

24ORE

**INTERIM
MANAGEMENT
STATEMENT AT
30 SEPTEMBER 2016**

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Corporate bodies

The Board of Directors and the Board of Statutory Auditors were elected by the Ordinary Shareholders' Meeting on 29 April 2016.

The Board of Directors, following the resignation of Directors: Giorgio Squinzi, Chairman, Livia Pomodoro, Claudia Parzani, Carlo Pesenti and Mauro Chiassarini, on 30 September 2016, and the resignation of Director Maria Carmela Colaiacovo on 1 October 2016, will remain in office under *prorogatio*, pursuant to art. 2385 of the Italian Civil Code, until the Ordinary Shareholders' Meeting held on first call on 14 November 2016 and on second call on 21 November 2016.

The Board of Statutory Auditors will remain in office until the Shareholders' Meeting held to approve the 2018 separate financial statements.

Board of Directors

Chairman	Carlo ROBIGLIO (1)
Vice Chairman	Luigi ABETE (2)
Chief Executive Officer	Gabriele DEL TORCHIO (3)
Directors	Maria Carmela COLAIACOVO Nicolò DUBINI (4) Marcella PANUCCI

Secretary to the Board

Luigi PREDIERI

- (1) Appointed by the Board of Directors on 2 October 2016 replacing Giorgio Squinzi, who resigned on 30 September 2016
- (2) Appointed by the Board of Directors on 2 October 2016
- (3) Powers granted by the Board of Directors on 13 June 2016
- (4) Independent Director

Board of Statutory Auditors

Chairman	Luigi BISCOZZI
Standing Statutory Auditors	Laura GUAZZONI Giovanni MACCAGNANI
Alternate Statutory Auditors	Fabio FIORENTINO Maria SILVANI

Representative of special-category shareholders

Mario ANACLERIO

Manager in charge of financial reporting

Valentina MONTANARI

Internal Audit Manager

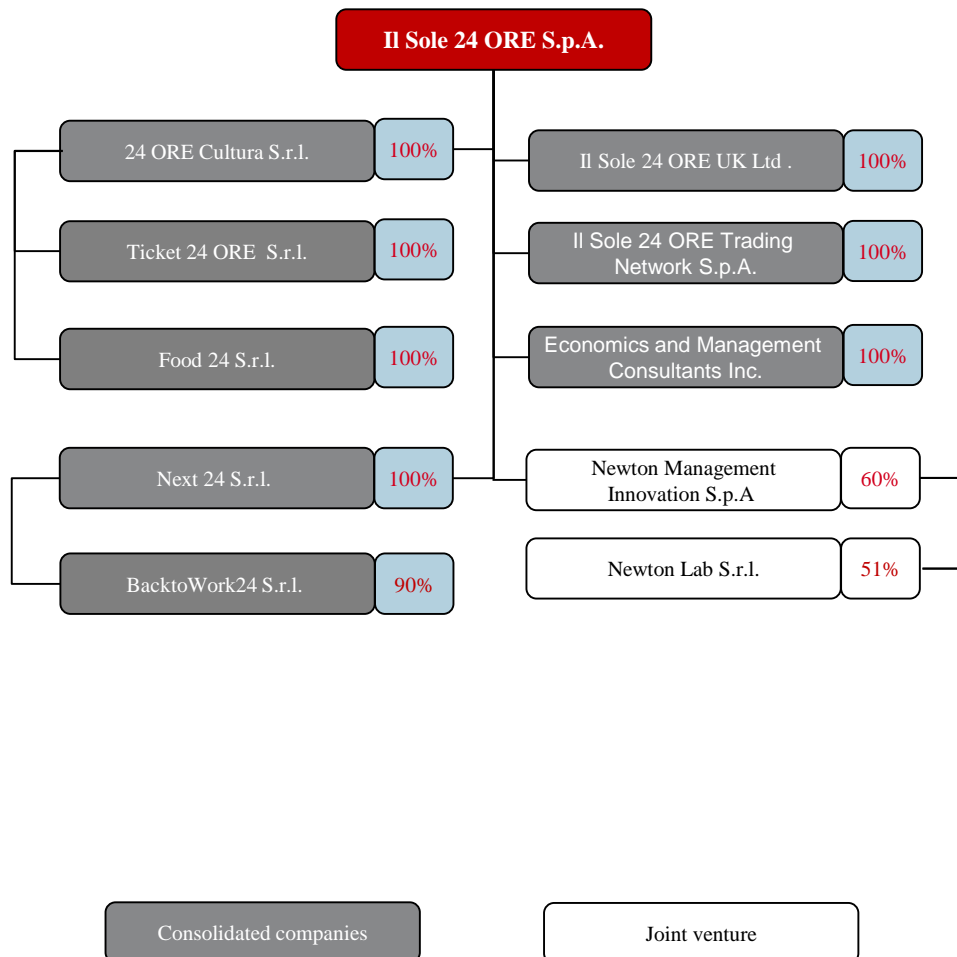
Massimiliano BRULLO (5)

