

Press Release

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

Il Sole 24 ORE S.p.A.: BoD approves Interim Management Statement as at 31 March 2014

- **Group consolidated revenue grows by 4.4%** (+4.1million euro versus 1Q13). Specifically, circulation revenue rises by 6.4%, System advertising revenue increases by 0.9%, electronic publishing revenue from the Tax&Legal Area advances by 11.8%, revenue from the Training Area climbs by 32.5%, or 1.9 million euro, and revenue from the Culture Area moves up by 3.3 million euro.
- **Gross operating profit (EBITDA) positive** for the second straight quarter, reaching 2.2 million euro, strongly improving by 8.2 million euro, or +137.1%, versus 1Q13 (-6.0 million euro), thanks to the growth in revenue, cost containment measures and optimization action on a production and organizational level. **Costs fall** by 3.7 million euro versus 1Q13, or 3.6%, despite the increase in revenue. The dynamics of 4Q13 are confirmed, thanks to Management's strategic decision to focus on the digital business, along with the implementation of cost and process rationalization measures.
- **Il Sole 24 ORE** retains its ranking as Italy's leading digital newspaper with 170 thousand digital copies at March 2014 (+182% versus March 2013). Total print + digital circulation greatly bucks the market trend and exceeds 362 thousand copies (+25% versus March 2013), making Il Sole 24 ORE once again the third major newspaper in Italy. The positive dynamics reported in 4Q13 are confirmed, gross operating profit from the Publishing Area turns into a positive 2.1 million euro in 1Q14, up 4.9 million euro (+173.0% versus -2.8 million euro in 1Q13), thanks to the strategic decision to switch to the digital business and to the implementation of cost rationalization measures.
- **System advertising sales**, against the persisting negative backdrop of the advertising market, grow by 0.9% in 1Q14 (relevant market -10.3%), thanks to the positive performance of online sales, up 7.2% (versus the market's -6.3%) and of **Radio 24**, up 8.7%, outperforming the overall radio market (+7.5%). This proves the ability to showcase the Group's quality and unique features of its editorial offering on the market. (*Nielsen – January-February 2014*).
- **www.ilsole24ore.com**, the first fee-based website in Italy, reports an average 705 thousand unique browsers, up +4.1%, and a 1.2% increase in page views versus 1Q13. The mobile version of the website in 1Q14 sees unique browsers rise by 16.2% on average day and page views increase by 5.7% (*Nielsen Site Census / Omniture Sitecatalyst*).
- **Culture Area** revenue increases (+3.3 million euro) versus 1Q13, driven by the success of the exhibitions, which confirm 24 ORE Cultura's supremacy on the national scene.

- Revenue and profitability from the **Education and Events Area** are on the rise, thanks to the expansion of the Business School master offering and the increase in events organized by Newton.
- **Operating profit (EBIT)**, improving by 8.5 million euro versus 1Q13 (+74.1%), shows a negative figure of 3.0 million euro (-11.4 million euro in 2013).
- The **result attributable to the owners of the parent** shows a loss of 5.8 million euro versus the loss of 10.4 million euro in 1Q13.
- The **Net Financial Position** shows a negative 57.8 million euro (-48.6 million euro at 31 December 2013), burdened by the payment of non-recurring charges of 8.0 million euro. The net financial position, net of non-recurring charges, is basically stable. In 2Q14, proceeds of approximately 97 million euro are expected from the disposal of the Software Area.

Milan, 12 May 2014. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Cav. Lav. Dr. Benito Benedini, approved the Interim Management Statement as at 31 March 2014.

