Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Interim Management Statement at 30 September 2017

CAPITAL AND FINANCIAL PLAN NEARING END

RESULTS CONTINUE TO IMPROVE VERSUS LAST YEAR

Capital increase of 50 million euro underway:

- **Confindustria deposits 30 million euro to exercise option rights**
- **Remaining 20 million euro secured by underwriting syndicate.**

Palamon deposits 36.7 million euro on escrow account as per agreements on disposal of 49% in Training Area.

Net of non-recurring charges versus restated 9M16:

- **EBITDA improves by 8.8 million euro (from -20.3 million euro to -11.5 million euro)**
- **EBIT improves by 13.8 million euro (from -35.9 million euro to -22.1 million euro)**
- **loss improves by 14.7 million euro (from -35.1 million euro to -20.4 million euro)**
- **direct and operating costs cut by approximately 28 million euro in 9M17 (-19.8%)**

Milan, 10 November 2017. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Dr. Giorgio Fossa, approved the Interim Management Statement at 30 September 2017.

Market environment

The relevant advertising market closed the first nine months of the year as follows: daily newspapers net of local typology -11.6%, magazines -6.3%, Internet (net of over-the-top typology) +0.7% and Radio +4.2%. (*Nielsen – January-September 2017*).
Regarding daily newspapers, ADS figures for January-September 2017 show a drop in printed national daily newspaper circulation by 13.9% versus the same period of 2016. Print + digital circulation fell by 12.0%.
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 September 2017:

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in € million	9M 2017	9M 2016 restated	
Revenue	168.3	193.0	(***)
Gross operating profit (EBITDA)	(34.5)	(29.4)	(*)
EBITDA net of non recurring charges	**(11.5)**	**(20.3)**	(*)
Operating profit (loss) (EBIT)	(45.1)	(51.0)	
EBIT net of non recurring charges	**(22.1)**	**(35.9)**	
Pre-tax profit (loss)	(49.3)	(55.1)	
Profit (loss) from continuing operations	(55.7)	(65.7)	
Profit (loss) from assets held for sale	4.4	4.0	
Profit (loss) attributable to owners of the parent	(51.2)	(61.6)	
Profit (loss) net of non recurring charges	**(20.4)**	**(35.1)**	
	30.09.2017	31.12.2016	
Net financial position	(65.9)	(50.7)	(**)
Equity attributable to owners of the parent	(63.2)	(12.4)	

(*) 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 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, but with no change reported in the result and in equity. Income statement figures in 9M16 have been reviewed based on the above reclassification.

Consolidated results at 30 September 2017

Mention should be made that the Training Area is the object of a plan envisaging the disposal to a third party of a minority interest, to start with, in the business unit involved in the above activities.
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 on 1 September 2017 of the business unit specialized in training activities on behalf of the Issuer. The price for the 49% interest is based on an Enterprise Value of 80 million euro for the entire business activity.
The Purchase Agreement will be performed following the Offer Period and possible auction of unexercised rights under the capital increase approved by the Extraordinary Shareholders' Meeting of the Issuer on 28 June 2017. 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.
On 27 October 2017, Palamon deposited 36.7 million euro on the escrow account, as set out in the agreements.
In its latest version approved on 4 September 2017, the Business Plan incorporates the disposal of the Training Area.

