Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Half-Year Report at 30 June 2018

Net of non-recurring expense and income versus restated 30 June 2017 (consolidated figures in € millions):

- **EBITDA improves by € 13.0 million (from € -9.1 million to € +3.9 million)**
- **EBIT improves by € 15.8 million (from € -16.6 million to € -0.7 million)**
- **net result improves by € 12.8 million (from € -14.2 million to € -1.5 million)**
- **direct and operating costs decrease by approximately € 15.6 million in the period (-20.0%).**

Negative consolidated net result € 4.1 million (loss of € 45.5 million at restated 30 June 2017);
Consolidated Net Financial Position € -5.9 million (€ +6.6 million at 31 December 2017) due mainly to payment of non-recurring expense from voluntary redundancies made in first few months of 2018;
Consolidated equity € 37.7 million (€ +41.6 million at 31 December 2017).

Milan, 1 August 2018 Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Edoardo Garrone, approved the Half-Year Report of the 24 ORE Group at 30 June 2018.

Market environment

The relevant advertising market closes the first six months dropping by 1.6%. The positive performance by radio (+6.8%) and the Internet (+3.3%) failed, in fact, to offset the drop of print media (-7.9%). The latter reported declines in both its components: newspapers (net of local advertising) -7.8% and magazines -8.1% *(Nielsen - January-June 2018).*

ADS figures for January - May 2018 show a 5.8% drop in the total circulation of print + digital copies of the main national newspapers versus the same period of 2017, the result of a 9.0% decline in print circulation and a 10.5% growth in digital circulation. Following the change in May 2017 in ADS regulations introducing adoption criteria, publishers can now report their multiple digital copies; the comparison with the prior year, when such copies could not be reported, is, therefore, not like-for-like.

The latest radio audience figures (first half 2018) indicate a total of 34,535,000 listeners on average day, down by 2.8% versus first half 2017 (*RadioTER January - June 2018*).

Forecasts for the professional publishing market show a further 2.6% drop in 2018 (*"Rapporto Databank Editoria Professionale" – Cerved S.p.A., December 2017*) versus the prior year. The Group's market segments of operation show different forecasts for 2018: revenue from Legal products down by 4.8% versus 2017, revenue from Tax products down by 2.0% versus 2017.

Digital publishing is expected to return to growth overall in 2018 (+4.1%), while print publishing is expected to drop further (books -8.9% and magazines -21.7%). ("*Rapporto Databank Editoria Professionale" –Cerved S.p.A.*, December 2017).

Premise

The following accounting standards have been applied for the first time in the Half-Year Report at 30 June 2018 with respect to the financial statements at 31 December 2017:

IFRS 15 Revenue from Contracts with Customers;

IFRS 9 Financial Instruments.

Specifically, IFRS 15 has brought the following changes:

Advertising revenue. For the purpose of applying the new standard, all agreements on the sale of advertising space on third-party publisher media have been reviewed. Based on the analyses and assessments made, the costs relating to advertising fees to third-party publishers under all the agreements in place at the date of this interim report have been recorded as a decrease in the relating advertising revenue. Until the prior year, under IAS 18, these fees were recognized as costs for services.

Publishing revenue. Under the new standard, publishing revenue from the sale at newsstands and bookshops of newspapers, magazines and books is recognized based on the price paid by the final purchaser, gross of all premiums paid, including the portion recognized to newsagents. As from 1 January 2018, these premiums are recognized under distribution costs, recorded as costs for services, while under IAS 18 in force up to the prior year, publishing revenue was recognized net of these costs.

On first-time application of the new standard, the Group has opted for the retrospective approach, based on which the comparative amounts of the prior year are restated in accordance with IFRS 15.

Non-controlling investments. IFRS 9 has envisaged the adjustment of the value of non-controlling interests, previously measured at cost and which, under the new standard, are measured at fair value approximated by the value of the share of the investee's equity attributable to the Group. Following first-time application of IFRS 9 as from 1 January

2018, the arising difference has been posted to equity. The effects of the measurements after fair value are recorded in the income statement.