Independent Auditors

EY S.p.A.

(5) Resigned, effective from 1 October 2016

Structure of the 24 ORE Group



OPERATING PERFORMANCE AT 30 SEPTEMBER 2016

Market environment

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

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

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

The latest radio audience data (first half of 2016) show a total of 35,611,000 listeners on average day, increasing by 2% (+684,000) compared with the same period of 2015 (*GfK Eurisko, RadioMonitor*).

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

The consumer model is shifting towards electronic media, databases and online products and services. This shift has led to lower spending owing to the difficulty on the professional market in selling online information at prices comparable to the print versions.

Performance of the 24 ORE GROUP

Premise

The following table shows the changes in a number of financial statement items related to 2015, previously seen in the Half-Year Financial Report at 30 June 2016.

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

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

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

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

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

The following table presents the restated figures in the first nine months of 2015 as shown above:

MAIN FIGURES OF THE 24 ORE GROUP 9M 2015

in thousands of euro	9M 2015	Database revenue adjustment	Fund Advertising revenue adjustment	EMC consolidation	Rotary press	9M 2015 Restated
Revenue	227,906	402	(1,117)	164		227,356
Gross operating profit (EBITDA)	(12,501)	540	(1,117)	(44)	655	(12,467)
Operating profit (loss) (EBIT)	(23,587)	540	(1,117)	(47)	(108)	(24,320)
Pre-tax profit (loss)	(24,725)	540	(1,117)	(47)	(413)	(25,763)
Profit (loss) for the period	(25,415)	540	(1,117)	(51)	(413)	(26,457)
Profit (loss) attributable to owners of the parent	(25,010)	540	(1,117)	(51)	(413)	(26,052)
Net financial position	(26,818)	-	-	59	(7,183)	(33,942) (1)
Equity	87,170	(7,490)	-	284	(1,167)	78,797 (1)
Average number of employees	1,236	-	-	2	-	1,238

(1) As at 31 december 2015

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The following table presents the key financial figures of the Group at 30 September 2016 compared with the restated figures in the first nine months of 2015:

MAIN FIGURES OF THE 24 ORE GROUP		
in thousands of euro	9M 2016	9M 2015 Restated
Revenue	208,449	227,356
Gross operating profit (EBITDA)	(25,314)	(12,467)
EBITDA net of non recurring charges	(16,233)	(12,467)
Operating profit (loss) (EBIT)	(46,945)	(24,320)
EBIT net of non recurring charges	(31,823)	(24,320)
Pre-tax profit (loss)	(51,091)	(25,763)
Profit (loss) from continuing operations	(61,636)	(26,456)
Profit (loss) attributable to owners of the parent	(61,631)	(26,051)
Profit (loss) net of non recurring charges	(35,065)	(26,051)
Net financial position	(40,847)	(33,942) (1)
Equity	16,353	78,797 (1)
Average number of employees	1,229	1,238

(1) As at 31 december 2015

The 24 ORE Group closed the first nine months of 2016 with a **loss of €61.6 million**, while **Equity stood at €16.4 million**, decreasing by €70.8 million compared with €87.2 million at 31 December 2015. The decrease in equity is ascribable to:

- the effects - €8.4 million - of the retroactive change in the accounting standard relating to databases and other corrections of errors mentioned earlier and relating to 2015;
- the effects - €61.6 million - of the loss reported in the first nine months of 2016; net of non-recurring charges, the result would have come to €35.1 million;
- the effects - €0.8 million - of other changes, mostly from the actuarial assessment of post-employment benefits.

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

This Interim Management Statement recognizes non-recurring charges of €26.6 million, €26.2 million of which previously recorded in the Half-Year Financial Report at 30 June 2016. In the third quarter, a further €0.4 million in non-recurring charges were recognized on those previously recorded in the first half of 2016. The main reasons for these non-recurring charges are explained below.