In 9M17, the 24 ORE Group achieved **consolidated revenue** of 168.3 million euro versus a restated 193.0 million euro in 9M16 (-24.7 million euro, down by -12.8%).
The change is attributable specifically to the drop by 10.8 million euro (-11.8%) in publishing revenue, and by 8.4 million euro (-10.4%) in advertising revenue. Mention should be made that advertising revenue dropped by 7.6% in 3Q17 versus 11.5% in 1H17.
Average print circulation in the January-September 2017 period amounted to approximately 93 thousand copies (-24.1% versus 2016). Digital circulation amounted to approximately 86 thousand copies (+0.5% versus 2016). Print + digital circulation amounted to a total of 179 thousand average copies (-14.0% versus 2016).
As for average copies sold in the January-September 2017 period, print copies amounted to 83 thousand (-23.1% versus 2016). Print copies sold were less than print copies distributed over the same period, excluding free copies and copies distributed through Osservatorio Giovani Editori. Digital copies totaled 148 thousand (-7.5% versus 2016), 61 thousand of which are multiple digital copies sold to large customers and excluded from ADS's calculation of circulation figures. Total average digital + print copies sold in the January-September 2017 period amounted, therefore, to 231 thousand (-13.8% versus 2016).
Operating margins benefited from the strong decrease by approximately 27.6 million euro in **direct and operating costs** (-19.8% versus 9M16).
Personnel expense, amounting to 91.3 million euro, was up by 9.1 million euro versus 9M16. The increase is attributable specifically to restructuring costs of 20.6 million euro. Personnel expense was down by an overall 6.0 million euro (-7.9%) net of restructuring costs versus 9M16, as a result mainly of the reduction in average headcount.
Average headcount, net of the Training Area, amounted to 1,088 units versus 1,149 units in 2016 on a like-for-like basis.
Gross operating profit (EBITDA), net of non-recurring charges of 23 million euro, improved by 8.8 million euro to reach -11.5 million euro versus a restated -20.3 million

euro in 9M16. EBITDA in the January-September 2017 period came to -34.5 million euro versus a restated -29.4 million euro in the same period of 2016.
EBIT, net of non-recurring charges of 23 million euro, improved by 13.8 million euro to reach -22.1 million euro (versus a restated -35.9 million euro in the same period of 2016). EBIT came to -45.1 million euro versus a restated -51.0 million euro in the same period of 2016.
Amortization and depreciation dropped sharply from 15.5 million euro to 10.5 million euro, as a result mainly of the write-downs made in the prior year.
The **loss before tax** was -49.3 million euro versus a restated -55.1 million euro in 9M16. The result was affected by net financial charges and income of 4.1 million euro versus 3.9 million euro in 9M16, which included the non-recurring charges of 1.0 million euro from the early cash-in of the vendor loan.
Income taxes amounted to -6.4 million euro (versus a restated -10.5 million euro in 9M16). 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 business unit from the Group's tax consolidation scheme results, in fact, in lower prospective taxable income; accordingly, deferred tax assets were written down by 6,447 thousand euro.
Profit/loss from assets held for sale, amounting to 4.4 million euro, refers to the Training business unit, and includes non-recurring charges for personnel amounting to 0.6 million euro.
The **net loss**, net of non-recurring charges, amounted to -20.4 million euro (versus a restated -35.1 million euro in 2016). The net loss came to -51.2 million euro versus a restated -61.6 million euro in 9M16.
The **net financial position** came to -65.9 million euro at 30 September 2017 versus the restated figure of -55.2 million euro at 30 June 2017, deteriorating by 10.7 million euro. The change stems from operations in the period, attributable mainly to payment of the quarterly rent for the HQ in Via Monte Rosa, Milan, to the penalty for the early departure from the Pero offices (Milan), to the social security contributions for the fourteenth month salary, to cash paid into Business School24 as part of the transfer of the Training business unit, and to the seasonality of sales, resulting in lower cash-ins during the summer months.
Equity came to -63.2 million euro, down by 5.7 million euro versus -57.5 million euro at 30 June 2017. Equity dropped by 50.8 million euro versus the figure at 31 December 2016 (-12.4 million euro), due basically to the net loss for the period.

3Q17 results are in line with the forecasts set out in the New Plan for 2017 in its latest version approved on 4 September 2017: direct and operating costs continue to fall against a backdrop of persisting revenue weakness. That said, the Company believes it can rule out the prospect (in the next twelve months) of the case referred to in art. 2446 of the Italian Civil Code.