The key financial figures of the Group at 30 June 2018 are as follows:

MAIN FIGURES OF THE 24 ORE GROUP			
Amounts in € million	1H 2018	1H 2017 restated	(***)
Revenue	108.1	117.7	
Gross operating profit (EBITDA)	2.1	(32.8)	(*)
EBITDA net of non recurring income and charges	***3.9***	***(9.1)***	(*)
Operating profit (loss) (EBIT)	(2.5)	(40.3)	
EBIT net of non recurring income and charges	***(0.7)***	***(16.6)***	
Pre-tax profit (loss)	(3.7)	(43.0)	
Profit (loss) from continuing operations	(4.1)	(49.4)	
Profit (loss) from assets held for sale	-	3.9	
Profit (loss) attributable to owners of the parent	(4.1)	(45.5)	
Profit (loss) net of non recurring income and charges	***(1.5)***	***(14.2)***	
	30.06.2018	31.12.2017	
Net financial position	(5.9)	6.6	(**)
Equity attributable to owners of the parent	37.7	41.6	

(*) 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.

(***) The 2017 figures have been restated to reflect the reclassifications required by the retrospective application of IFRS 15.

Consolidated results at 30 June 2018

In first half 2018, the 24 ORE Group achieved **consolidated revenue** of € 108.1 million versus a restated € 117.7 million in the same period of 2017 (€ -9.6 million, or -8.2%). The change is attributable specifically to the drop in publishing revenue of € 4.6 million (-7.8%), in advertising revenue of € 2.9 million (-6.4%), and in other revenue of € 2.1 million (-15.9%).

Regarding Il Sole 24 ORE, average print circulation in January - May 2018 (last reported month) stood at 88.2 thousand copies (-15.0% versus the same period of 2017). Digital circulation amounted to 84.6 thousand copies (+1.3% versus the same period of 2017). Following the change in May 2017 in ADS regulations introducing adoption criteria, publishers can now report their multiple digital copies; the comparison with the prior year, when such copies could not be reported, is, therefore, not like-for-like. Print + digital circulation amounted to a total of 172.7 thousand average copies (-7.8% versus half year 2017). The Daily Newspaper retained its third position in the ranking of the most widely circulated national newspapers.

Total print + digital copies sold in first half 2018 amounted to 203 thousand copies (-12.6% versus the same period of 2017), inclusive of all the multiple digital copies that cannot be reported for ADS purposes, therefore, not included in the relating statement.

Operating margins benefited from the sharp drop in **direct and operating costs** totaling € 62.3 million, down by € 15.6 million (-20.0%) versus restated first half 2017.

Personnel expense, amounting to € 44.4 million, fell by € 28.1 million euro versus € 72.5 million in first half 2017, of which € 20.6 million in restructuring costs. Personnel expense, net of non-recurring expense, dropped by an overall € 6.3 million (-12.5%) versus first half 2017, due mainly to the reduction in average headcount and the increased use of holidays accrued and taken.

The average headcount, amounting to 964 units, fell by 137 units versus 1,101 units in first half 2017.

Gross operating profit (EBITDA), net of non-recurring expense and income, came to € +3.9 million versus a restated € -9.1 million in first half 2017. EBITDA in first half 2018 came to € +2.1 million versus a restated € -32.8 million in 2017. The result benefited from the non-recurring income of € 3.0 million arising from the compensation from Di Source. As a result of the compensation, an additional € 0.2 million in income was recognized from the derecognition of the payable posted under trade payables. In first half 2018, non-recurring expense of € 4.2 million was allocated for contractual risks, € 0.6 million for the departure of the CEO, and € 0.3 million for employment terminations.

EBIT, net of non-recurring expense and income, amounted to € -0.7 million (a restated € -16.6 million in first half 2017). EBIT came to € -2.5 million versus a restated € -40.3 million in 2017.

Amortization, depreciation and impairment losses amounted to € 4.6 million versus a restated € 7.5 million in 2017.

The **result before taxes** came to € -3.7 million versus a restated € -43.0 million in first half 2017. Income from investments of € 0.7 million was recorded in the period, of which € 0.9 million for the adjustment at equity of the value of the investment Business

School 24 S.p.A., and € -0.2 million for the fair value measurement of non-controlling interests under IFRS 9.

The result was affected by net financial expense and income of € -1.9 million (€ -2.7 million in 2017). The decrease in financial expense on short-term payables is due to the lower use of short-term bank credit facilities.