Starting from the current year, the Group has no longer control over **Newton Management Innovation S.p.A.** and its subsidiary **Newton Lab S.r.l.** Loss of control derives from the entry into force of a number of clauses included in the shareholders' agreements arranged with non-controlling interests in 2012 and suspended until this year, which in actual fact involve joint control of the company. Accordingly, the company is considered a joint venture and accounted for at equity, as this is deemed to reflect the fair value of the investment at the date of the loss of control. The value of the investment was therefore adjusted to the pro-rata share of equity and amounts to €580 thousand at 30 September 2016. Loss of control and measurement at equity resulted in the recording in these interim statements of impairment losses and adjustments of €2,834 thousand.

In 2016, the persisting critical state of the Culture CGU led to the full write-down of goodwill for €250 thousand relating to the acquisition of Ticket 24.

Regarding **deferred tax assets**, mention should be made that in 2015, the recoverability of deferred tax assets on prior losses had been determined on the basis of the 2015-2019 Business Plan, which included the full recovery by 2026 of deferred tax assets amounting to €37.7 million. As the final results of the first half and the first nine months of 2016, as well as those forecast for 2016, deviate significantly from those forecast by the previous plan, which is therefore deemed unfulfilled, a plan has been prepared for the recoverability of deferred tax assets based on the results of the guidelines of the 2016-2020 Business Plan, approved by the Board of Directors on 27 September 2016. On 3 November 2016, the Board of Directors approved the Business Plan, which confirmed the guidelines.

The plan on the recovery of deferred tax assets was prepared by determining the taxable income reflected in the guidelines of the new plan, and assuming for the periods beyond the explicit forecast time horizon a taxable amount equal to the last period. Given the difficulty to determine taxable profit beyond the explicit period, recoverable deferred tax assets are expected to decrease by 15% in the 2021-2025 period, by 50% in the 2026-2030 period, and by 100% beyond 2030. Such an assessment resulted in an overall reduction in deferred tax assets of €10.4 million in the first half of 2016 and in the first nine months of 2016.

Additionally, other non-recurring charges reported in the first nine months of 2016 are shown below:

- In order to rationalize offices and occupied premises, the decision was taken to leave the offices in Pero (MI) starting from July 2016 and to move activities to the offices situated in Via Monte Rosa and Via Busto Arsizio in Milan. The termination agreement was completed on 31 March 2016. The decision, which will result in annual savings of €3.9 million, produced one-time costs for a total of €3.8 million in the first nine months of 2016, €1.7 million of which for contractual charges, and €2.1 million for losses from the disposal of fixed assets, such as plants, canteen equipment, and mobile walls, which were purchased by the incumbent in the lease contract.

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- A charge of €1.5 million was recognized following the departure of CEO Donatella Treu.
- A charge of €0.4 million was recognized following the departure of the CEO of 24 ORE Cultura S.r.l.
- Restructuring costs of €5.5 million were allocated for future business reorganization.
- A number of licenses and software were written off for the amount of €0.9 million; these have been replaced by new systems, related in particular to the sales cycle, to editorial content production software and to CRM.
- An agreement was reached on 24 February 2016 for the early settlement of the vendor loan, with repayment by Team System of the entire capital of €22.5 million, plus €2 million in interest. The original maturity of the vendor loan relating to the sale of the Software Area was 15 November 2020. The full amount of €24.5 million was paid in a lump sum on 3 March 2016. The asset recognized in the financial statements at 31 December 2015, including accrued interest, amounted to €25.5 million, resulting in the recognition of a charge of €1 million.

The following table shows the details of non-recurring charges:

Breakdown of non-recurring charges	
in thousands of euro	9M 16
Gross Operating Profit (EBITDA)	(25,314)
Non-recurring charges from the departure of the previous CEO	(1,500)
Non-recurring charges from the departure of the previous CEO of 24 ORE Cultura	(371)
Contractual charges related to Pero property	(1,710)
Staff restructuring costs	(5,500)
Total non-recurring charges with an impact on Ebitda	(9,081)
Ebitda net of non-recurring charges	(16,233)
Operating profit (EBIT)	(46,945)
Total non-recurring charges with an impact on Ebitda	(9,081)
Impairment loss on Culture goodwill	(250)
Write-off of assets	(854)
Deconsolidation of Newton	(2,834)
Losses on disposal of assets relating to the Pero property	(2,103)
Total non-recurring charges with an impact on Ebit	(15,122)
Ebit net of non-recurring charges	(31,823)
Net result from continuing operations	(61,636)
Total non-recurring charges with an impact on Ebit	(15,122)
Non-recurring charges from the early cash-in of the vendor loan	(1,037)
Write-off of deferred tax assets	(10,408)
Total non-recurring charges	(26,567)
Net result net of non-recurring charges	(35,069)