Summary of the Directors' assessments on the going concern assumption

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

- continuation of the measures set out in the 2017-2020 New Plan;

- the agreements reached with the trade unions on the structural reduction of labour costs;
- the agreements with Palamon on the disposal of the Training business unit and subsequent deposit on an escrow account of 36.7 million euro, made on 27 October 2017;
- the process underway regarding the capital increase of 50 million euro, which saw the opening last 30 October of the option rights trading period. The period ends today. On 30 October 2017, Confindustria deposited 30 million euro to exercise the option rights, while Banca IMI S.p.A. and Banca Akros S.p.A. guaranteed to subscribe any unsubscribed shares for a maximum amount of 20 million euro;
- granting by the lenders of revolving credit facilities for a total amount of 30.0 million euro, to be used for cash requirements, the term sheets of which have already been signed;
- extension of the securitization transaction through to 31 December 2020, which has already received approval from the relevant decision-making bodies of Intesa Sanpaolo S.p.A..

The Capital Increase and Training Transaction, in the process of finalization, are key to fully covering the Company's losses, to bringing equity back into positive territory, and to strengthening its capital. Their positive outcome, and fulfilment, according to schedule and based on the forecast measures, of the assumptions set out in the New Plan, are a pivotal element in allowing the Company to continue ordinary operations as a going concern.
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 these Condensed Consolidated Interim Financial Statements at 30 September 2017 based on the going concern assumption.

The Interim Management Statement will be made publicly available today on the SDIR storage system and on the Company website at www.gruppo24ore.ilsole24ore.com.

GRUPPO 24 ORE

Consolidated financial statements at 30 September 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Amounts in € million	30.09.2017	31.12.2016
ASSETS		
Non-current assets		
Property, plant and equipment	21.4	24.7
Goodwill	16.0	16.0
Intangible assets	40.3	45.7
Investments in associates and joint ventures	0.4	0.6
Available-for-sale financial assets	0.7	0.7
Other non-current assets	3.1	3.4
Deferred tax assets	27.9	34.6
Total	**109.8**	**125.7**
Current assets		
Inventories	3.0	4.5
Trade receivables	69.9	92.6
Altri crediti	10.0	8.3
Other current financial assets	0.8	1.0
Other current assets	7.8	5.1
Cash and cash equivalents	18.6	29.8
Total	**110.0**	**141.2**
Assets held for sale	4.5	-
TOTAL ASSETS	**224.3**	**267.0**

GRUPPO 24 ORE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € million	30.09.2017	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	-	11.3
Post-employment benefits Reserve - IAS adjustment	(3.9)	(4.3)
Retained earnings	(43.2)	(30.6)
Profit (loss) attributable to owners of the parent	(51.2)	(92.6)
Total	**(63.2)**	**(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	**(63.2)**	**(12.4)**
Non-current liabilities		
Non-current financial liabilities	5.8	6.2
Employee benefit obligations	20.7	23.8
Deferred tax liabilities	5.3	5.3
Provisions for risks and charges	11.5	14.0
Other non-current liabilities	18.5	0.0
Total	**61.7**	**49.2**
Current liabilities		
Bank overdrafts and loans - due within one year	76.3	74.1
Other financial liabilietes	3.2	1.3
Trade payables	117.2	125.8
Other current liabilities	0.0	0.1
Other payables	25.1	29.0
Total	**221.9**	**230.2**
Liabilities held for sale	3.8	-
Total liabilities	**287.5**	**279.3**
TOTAL EQUITY AND LIABILITIES	**224.3**	**267.0**

