3.0)**	**12.1**

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Parent financial statements at 30 June 2017

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY		
Amounts in € million	30.06.2017	31.12.2016
ASSETS		
Non-current assets		
Property, plant and equipment	20.0	22.1
Goodwill	16.0	16.0
Intangible assets	41.5	45.4
Investments in associates and joint ventures	0.6	0.6
Available-for-sale financial assets	0.7	0.7
Other non-current assets	4.1	6.6
Deferred tax assets	27.2	33.6
Total	**110.0**	**125.1**
Current assets		
Inventories	3.3	3.8
Trade receivables	75.4	83.1
Altri crediti	5.6	5.4
Other current financial assets	6.5	11.0
Other current assets	4.5	2.2
Cash and cash equivalents	25.6	26.8
Total	**120.9**	**132.1**
Assets held for sale	2.8	-
TOTAL ASSETS	**233.7**	**257.2**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € million	30.06.2017	31.12.2016
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	35.1	35.1
Equity reserves	-	61.7
Legal reserves	-	7.0
Negative goodwill	-	(12.5)
Post-employment benefits Reserve - IAS adjustment	(4.0)	(4.3)
Other reserves		1.2
Retained earnings	(42.5)	(10.1)
Profit (loss) of the year	(45.9)	(89.8)
Total equity	**(57.2)**	**(11.7)**
Non-current liabilities		
Non-current financial liabilities	5.9	6.2
Employee benefit obligations	21.1	23.3
Deferred tax liabilities	5.3	5.3
Provisions for risks and charges	10.6	15.0
Other non-current liabilities	18.6	-
Total	**61.4**	**49.7**
Current liabilities		
Bank overdrafts and loans - due within one year	75.6	74.1
Other financial liabilietes	5.3	2.8
Trade payables	114.2	114.8
Other current liabilities	-	-
Other payables	29.6	27.5
Total	**224.7**	**219.2**
Liabilities held for sale	4.7	-
Total liabilities	**290.9**	**268.9**
TOTAL EQUITY AND LIABILITIES	**233.7**	**257.2**

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CONSOLIDATED INCOME STATEMENT

Amounts in € millions	1H 2017	1H 2016 Restated
1) Continuing operations		
Revenue	**109.9**	**123.1**
Other operating income	2.0	3.0
Personnel expenses	(70.8)	(58.3)
Change in inventories	(0.5)	(0.8)
Purchase of raw materials and consumables	(3.1)	(4.7)
Services	(56.0)	(67.0)
Use of third party assets	(9.7)	(11.1)
Other operating costs	(1.8)	(5.0)
Provisions	(1.5)	(0.4)
Provisions for bad debts	(0.6)	(1.4)
Gross operating profit	**(32.0)**	**(22.6)**
Amortisation of intangible assets	(4.8)	(5.9)
Depreciation of property, plant and equipment	(2.4)	(4.1)
Impairment losses on property, plant and equipment and intangible assets	-	(0.9)
Net gains on disposal of non-current assets	0.0	(2.1)
Operating profit	**(39.2)**	**(35.5)**
Financial income	0.4	0.4
Financial expenses	(2.8)	(3.1)
Total Financial income (expenses)	**(2.4)**	**(2.7)**
Other income from investment assests and liabilities	(2.4)	(0.1)
Net profit (loss) before tax	**(44.0)**	**(38.4)**
Income tax	(6.0)	(10.2)
Net profit (loss) from continuing operations	**(50.0)**	**(48.6)**
2) Discontinued operations		
Profit (loss) from discontinued operations	**4.1**	**3.8**
Profit (loss) for the year	**(45.9)**	**(44.8)**

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

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

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 satisfy even one of the covenants involves the right of early withdrawal from the loan by the banks. 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 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.

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 received notice of the failure to meet the financial covenants. On 6 October 2016, the Company met with the lenders to explain the reasons for the failure, asking them to freeze fundings and borrowing facilities in place, allowing the renewal of all existing utilizations until 28 February 2017, in order to restructure the loan, as set out in the Business Plan.

On 3 November 2016, the Company submitted the Business Plan to the approval of the Board of Directors, the guidelines of which had been previously approved on 27 September 2016. To allow the new Board of Directors appointed on 14 November 2016 to review and finalize the Plan, the Company asked the lenders to further extend the freezing period until 30 June 2017.