Business performance

In the first nine months of 2016, the 24 ORE Group achieved **consolidated revenue** of €208.4 million compared with a restated €227.4 million in the same period of 2015, falling by €18.9 million. The change is attributable to the deconsolidation for €8.7 million of the subsidiaries Newton Management Innovation and Newton Lab. Net of the above change, consolidated revenue fell by €10.2 million, mainly as a result of the drop of €4.9 million (-5.7%) in advertising revenue, and of the drop of €3.5 million (-20.2%) in revenue from add-ons and print books and magazines.

Overall Group digital revenue amounted to €73.8 million, accounting for 35.4% of total revenue (32.9% in the same period of 2015), falling by 1.5% compared with 2015. **Overall digital revenue from information content** amounted to €56.0 million compared with €54.8 million (+2.2%) in the first nine months of 2015.

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

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

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

Main trends in consolidated revenue:

- Circulation revenue from the Daily (print+digital) fell by €1.3 million (-2.4%) compared with the first nine months of 2015. Revenue from digital information content of the Daily and of broadsheets grew by €2.4 million (+12.6%).
- Advertising revenue, amounting to €80.4 million, dropped by €4.9 million (-5.7%) compared with the same period of 2015, due mainly to the termination of a number of third-party publisher concessions; net of this change, the area revenue was down by 3.8%. The relevant market dropped by an overall 3.0% (*Nielsen January – August 2016*).
- Revenue from Tax & Legal databases fell by -5.2% or €1.6 million. The various business lines reported different downward patterns: a more moderate drop in Tax and Labour, a sharper one in Law, Construction and PA.
- Revenue from the Education & Services Area amounted to €13.2 million, down by €8.3 million as a result of the deconsolidation of the Newton subsidiaries; net of the change in the consolidation scope, revenue was up by 3.1%.
- Revenue from the Culture Area, amounting to €13.0 million, fell by €0.2 million, or -1.9% compared with 2015. Specifically, 13 exhibitions were organized in the first nine

months of 2016 compared with 11 exhibitions in the same period of 2015, with total number of visitors down. The decline in revenue from exhibitions was partly offset by other MUDEC activities.

- Revenue from the sale of add-ons, books and print magazines, amounting to €13.7 million, dropped by 20.2% compared with 2015, as a result of the reduction of the portfolio of print products.

Direct and operating costs amounted to €148.4 million, falling by €19.3 million (-11.5%) compared with the restated 2015 figure, €8.1 million of which due to the deconsolidation of the Newton subsidiaries. The main decreasing cost items were:

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

The main increasing costs items were:

- sale costs, up by €0.6 million (+3.0%). Specifically, agency sale costs increased by €1.0 million, due to the recognition of charges arising from the FIGC-Infront agreement on advertising sales for the Italian football team over the 2015-2018 four-year period;
- contractual charges of €1.7 million following departure from the Pero/MI offices.

Personnel expense, amounting to €84.8 million, was up by €6.5 million compared with the same period of 2015. The increase is attributable specifically to non-recurring charges of €7.4 million, €5.5 million of which for restructuring costs and €1.9 million for non-recurring charges from the departure of the Group CEO and the CEO of 24 ORE Cultura S.r.l.. Overall, personnel expense, net of non-recurring charges, dropped by €0.9 million, due mainly to the reduction in average headcount (related partly to the deconsolidation of Newton subsidiaries) and to the increased use of holidays. Average headcount came to 1,229 units, down by 9 units; net of the deconsolidation of the Newton subsidiaries, average headcount increased by 5 units. The increase is attributable to the application of the Jobs Act, which has allowed atypical contracts to be converted into permanent employment contracts, taking advantage of the reduction in social contributions under the law, with basically no increase in costs.

The **gross operating loss** amounted to -€25.3 million compared with a restated -€12.5 million in the first nine months of 2015. A difference explained mainly by the drop in revenue and by non-recurring charges of €9.1 million, as well as by lower operating income. EBITDA, net of non-recurring charges, amounted to -€16.2 million.