CONSOLIDATED INCOME STATEMENT		
Amounts in € millions	9M 2017	9M 2016 Restated
1) Continuing operations		
Revenue	**168.3**	**193.0**
Other operating income	2.4	2.9
Personnel expenses	(91.3)	(82.3)
Change in inventories	(1.5)	(1.2)
Purchase of raw materials and consumables	(4.2)	(7.8)
Services	(88.3)	(107.0)
Use of third party assets	(14.6)	(16.1)
Other operating costs	(3.2)	(7.2)
Provisions	(1.2)	(0.9)
Provisions for bad debts	(0.8)	(2.7)
Gross operating profit (EBITDA)	**(34.5)**	**(29.4)**
Amortisation of intangible assets	(6.7)	(9.2)
Depreciation of property, plant and equipment	(3.8)	(6.4)
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 (EBIT)	**(45.1)**	**(51.0)**
Financial income	0.1	0.2
Financial expenses	(4.2)	(4.1)
Total Financial income (expenses)	**(4.1)**	**(3.9)**
Other income from investment assests and liabilities	(0.1)	(0.2)
Net profit (loss) before tax	**(49.3)**	**(55.1)**
Income tax	(6.4)	(10.5)
Net profit (loss) from continuing operations	**(55.7)**	**(65.7)**
2) Discontinued operations		
Profit (loss) from discontinued operations	**4.4**	**4.0**
Profit (loss) for the year	**(51.2)**	**(61.6)**
Profit (loss) attributable to minorities	**0.0**	**(0.0)**
Profit (loss) attributable to the shareholders of the parent company	**(51.2)**	**(61.6)**

CONSOLIDATED STATEMENT OF CASH FLOWS		
Amounts in € millions	9M 2017	9M 2016 Restated
Items of the statement of cash flows		
Net profit (loss) before tax of the Group	(44.9)	(51.1)
Profit (loss) from discontinued operations	4.4	4.0
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	(49.3)	(55.1)
Adjustments for [b]	**33.5**	**29.6**
Profit (loss) attributable to non-controlling interests	0.0	(0.0)
Amortization	10.5	15.5
Write-off	-	1.1
(Gains) loss	(0.0)	2.1
Deconsolidation of Newton	-	2.8
Increase (decrease) in provisions for risks and charges	(2.4)	(0.2)
Increase (decrease) in employee benefits	(2.2)	(0.4)
Changes in deferred tax assets/liabilities	0.3	0.5
Financial income (expenses)	4.1	3.9
Current value of restructuring costs	18.5	-
Change in shareholders' equity of associates and joint venture	0.2	-
Cash flow from discontinued operations	4.5	4.2
Changes in net working capital [c]	**8.9**	**3.1**
Increase (decrease) in inventories	1.5	1.2
Increase (decrease) in trade receivables	19.8	21.5
Increase (decrease) in trade payables	(0.7)	(17.3)
Income tax paid	(0.0)	(0.3)
Other changes in net working capital	(7.4)	(1.3)
Cash flow from discontinued operations	(4.3)	(0.7)
Total cash flow used in operating activities [d=a+b+c]	**(6.9)**	**(22.4)**
Cash flow from investing activities [e]	**(2.1)**	**(5.8)**
Investments in intangible assets and property plant and equipment	(2.2)	(5.9)
Proceeds from the disposal of intangible assets and property plant and equipment	0.1	0.0
Other changes in investing activities	0.1	0.2
Cash flow from discontinued operations	(0.1)	(0.1)
Cash flow from financing activities [f]	**(4.4)**	**26.2**
Net financial interest paid	(4.1)	(3.9)
Repayment of medium/long term bank loans	(0.4)	(0.4)
Changes in short-term bank loans	0.1	4.8
Net change in non-current financial assets	1.9	1.1
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	0.5	25.3
Cash flow da attività destinate alla dismissione	(2.4)	-
Cash flow absorbed during of the yearg=d+e+f]	**(13.3)**	**(2.1)**
Opening cash and cash equivalents	**(26.2)**	**(17.7)**
Closing cash and cash equivalents	**(39.6)**	**(19.8)**
Increase(decrease) for the period	**(13.3)**	**(2.1)**

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 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 marked the second quarter of the year, the Group asked 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 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.
On 21 June 2017, all the lenders and the Company agreed to extend the standstill, which expired on 28 February 2017. Under the agreements, the lenders have undertaken not to demand repayment of their respective exposure, and to keep the existing short-term facilities open in order to sustain the Company's core business operations. The agreements are set to expire next 15 November, the date by which the Board of Directors believed that - on the one hand - the Company would have completed the ongoing recapitalization and capital strengthening, by means of a capital increase and the value enhancement of the Training Area and - on the other - agreements with the lenders would have been concluded on the new revolving credit facilities aimed at sustaining any financial needs of the Group. The longer-than-legally-provided preliminary assessment time on the Capital Increase has led to the deferral of the deadline by which the recapitalization and capital strengthening will take place. As such deferral was beyond the Company's control and regards, in any case, a short period of time, and given the planned repayment of exposures with the lenders following the recapitalization and capital strengthening, the Board of Directors of the Company deems it reasonable to assume that the lenders will continue to extend the standstill until completion of the recapitalization transaction, scheduled by end November.
On 8 August 2017, the Company additionally 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..