MAIN FIGURES OF THE 24 ORE GROUP		
Amounts in € million	1Q 2014	1Q 2013
Revenues	98.8	98.8
Gross operating profit (EBITDA)	1.0	(6.7) (*)
Operating profit (loss) (EBIT)	(4.2)	(12.2)
Pre-tax profit (loss)	(5.0)	(12.5)
Net profit (loss) from continuing operations	(5.7)	(10.4)
Net profit (loss) from discontinued operations	-	-
Profit (loss) attributable to owners of the parent	(5.8)	(10.4)
Net financial position	(57.8)	(48.6) (**)(1)
Equity attributable to owners of the parent	115.8	121.6 (1)
Employees headcount at the end of period	1,665	1,817 (1)

(1) As at 31 december 2013

The disposal of the Business Media division was finalized on 30 January 2014. This changed the Group's scope of consolidation. Financial figures -shown and analyzed on a consolidated basis and by area - are presented on a like-for-like basis.

(*) 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 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.

MAIN FIGURES OF THE 24 ORE GROUP ON A LIKE - FOR- LIKES BASIS

Amounts in € million	1Q 2014	1Q 2013	
Revenues	98.1	94.0	
Gross operating profit (EBITDA)	2.2	(6.0)	(*)
Operating profit (loss) (EBIT)	(3.0)	(11.4)	
Pre-tax profit (loss)	(3.9)	(11.7)	
Net profit (loss) on a like - for - like basis	(4.6)	(9.7)	
Profit from discontinued operations	(1.2)	(0.8)	
Profit (loss) attributable to owners of the parent	(5.8)	(10.4)	
Net financial position	(57.8)	(48.6)	(**)(1)
Equity attributable to owners of the parent	115.8	121.6	(1)
Employees headcount at the end of period	1,665	1,704	(1)

(1) As at 31 december 2013

Market trend

Market figures for 2014 continue the downward trend of 2013 in terms of advertising revenue and newspaper circulation.

In the first two-month period of 2014, the advertising market as a whole, considering all of its components, including television, lost 4.3% versus the same period of 2013. The Group's relevant market fell by 10.3%.

Print media advertising sales were badly hit (-15.7%): daily newspapers fell by 16.3% while magazines dropped by 14.7%. Online investments retreated (-6.3%), while radio investments, after months of contraction, increased by 7.5% (*Nielsen, January-February 2014*).

Looking at circulation figures in 1Q14, ADS data show a drop of approximately 13.8% in print circulation for the major national newspapers. Print + digital circulation in the period under review shows a drop of 3.8%; the growth of the digital platform alleviates the gradual contraction of the circulation market, but does not reverse the trend.

The current economic crisis continues to adversely affect the final demand coming from the Group's main markets: businesses, households, and professionals. The 2013 GDP fell by 1.9% versus 2012. Signs of a recovery are seen for 2014, confirmed by IMF and Istat estimates, which forecast a 0.6% growth for Italy.

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 of the professional market to sell online information at prices comparable to the print versions.

Analysis of 1Q14 consolidated results

In 1Q14, the 24ORE Group achieved **consolidated revenue** of 98.1 million euro, up 4.1 million euro (+4.4%) versus 94.0 million euro in 1Q13. The growth in revenue was driven by:

- circulation revenue, increasing by 6.4% versus 1Q13. A result propelled by the increase in digital revenue and the overall growth of print + digital revenue. II

Sole 24 ORE retained its position as Italy's leading digital newspaper with 170,000 digital copies at March 2014 (+182% versus 1Q13);

- the positive performance of electronic publishing revenue from the Tax&Legal Area, up 11.8% which, thanks to the measures adopted by the Group, helped to continue the transition from print to online platforms and supported the integration process of the Group's resources;
- System's advertising sales, against the relevant market's contracting backdrop (-10.3%: *Nielsen – January-February 2014*), which ended the quarter increasing by 0.9%, thanks to Radio24 and online sales;
- revenue generated by the Culture Area rose by 3.3 million euro versus 31 March 2013 (+162.3%), thanks mainly to the highly successful exhibitions organized (Warhol, Pollock, Brain, Kandinsky, Munch, Modigliani Roma and Klimt);
- revenue generated by the Training Area, increasing by 32.5%, or 1.9 million euro, driven by the positive performance of the Business School, thanks to the expansion of its offering, to an increasing number of attendees and increase in the events organized by Newton.