The **operating loss** amounted to -€46.9 million compared with a restated -€24.3 million in 2015, including non-recurring charges of €15.1 million.

EBIT, net of non-recurring charges, amounted to -€31.8 million. Amortization and depreciation amounted to €15.6 million compared with €13.0 million in the same period of 2015, up by €2.6 million, due mainly to the changed estimate of the useful life of certain intangible assets. EBIT includes non-recurring charges from the deconsolidation of Newton of €2.8 million, and losses of €2.1 million mainly from the disused assets following departure from the Pero offices as a result of the early termination of the lease. EBIT was also impacted by the write-off of software and licenses for €0.9 million, and by the impairment of goodwill of the Culture Area for €0.2 million.

The **loss before tax** came to -€51.1 million compared with a restated -€25.8 million in the same period of the prior year. The result was affected by financial charges of €4.2 million (a restated €2.9 million in the same period of 2015), which included non-recurring charges of €1.0 million from the early collection of the vendor loan. The first nine months of 2015 had benefited from interest income of €1.4 million from the vendor loan.

Income taxes amounted to -€10.6 million (-€0.7 million in the same period of 2015). Deferred tax assets were written down by €10.4 million, based on an estimate of the probability to recover recognized assets relating to losses carried forward.

The **loss attributable to the owners of the parent** came to -€61.6 million compared with a restated -€26.1 million in 2015. Net of non-recurring charges, the loss amounted to -€35.1 million.

Statement of Financial Position

HIGHLIGHTS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
in thousands of euro	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
Non-current assets	152,708	204,144	215,815
Current assets	141,549	165,776	170,117
Available-for-sale assets	-	-	-
Total assets	294,257	369,920	385,932
Equity attributable to owners of the parent	16,340	78,286	102,804
Equity attributable to non-controlling interests	14	511	764
Total Equity	16,353	78,797	103,568
Non-current liabilities	44,229	45,298	68,136
Current liabilities	233,675	245,825	214,228
Available-for-sale liabilities	-	-	-
Total liabilities	277,904	291,122	282,364
Total equity and liabilities	294,257	369,920	385,932

Non-current assets amounted to €152.7 million, down by €51.4 million compared with €204.1 million at 31 December 2015. More specifically:

- Goodwill, recognized in the amount of €16.0 million, decreased by €2.4 million compared with end 2015, due to the deconsolidation of Newton Management and of

Newton Lab S.r.l., and to the impairment of goodwill of the Culture Area referring to Ticket 24;

- Deferred tax assets amounted to €36.6 million, 27.3 million of which from loss carried forward. Based on the previous plan, deferred taxes were recoverable by 2026. The results of the first nine months of 2016 and 2016 estimates deviate significantly from the forecasts contained in the previous plan, and resulted in the write-down of deferred tax assets of €10.4 million. Mention should be made that no new deferred tax assets have been recognized from 2013 onwards;
- Intangible assets amounted to €55.1 million, €27.8 million of which for radio broadcasting frequencies and €25.4 million for licenses and software, including projects currently underway. Investments in the period amounted to €4.7 million, amortization came to €9.2 million, and write-offs totalled €0.9 million;
- Property, plant and equipment amounted to €41.3 million. Investments in the period amounted to €1.3 million, while divested assets from the Pero offices amounted to €2.1 million. Depreciation totalled €6.4 million;
- Other and non-current assets amounted to €3.4 million, down by €25.5 million, from the early collection of the vendor loan relating to the disposal of the Software Area. The vendor loan at 31 December 2015 included accrued interest and amounted to €25.5 million. The full amount of €24.5 million was paid in a lump sum on 3 March 2016, and resulted in a charge of €1 million.

Current assets amounted to €141.5 million compared with a restated €165.8 million at the beginning of the year, dropping by €24.2 million, due mainly to the decrease in trade receivables, which fell by €22.0 million compared with 31 December 2015.

Equity stood at €16.4 million compared with a restated €78.8 million at 31 December 2015, decreasing by €62.4 million from the consolidated financial statements at 31 December 2015, as a result of the loss for the period of 61.6 million and of the actuarial assessment of post-employment benefits.

Equity attributable to non-controlling interests changed as a result of the deconsolidation of Newton Management Innovation S.p.A. and its subsidiary Newton Lab S.r.l..