The net result attributable to the shareholders of the parent, net of non-recurring expense and income, shows a loss of € 1.5 million (a restated € -14.2 million in first half 2017). The net result came to € -4.1 million versus € -45.5 million in first half 2017.

The **net financial position** stands at € -5.9 million at 30 June 2018 versus € +6.6 million at 31 December 2017, deteriorating by € 12.5 million. The change in the net financial position is attributable mainly to the payment of non-recurring expense from voluntary redundancies made in the first few months of 2018.

Equity amounted to € 37.7 million, decreasing by € 3.8 million versus € 41.6 million shown in the consolidated financial statements at 31 December 2017, due to the result in the period of € -4.1 million from the actuarial assessment of post-employment benefits of € 0.1 million, and to the first-time application of the new IFRS 9. Non-controlling interests have been measured at fair value, not at cost as previously required under IAS 39; the difference of € 0.1 million has been recognized in initial equity.

Business outlook

In the first six months of 2018, Group revenue fell versus the prior year, due mainly to the forecast reduction in circulation revenue and to lower advertising revenue. The consolidated results for first half 2018 confirm the forecasts, with an improvement in profitability versus 2017, even net of non-recurring items.

The Group pursues its Publishing Plan to relaunch and focus on its business, by continuing efforts to increase efficiency and cut direct and operating costs.

Considering the above, the actions already taken and those planned for revenue maintenance and growth, as well as for the ongoing pursuit of operating efficiency, in the absence of events foreseeable at this time, the Group believes it can achieve its forecasts and therefore confirms the income and financial prospects for 2018.

Granting of powers

Today, the Board of Directors of Il Sole 24 Ore S.p.A. granted the Chief Executive Officer Giuseppe Cerbone, appointed by the Meeting of the Board of Directors on 24 July, all the powers for the ordinary management of the Company.

Appointment of a Director

The Board of Directors of Il Sole 24 Ore S.p.A. co-opted as Director Fabio Vaccarono, Managing Director of Google Italy and member of the Google EMEA Management

Board. Fabio Vaccarono’s CV will be available on the Company website at www.gruppo24ore.ilsole24ore.com.

GRUPPO 24 ORE

Consolidated financial statements at 30 June 2018

(audit to be completed)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Amounts in € million	30.06.2018	31.12.2017
ASSETS		
Non-current assets		
Property, plant and equipment	18.9	20.6
Goodwill	16.0	16.0
Intangible assets	37.7	39.7
Investments in associates and joint ventures	18.1	18.9
Available-for-sale financial assets	0.7	0.7
Other non-current assets	6.1	6.1
Deferred tax assets	26.0	26.2
Total	**123.4**	**128.2**
Current assets		
Inventories	2.2	2.3
Trade receivables	72.7	74.2
Altri crediti	11.3	10.1
Other current financial assets	0.2	0.6
Other current assets	6.5	4.8
Cash and cash equivalents	22.5	33.0
Total	**115.4**	**125.0**
Assets held for sale	-	-
TOTAL ASSETS	**238.9**	**253.1**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € million	30.06.2018	31.12.2017
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	0.6	0.6
Equity reserves	26.8	38.3
Post-employment benefits Reserve - IAS adjustment	(3.9)	(4.1)
Retained earnings	18.4	(0.7)
Profit (loss) attributable to owners of the parent	(4.1)	7.5
Total	**37.7**	**41.6**
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	-	(0.0)
Profit (loss) attributable to non-controlling interests	-	0.0
Total	**-**	**(0.0)**
	-	**-**
Total equity	**37.7**	**41.6**
Non-current liabilities		
Non-current financial liabilities	5.3	5.6
Employee benefit obligations	18.1	18.7
Deferred tax liabilities	5.6	5.6
Provisions for risks and charges	17.2	12.7
Other non-current liabilities	-	11.8
Total	**46.1**	**54.3**
Current liabilities		
Bank overdrafts and loans - due within one year	19.3	18.2
Other financial liabilietes	4.0	3.2
Trade payables	98.4	105.3
Other current liabilities	0.0	0.0
Other payables	33.3	30.5
Total	**155.0**	**157.3**
Liabilities held for sale	-	-
Total liabilities	**201.2**	**211.6**
TOTAL EQUITY AND LIABILITIES	**238.9**	**253.1**