The Group's digital revenue amounted to 37.5 million euro and rose by 2.8 million euro (+8.1%) versus 2013.

Overall costs fell by 3.7 million euro, or 3.6%, versus 1Q13, despite the increase in revenue.

Personnel expense decreased by 2.8 million euro, or 7.6%. A decrease mainly attributable to the combined effects of:

- the application of solidarity contracts, implemented following the agreements signed with the trade unions (an amount equal to 1.3 million euro);
- a reduction of 67 units in average headcount, 56 of whom regarding employees and 11 regarding trainees, temporary staff and project workers (an amount equal to 1.5 million euro).

Direct and operating costs decreased by 1.1%, thanks to the implementation of the digital strategy and the cost curbing policies and measures adopted, specifically:

- costs for raw materials and consumables decreased by 0.4 million euro (-7.8%);
- distribution costs decreased by 1.3 million euro (-15.0%);
- print costs decreased by 1.9 million euro (47.4%), attributable mainly to the daily newspaper, as a result of the revision of the production structure, implemented in the second half of 2013 (closure of the Verona and Benevento printing facilities and the new printing contract regarding Bologna).

Mention should be made of the increase in costs for advertising dues to third-party publishers (1.0 million euro), costs for meetings and miscellaneous production costs, all directly related to the increase in revenue.

Gross operating profit (EBITDA) showed a positive figure of 2.2 million euro, rising sharply by 8.2 million euro (+137.1%) versus the negative 6.0 million euro in 1Q13. A result achieved thanks to Management and all the Company's focus on the implementation of the digital strategy and integration of the platforms, and on the measures adopted to contain costs and achieve process efficiency.

Operating profit (EBIT) showed a negative figure of 3.0 million euro versus a negative 11.4 million euro, improving by 8.5 million euro versus 1Q13 (+74.1%).

The **result attributable to the owners of the parent** showed a loss of 5.8 million euro versus a loss of 10.4 million euro in 1Q13.

The **net financial position** showed a negative 57.8 million euro (-48.6 million euro at 31 December 2013), burdened by the payment of non-recurring charges of 8.0 million euro. Cash absorption, net of non-recurring items, came to 1.2 million euro (-33.2 million euro in 1Q13).

Significant events after 31 March 2014

On 15 April 2014, Il Sole 24 ORE S.p.A. entered into a contract with TeamSystem S.p.A. for the disposal of the entire equity interest in 24 ORE Software S.p.A., which controls, in turn, 80% of the share capital of Diamante S.p.A.

The scope subject to disposal comprises all the software activities of the 24 ORE Group.

The transaction is expected to be finalized within the first half of the year.

Business outlook for the current year

The recession continues to impact negatively on revenue and margins in the publishing industry. In 2013, GDP deteriorated by 1.9%, and forecasts for 2014 point to a moderate growth (+0.6%).

Forecasts on advertising market developments for 2014 remain uncertain, while latest estimates released by the main Media Centres indicate an overall market still shrinking versus 2013.

At its meeting on 11 March 2014, the Board of Directors approved a five-year plan based on market strategy and underpinned by the Group's offering, focused on products with higher added value and on structural cost containment, which will allow the Group to operate efficiently and competitively. Expectations for 2014 point to a further drop in revenue generated by traditional publishing, offset by an increase in digital revenue, driven by the increasing integration of all the Group's solutions targeting the professional world. Advertising revenue is expected to be stable, thanks also to the new publishing initiatives, and to the growth of the digital business and radio.

The results of the first quarter confirm budget forecasts. In 2014, the Group will continue to implement measures aimed at strengthening revenue, optimizing processes and reducing costs.

To date and in the absence of unpredictable events at this time, the Group continues to keep a sharp eye on its relevant market, still marked by a high degree of uncertainty. Consequently, forecasts for 2014 show an improvement in EBITDA. The sale of the Group's Software Area, which is expected to be finalized within the first half of the

year, will entail the recognition of a significant capital gain and proceeds of approximately 97 million euro.