On 28 December 2016, the lenders signed an agreement confirming the standstill of borrowing facilities until 28 February 2017, awaiting to review the elements of the new 2017-2020 Business Plan and the proposed Financial Plan.
The Company was granted also by the other banks where it holds borrowing facilities, advances or loan guarantees, the freezing of their respective credit lines until 28 February 2017.
On 23 February 2017, the Company informed the lenders that, as part of the measures adopted to solve the current situation of financial strain and to ensure business continuity in the interest of the Company, therefore, of its creditors, it had appointed Vitale & Co. and Studio Legale BonelliErede respectively as its financial and legal advisors and that, on 20 February 2017, the Company's Board of Directors had approved the new Business Plan on the recovery of financial stability and return to profitability of its core business.
Given the above, whereas it is vital that the lenders continue supporting the Company in order to preserve business continuity and business value, the Company has asked the lenders to extend the term of the standstill agreements - concluded in December 2016 and expired on 28 February 2017 - until 30 September 2017, under which the banks have undertaken to (i) keep the short-term facilities open in order to sustain the Company's core business operations and (ii) not to demand payment (on the principal and/or interest component) on the medium-term pool loan expiring in October 2017.
On 10 March 2017, the plenary meeting was held with the lenders, where the Company, together with its financial and legal advisors, presented the guidelines of the Business Plan and the proposed Financial Plan, which is designed to remedy the failure to meet the financial covenants, to ensure the preservation of the Company's financial balance, and to restore conditions of profitability and value creation for shareholders, also with the aim of discussing and agreeing on the terms of the extension of the standstill agreements.
On 10 May 2017, the Company held a further meeting with the lenders to illustrate the updates to the proposed Financial Plan, also in light of the inclusion in the Plan of the impacts from the strategic plan on the value enhancement of the Training and Events Area.
The Company additionally asked the lenders to extend the term of the standstill agreements until 31 October 2017, and then until 15 November 2017; the term is in line with the time requirements (estimated in light of the applicable regulatory provisions) to finalize and complete the recapitalization currently being examined, and to execute the extraordinary transaction involving the development and value enhancement of the Training and Events Area.
On 21 June 2017, all the lenders and the Company agreed to extend the standstill. Under the agreements, the lenders have undertaken not to demand repayment of their respective exposure until 15 November 2017, and to keep the existing short-term facilities open in order to sustain the Company's core business operations.
On 8 August 2017, the Company signed an agreement with Palamon Capital Partners LP on the disposal to the latter of a 49% interest, to start with, in Business School24 S.p.A., a newly-formed company and transferee of the business unit specialized in training activities on behalf of the Issuer.
As for the measurement of the covenants as at the updated date of 30 June 2017, the above financial parameters regarding the NFP/equity and NFP/EBITDA ratio are confirmed to be unmet, given EBITDA of -32.8 million euro, a net financial position of -55.2 million euro and equity of -57.5 million euro.

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

On 9 August, by analyzing the trend of the relevant markets in the first half of 2017, looking at daily newspaper circulation and advertising sales in particular, the Board of Directors found that the contraction was significantly higher than forecast by surveys conducted by independent third parties and the Company itself, on which the preparation of the 2017-2020 Business Plan had been based, and extracts of which were disclosed to the market on 20 March 2017.
Accordingly, the Company has updated the 2017-2020 Business Plan, revising revenue volumes downwards throughout the period covered by the Plan. These valuations are based on updated medium-term market trend forecasts prepared by independent third parties and on the Company's own revenue trend projections, taking also account of commercial activities outside of the previous version of the Plan. These activities include special events and projects, added-value services in the distribution of the Daily, and the development of the digital offering.
Against this backdrop, the Company has taken further cost-cutting steps, reporting a better-than-initially planned performance of such measures in 2017, and introducing new measures throughout the period covered by the Plan. These measures focus mainly on operating and distribution costs.
Additionally, in light of the governance agreements concluded with Palamon Capital Partners on the disposal of a 49% interest in the Training and Events Area, which envisage a situation of joint control, the figures in the 2017-2020 Business Plan have been updated taking account of the deconsolidation of the Training and Events Area.
The updates as a whole basically confirm the results in the medium term on a like-for-like basis.
On 4 September 2017, the Board of Directors of the Company reviewed the Plan, acknowledging minor changes to the implementation of the agreements signed with Palamon on 8 August, which have no impact on the income statement figures previously disclosed to the market on 9 August.

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Under paragraph 2, article 154-bis of the Consolidated Finance Law (TUF), Giancarlo Coppa, 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.

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