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CONSOLIDATED INCOME STATEMENT		
Amounts in € millions	1H 2018	1H 2017 Restated
1) Continuing operations		
Revenue	**108.1**	**117.7**
Other operating income	6.7	1.7
Personnel expenses	(44.4)	(72.5)
Change in inventories	(0.1)	(0.7)
Purchase of raw materials and consumables	(3.5)	(3.6)
Services	(47.5)	(61.3)
Use of third party assets	(9.0)	(9.9)
Other operating costs	(2.3)	(2.5)
Provisions	(5.7)	(1.2)
Provisions for bad debts	(0.2)	(0.6)
Gross operating profit	**2.1**	**(32.8)**
Amortisation of intangible assets	(2.7)	(4.8)
Depreciation of property, plant and equipment	(1.9)	(2.6)
Impairment losses on property, plant and equipment and intangible assets	-	(0.1)
Net gains on disposal of non-current assets	0.0	0.0
Operating profit	**(2.5)**	**(40.3)**
Financial income	0.2	0.1
Financial expenses	(2.1)	(2.8)
Total Financial income (expenses)	**(1.9)**	**(2.7)**
Other income from investment assests and liabilities	(0.2)	(0.0)
Valuation by equity method of the share capital investments	0.9	-
Net profit (loss) before tax	**(3.7)**	**(43.0)**
Income tax	(0.4)	(6.4)
Net profit (loss) from continuing operations	**(4.1)**	**(49.4)**
2) Discontinued operations		
Profit (loss) from discontinued operations	**-**	**3.9**
Profit (loss) for the year	**(4.1)**	**(45.5)**
Profit (loss) attributable to minorities	**-**	**0.0**
Profit (loss) attributable to the shareholders of the parent company	**(4.1)**	**(45.5)**

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CONSOLIDATED STATEMENT OF CASH FLOWS		
Amounts in € millions	1H 2018	1H 2017
Items of the statement of cash flows		
Pre-tax profit (loss) from continuing operations attributable to owners of the parent [a]	(3.7)	(43.0)
Adjustments for [b]	**10.0**	**30.8**
Profit (loss) attributable to non-controlling interests	-	0.0
Amortization	4.6	7.4
Write-off	-	0.0
(Gains) loss	-	(0.0)
Effect of investment valuation	(0.8)	0.0
Increase (decrease) in provisions for risks and charges	4.5	(0.7)
Increase (decrease) in employee benefits	(0.5)	(1.3)
Changes in deferred tax assets/liabilities	0.2	(0.0)
Financial income (expenses)	1.9	2.7
Change in current value of restructuring costs	-	18.6
Profit (loss) from discontinued operations	-	4.0
Changes in net working capital [c]	**(17.5)**	**11.8**
Increase (decrease) in inventories	0.1	0.7
Increase (decrease) in trade receivables	1.5	6.2
Increase (decrease) in trade payables	(6.9)	10.2
Income tax paid	-	(0.0)
Cash flow from discontinued operation	-	(3.6)
Other changes in net working capital	(12.2)	(1.7)
Total cash flow used in operating activities [d=a+b+c]	**(11.2)**	**(0.4)**
Cash flow from investing activities [e]	**0.6**	**(1.3)**
Investments in intangible assets and property plant and equipment	(1.0)	(1.4)
Proceeds from the disposal of intangible assets and property plant and equipment	-	0.0
Proceeds cashed from sale of investment	1.6	-
Other changes in investing activities	0.0	0.0
Cash flow from financing activities [f]	**0.1**	**0.2**
Net financial interest paid	(1.9)	(2.7)
Repayment of medium/long term bank loans	(0.3)	(0.3)
Changes in short-term bank loans	1.1	1.6
Change in other financial receivables and payables	0.7	1.1
Other changes in financial assets and liabilities	0.3	0.7
Other change in reserve	0.1	(0.0)
Change in equity attributable to non - controlling interests	-	0.0
Cash flow from discontinued operation	-	(0.2)
Cash flow absorbed during of the yearg=d+e+f]	**(10.5)**	**(1.6)**
Opening cash and cash equivalents	**33.0**	**24.8**
Closing cash and cash equivalents	**22.5**	**23.2**
Increase(decrease) for the period	**(10.5)**	**(1.6)**

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

On 30 November 2017, the Company finalized the execution of the recapitalization and capital strengthening transaction and concluded agreements with lenders on the granting of new revolving cash credit facilities for a total of € 30.0 million, falling due on 31 December 2020, to support any future financial needs of the Company.