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.

Contacts:

*Press Office Manager Il Sole 24 ORE:
Ginevra Cozzi - Tel. 02/3022.4945 – Cell. 335/1350144*

*Investor Relations
Ines Di Terlizzi Tel. 02/3022.3728*

**Consolidated Financial Statements of the 24 ORE Group at 31 March
2014**
Financial statements

CONDENSED CONSOLIDATED INCOME STATEMENT		
Amounts in € million	1Q 2014	1Q 2013
Revenues from sales and services	98.8	98.8
Other operating income	2.3	2.0
Personnel expenses	(34.6)	(38.9)
Increase in fixed assets for internal work	0.6	0.5
Change in inventories	(1.1)	(1.7)
Purchase of raw materials and consumables	(4.0)	(4.0)
Costs for services	(50.1)	(52.4)
Other operating costs	(9.1)	(9.1)
Provisions and provision for bad debts	(1.7)	(1.9)
Gross operating profit (EBITDA)	1.0	(6.7)
Depreciation and amortisation	(5.2)	(5.5)
Gains/(losses) on disposal of non-current assets	0.0	0.0
Operating profit (loss) (EBIT)	(4.2)	(12.2)
Financial income (expenses)	(0.9)	(0.3)
Income (expenses) from investments	(0.0)	(0.0)
Pre-tax profit (loss)	(5.0)	(12.5)
Income taxes	(0.7)	2.0
Net profit (loss)	(5.7)	(10.4)
Profit/ (loss) from discontinued operations	-	-
Profit (loss) attributable to non-controlling interests	0.1	(0.1)
Profit (loss) attributable to owners of the parent	(5.8)	(10.4)

CONSOLIDATED INCOME STATEMENT ON A LIKE-FOR-LIKE BASIS		
Amounts in € million	1Q 2014	1Q 2013
Revenues from sales and services	98.1	94.0
Other operating income	2.3	1.9
Personnel expenses	(34.1)	(36.9)
Increase in fixed assets for internal work	0.6	0.5
Change in inventories	(1.1)	(1.5)
Purchase of raw materials and consumables	(4.0)	(4.0)
Services	(49.0)	(49.6)
Other operating costs	(9.0)	(8.7)
Provisions and provision for bad debts	(1.6)	(1.8)
Gross operating profit (EBITDA)	2.2	(6.0)
Depreciation and amortisation	(5.2)	(5.4)
Net Gains on disposal of non-current assets	0.0	0.0
Operating profit (loss) (EBIT)	(3.0)	(11.4)
Financial income (expenses)	(0.9)	(0.3)
Income (expenses) from investments	(0.0)	(0.0)
Pre-tax profit (loss)	(3.9)	(11.7)
Income taxes	(0.7)	2.0
Net profit/ (loss) on a like-for-like basis	(4.6)	(9.7)
Profit/ (loss) from discontinued operations	-	-
Profit/ (loss) from other discontinued operations	(1.2)	(0.8)
Profit (loss) attributable to non-controlling interests	0.1	(0.1)
Profit (loss) attributable to owners of the parent	(5.8)	(10.4)

The above consolidated income statement on a like-for-like basis requires the reclassification of assets disposed of in January 2014 in the period under review and in the comparative period