As for the measurement of the covenants at the updated date of 30 September 2017, which is, however, by contract not the review date, the above financial parameters regarding the NFP/equity and NFP/EBITDA ratio have not been met, given EBITDA of -34.5 million euro, a net financial position of -65.9 million euro and equity of -63.2 million euro.

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

The 2017-2020 Business Plan, approved on 20 February 2017 (the "New Plan”), had been prepared based on overall stability in Group revenue and greater attention to activities with higher profitability, while envisaging measures to curb direct and operating costs and personnel expense, in order to achieve positive operating results over the planned time span.
After reviewing the relevant market trend in the first half of 2017 (the circulation and newspaper advertising sales markets in particular), the Issuer took note of the higher-than-estimated drop in revenue by independent third-party surveys and by the Company itself, which formed the basis of the Plan in the version approved on 20 February 2017.
Accordingly, the Company has updated the new Business Plan, revising revenue volumes downwards throughout the period covered by the Plan. Based on the above drop in revenue recorded in the first half of 2017 and on the more conservative trend indicated by the latest market forecasts, the New Plan, in its latest version approved on 4 September 2017, has reduced 2017 circulation and advertising revenue estimates by over 12 million euro from the 20 February 2017 estimates.
These valuations are based on updated medium-term market trend forecasts prepared by an independent third party and on the Company's own revenue trend projections, taking also account of commercial activities outside of the previous version of the Plan. Specifically, to counter the forecast drop, new initiatives are in the pipeline to sustain revenue, which will come into full effect from 2020. These initiatives include: (i) the return of consumer add-ons (both in partnership with third-party publishers and by enhancing proprietary content in an integrated fashion); (ii) increased customer service; (iii) development of the automated advertising segment (programmatic advertising) and a strong increase in video content; (iv) the creation of a Digital Luxury Hub, which brings together the editorial wealth tailored to the luxury world.
Additionally, in light of the revenue downtrend, the Company has taken further cost-cutting steps, reporting a better-than-initially estimated trend of such costs in 2017, and introducing new measures throughout the period covered by the Plan. These measures focus mainly on operating and distribution costs.
Lastly, 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 Area.
The updates as a whole basically confirm the results in the medium term on a like-for-like basis. The New Plan in fact, in its latest version approved on 4 September 2017, on a like-for-like basis and net of the Training Area, indicates result targets at end 2020 basically in line with previous estimates dated 20 February 2017 (restated to take account of the deconsolidation of the Training Area).

3Q17 results are in line with the forecasts set out in the New Plan for 2017 in its latest version approved on 4 September 2017: direct and operating costs continue to fall against a backdrop of persisting revenue weakness.
Additionally, with regard to cost trends, mention should be made that:

- distribution costs will benefit from the previous renegotiation of distribution agreements, which started to produce cost savings from 1 September 2017;
- personnel expense in the first nine months of the year benefited only partly from the use of shock absorbers (specifically, the solidarity contracts for printers and graphic designers were suspended in the period from April to June). Mention should also be made of the gradual drop in Group headcount: 1,131 units at 1 January 2017 versus 1,073 at 30 September 2017 (expected to fall further by year end). Accordingly, the full use of shock absorbers for printers and graphic designers, the positive effects from the reduction in headcount in September, along with the further reduction expected in the coming months, suggest estimates that point to proportionately lower personnel expense at the end of the year versus the figure recorded in the first nine months of 2017;
- operating costs, based on the final figures of the first nine months, improve versus the forecasts in the New Plan, thanks also to the measures adopted to curb business, promotional and marketing costs.

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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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