Non-current liabilities amounted to €44.2 million compared with a restated €45.3 million at the beginning of the year.

Current liabilities came to €233.7 million, down by €12.1 million compared with a restated €245.8 million at the beginning of the year, as a result of the decrease by €16.6 million in trade payables, partly offset by the increase by €3.9 million in bank overdrafts and loans.

Equity position of the Parent

The tables below on the position of Il Sole 24 ORE S.p.A. show that the Parent company finds itself in the situation covered by art. 2446 of the Italian Civil Code, namely, that the share capital has fallen by over a third as a result of losses. Parent equity amounts to €18,229 thousand at 30 September 2016, while the share capital amounts to €35,124 thousand, below the limit set by art. 2446 of the Italian Civil Code.

Mention should be made that, on 29 September 2016, the majority shareholder expressed its willingness to consider taking, also in light of the financial and equity requirements detailed in the 2016-2020 Business Plan approved by the Board of Directors on 3 November, any action on the share capital as may be necessary to allow continuity as a going concern.

STATEMENT OF FINANCIAL POSITION OF THE PARENT			
in thousands of euro	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	38,472	45,389	52,058
Goodwill	15,982	15,982	15,982
Intangible assets	53,834	59,306	59,376
Investments in associates and joint ventures	580	-	-
Available-for-sale financial assets	733	948	909
Other non-current assets	4,346	32,163	31,975
Deferred tax assets	35,631	46,511	56,752
Total	149,578	200,299	217,052
Current assets			
Inventories	3,302	4,291	5,859
Trade receivables	76,487	89,811	98,000
Other receivables	8,366	6,416	8,111
Other current financial assets	13,894	17,262	3,543
Other current assets	4,356	4,402	5,025
Cash and cash equivalents	33,402	33,299	31,528
Total	139,806	155,481	152,066
Assets held for sale			
TOTAL ASSETS	289,384	355,780	369,118

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STATEMENT OF FINANCIAL POSITION OF THE PARENT (CONT.)			
in thousands of euro	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
EQUITY AND LIABILITIES			
Equity			
Share capital	35,124	35,124	35,124
Equity reserves	61,728	82,981	98,814
Legal reserves	7,025	7,025	7,025
Negative goodwill	(12,487)	(12,487)	(12,487)
Post-employment benefits Reserve - IAS adjustment	(4,635)	(3,651)	(4,634)
Other reserves	1,165	1,165	1,152
Profit (losses) carried forward	(7,579)	(6,321)	(6,321)
Profit (loss) for the period	(62,113)	(22,511)	(15,833)
Total equity	18,229	81,326	102,839
Non-current liabilities			
Non-current financial liabilities	6,296	7,183	22,653
Employee benefit obligations	23,900	24,057	26,752
Deferred tax liabilities	5,216	5,216	6,692
Provisions for risks and charges	6,215	5,352	8,197
Total	41,628	41,808	64,293
Current liabilities			
Bank overdrafts and loans - due within one year	70,303	64,970	16,633
Other financial liabilities	5,779	7,324	1,889
Trade payables	121,065	127,496	145,728
Other payables	32,380	32,857	37,717
Total	229,527	232,647	201,985
Liabilities held for sale	-	-	
Total liabilities	271,155	274,455	266,278
TOTAL EQUITY AND LIABILITIES	289,384	355,780	369,118

24 ORE GROUP

INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

INCOME STATEMENT OF THE PARENT		
in thousands of euro	9M 2016	9M 2015 Restated
1) Continuing operations		
Revenue	190,131	201,135
Other operating income	3,852	9,072
Personnel expenses	(81,425)	(74,508)
Change in inventories	(989)	(1,424)
Purchase of raw materials and consumables	(6,622)	(7,085)
Services	(104,066)	(114,839)
Use of third party assets	(15,887)	(16,277)
Other operating costs	(6,306)	(4,269)
Provisions	(1,856)	(455)
Provisions for bad debts	(1,922)	(1,271)
Gross operating profit	(25,091)	(9,922)
Amortisation of intangible assets	(9,159)	(6,407)
Depreciation of property, plant and equipment	(6,045)	(6,307)
Change in scope of consolidation	(2,834)	-
Impairment losses on property, plant and equipment and intangible assets	1,980	-
Net gains on disposal of non-current assets	(2,071)	1,117
Operating profit (loss)	(43,221)	(21,518)
Financial income	848	1,656
Financial expense	(4,120)	(2,882)
Net financial expense	(3,272)	(1,226)
Other income (expenses) from investment assets and liabilities	(4,881)	63
Net profit (loss) before tax	(51,374)	(22,681)
Income tax	(10,739)	718
Net profit (loss) from continuing operations	(62,113)	(21,963)
2) Discontinued operations	-	-
Profit (loss) from discontinued operations	-	-
Profit (loss)	(62,113)	(21,963)

SEGMENT REPORTING

The table below shows the basic Group figures broken down by segment.