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Amounts in € million	31.03.2014	31.12.2013
ASSETS		
Non-current assets		
Property, plant and equipment	50.3	52.2
Goodwill	75.0	75.0
Intangible assets	80.5	82.0
Investments in associates and joint ventures	0.9	0.9
Available-for-sale financial assets	0.9	1.2
Other non-current financial assets	-	-
Other non-current assets	3.8	3.8
Deferred tax assets	70.3	70.1
Total	281.7	285.2
Current assets		
Inventories	4.8	6.0
Trade receivables	161.5	139.3
Other receivables	8.6	10.6
Other current assets	8.7	5.7
Cash and cash equivalents	13.2	8.6
Total	196.8	170.2
Assets held for sale	-	1.3
TOTAL ASSETS	478.5	456.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)		
Amounts in € million	31.03.2014	31.12.2013
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Share capital	35.1	35.1
Equity reserves	98.8	180.3
Revaluation reserves	-	-
Hedging and translation reserves	(0.1)	(0.1)
Other reserves	15.3	15.3
Retained earnings	(27.5)	(32.8)
Profit (loss) attributable to owners of the parent	(5.8)	(76.2)
Total	115.8	121.6
Equity attributable to non-controlling interests		
Capital and reserves attributable to non-controlling interests	0.3	0.3
Profit (loss) attributable to non-controlling interests	0.1	0.1
Total	0.4	0.3
Total equity	116.1	121.9
Non-current liabilities		
Non-current financial liabilities	0.3	0.4
Employee benefit obligations	27.8	27.8
Deferred tax liabilities	12.3	12.4
Provisions for risks and charges	11.2	11.3
Other non-current liabilities	0.7	0.7
Total	52.3	52.5
Current liabilities		
Bank overdrafts and loans - due within one year	70.6	56.7
Financial liabilities held for trading	0.1	0.1
Trade payables	173.9	146.3
Other current liabilities	5.7	10.4
Other payables	59.8	64.5
Total	310.1	278.0
Liabilities held for sale	-	4.2
Total liabilities	362.3	334.7
TOTAL EQUITY AND LIABILITIES	478.5	456.7

CONSOLIDATED CASH FLOW STATEMENT

Amounts in € million	1Q 2014	1Q 2013
Loss before tax attributable to owners of the parent [a]	(5.0)	(12.4)
Adjustments [b]	5.7	4.0
Loss attributable to non-controlling interests	0.1	(0.1)
Amortisation and depreciation	5.2	5.5
(Gains)/losses	(0.0)	0.0
Change in the provisions for risks and charges	(0.1)	(0.1)
Change in employee benefits obligations	(0.0)	(1.6)
Change in deferred tax assets	(0.2)	0.0
Financial (income)/expenses	0.9	0.3
Change in net working capital [c]	2.6	(25.6)
Change in inventories	1.2	1.7
Change in trade receivables	(22.2)	(13.3)
Change in trade payables	27.6	(2.1)
Income tax paid	-	-
Other changes in net working capital	(3.9)	(11.9)
Total cash flow from operating activities [d=a+b+c]	3.3	(34.0)
Cash flow from investing activities [e]	(1.5)	(2.4)
Investments in intangible assets and property plant and equipment	(1.8)	(2.4)
Proceeds from the disposal of intangible assets and property plant and equipment	0.0	0.0
Other changes in investing activities	0.2	(0.0)
Cash flow from financing activities [f]	10.5	19.6
Net financial interest received	(0.9)	(0.3)
Change in medium/long-term bank loans	(0.1)	(0.1)
Change in short-term bank loans	11.4	20.0
Net change in non-current financial assets	-	(0.0)
Dividends paid	-	0.0
Change in capital and reserves	-	(0.0)
Change in equity attributable to non controlling interests	0.0	(0.0)
Cash flow from assets and liabilities held for sale (h)	(10.2)	-
Cash flow absorbed during the period [g=d+e+f+h]	2.1	(16.8)
Opening cash and cash equivalents	(14.8)	9.3
Closing cash and cash equivalents	(12.7)	(7.6)
Increase (decrease) for the period	2.1	(16.8)

CONSOLIDATED NET FINANCIAL POSITION		
Amounts in € million	31.03.2014	31.12.2013
Cash and cash equivalents	13.2	8.6
Bank overdrafts and loans due within one year	(70.5)	(56.7)
Short-term net financial position	(57.3)	(48.1)
Non-current financial liabilities	(0.4)	(0.4)
Fair value of hedging instruments	(0.1)	(0.1)
Medium/long-term net financial position	(0.5)	(0.5)
Net financial position	(57.8)	(48.6)

\