The new revolving cash credit facilities do not require any collateral or compulsory security, but rather financial covenants recognized at a consolidated level. The covenants are structured as follows:

FINANCIAL COVENANTS						
Amounts in € millions	31-dic-2017	30-giu-2018	31-dic-2018	30-giu-2019	31-dic-2019	30-giu-2020
EBITDA (*) higher than	n.r.	2.0	5.0	8.0	12.5	16.5
Equity higher than	27.0	25.0	23.0	24.0	26.0	30.0
PFN / EBITDAlower than	n.r.	n.r.	1.75	n.r.	1.50	n.r.

(*) rolling on a 12 month basis

Failure to satisfy even one of the covenants involves solely the right of early withdrawal from the loan by the banks; however, in this case too, 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 2018, while no amounts had been drawn down from the credit facilities, the covenants had been met. Additionally, the forecasts appearing in the 2018-2021 Plan confirm compliance with the above covenants over the period of the Plan.

Additionally, on 13 November 2017, the Company and Monterosa SPV concluded an agreement to extend the maturity of the transaction involving the securitization of trade receivables until December 2020; it should be noted, however, that under the agreement, both parties may conclude operations at the end of each calendar quarter.

The maximum total amount that can be financed is € 50.0 million; at 30 June 2018, the credit facility for the securitization of trade receivables had been drawn down, with recourse, for the amount of € 18.7 million (total amount of the facility € 20.0 million), and without recourse, for € 17.4 million.

The securitization agreement does not contain financial covenants, but rather impediments to the purchase of the Company’s portfolios of receivables which, in the event of failure to remedy, may also result in termination of the agreement.

At 31 March 2018, no such impediments to the purchase had arisen, and/or significant events as to determine the termination of the agreement.

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

Anticipation of part of the restructuring costs for staff reduction, initially set out in the 2017-2020 Plan in 2019.

It should be noted, however, that the trend in consolidated revenue reported a gradual improvement in the second quarter, with revenue in line with the prior year (versus a 15.9% drop in the first quarter).

With regard to the 2018 Budget forecasts, consolidated revenue in the first half improved by 1.6% (of which +2.5% in the second quarter), driven by the performance of the Culture area which, thanks to the large turnout recorded for the Frida exhibition, closed with a much higher-than forecast rise. Thanks to the rebound reported in the second quarter, revenue from the P&D and Radio areas also improved versus forecasts, which largely offset the poor result recorded in the T&L and System areas.

In pursuit of its Editorial Plan, in June the Group launched the new concept of the Daily, with greater focus on professional issues, mainly in the economic, financial, tax and regulatory fields. The Group continues its efforts to improve efficiency and reduce direct and operating costs. Net of non-recurring income and expense, consolidated results in first half 2018 confirm the improvement in profitability versus both 2017 and Budget forecasts; therefore, in the absence of unforeseeable events at this time, the Group believes it can achieve its forecasts on results for 2018.

The net financial position at 30 June 2018, which stands at € -5.9 million, shows an improvement versus € -11.9 million in the prior quarter and the Budget forecasts. Specifically, the positive difference from the Budget is due mainly to lower outlays for restructuring costs paid in the first half, lower operating capital expenditure, and the improved performance of net working capital. It should be noted, however, that, with regard to the traditionally negative seasonal nature of cash flows in the third quarter, forecasts indicate a position that is in line with the Budget in the next few months.

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Under paragraph 2, article 154-bis of the Consolidated Finance Law (TUF), Alberto Ferrari, in his capacity as Financial Reporting Manager, attests that the accounting information contained herein is consistent with the Company's document results, books and accounting records.

Media contacts:

Investor Relations:
Raffaella Romano Tel. 02/3022.3728

Press Office Manager 24 ORE Group:
Ginevra Cozzi - Tel. 02/3022.4945 – Mob. 335/1350144