The results of Publishing & Digital, Tax & Legal and Radio are presented separately, while in 2015 they were included in the Publishing segment. This presentation is in line with the one used by Management in management reporting. The Corporate and centralized services segment includes the Group's coordination departments and the services associated with the support processes.

STATEMENT OF PROFIT OR LOSS BY BUSINESS SEGMENT								
SEGMENT	Revenue from third parties	Inter-segment revenue	Tot. revenue	EBITDA	Depreciation & Amortisation	Impairment losses	Gains/losses	EBIT
PUBLISHING & DIGITAL								
9M 2016	57,807	40,299	98,106	(16,613)	(2,390)	(4)	0	(19,007)
9M 2015	60,602	41,998	102,600	(17,608)	(2,379)	-	1,121	(18,867)
TAX&LEGAL								
9M 2016	43,875	1,982	45,857	8,527	(450)	(2)	0	8,075
9M 2015	45,635	1,847	47,482	10,873	(377)	-	(6)	10,490
RADIO								
9M 2016	284	11,525	11,810	262	(427)	(0)	0	(165)
9M 2015	431	11,702	12,132	1,320	(475)	-	-	844
SYSTEM								
9M 2016	80,693	-	80,693	(1,494)	(6)	(0)	-	(1,501)
9M 2015	85,623	33	85,655	1,568	(4)	-	-	1,563
EDUCATION & SERVICES								
9M 2016	12,232	986	13,217	(765)	(52)	(2,834)	-	(3,651)
9M 2015	21,045	519	21,563	1,007	(141)	-	-	866
CULTURE								
9M 2016	12,479	542	13,021	(2,898)	(360)	(250)	(35)	(3,543)
9M 2015	13,050	218	13,268	(4,859)	(138)	-	-	(4,997)
CORPORATE AND CENTRALISED SERVICES (*)								
9M 2016	1,079	-	1,079	(12,333)	(11,901)	(847)	(2,071)	(27,152)
9M 2015	969	-	969	(4,767)	(9,455)	-	2	(14,220)
CONSOLIDATED								
9M 2016	208,449	-	208,449	(25,314)	(15,586)	(3,938)	(2,107)	(46,945)
9M 2015	227,355	-	227,355	(12,467)	(12,970)	-	1,117	(24,320)

The January-September 2015 figures are shown on a restated basis.

(*) The operating loss for the Corporate and Centralized Services segment fell by €12.9 million compared with the first nine months of 2015, which had benefited from the release of the provisions of €2.2 million following the removal of the contractual obligations associated with leasehold improvements on the property in Via Monte Rosa, and the positive outcome of pending disputes on the acquisition of ESA Software. In the first nine months of 2016, the segment's operating loss was affected by non-recurring charges totalling €11.7 million, i.e. the one-off costs relating to the release of the Pero (MI) offices for €3.8 million, restructuring costs for €5.5 million, costs relating to termination of the former CEO contract for €1.5 million and the write-off of licences and software for €0.8 million.

Publishing & Digital

Publishing & Digital is the division responsible for the daily newspaper Il Sole24 ORE, digital products associated with the daily newspaper, broadsheets, products associated with the daily newspaper, magazines and add-ons; the website; the Radiocor Plus press agency.

PUBLISHING & DIGITAL AREA RESULTS			
in thousands of euro	9M 2016	9M 2015 Restated	% change
Circulation/other revenue	57,807	60,634	-4.7%
Advertising revenue	40,299	41,966	-4.0%
Revenue	98,106	102,600	-4.4%
Gross operating profit (EBITDA)	(16,613)	(17,608)	5.7%
EBITDA Margin %	-16.9%	-17.2%	0.2 p.p.
Operating profit (loss) (EBIT)	(19,007)	(18,867)	-0.7%

Market performance

In the first nine months of 2016, Publishing and Digital's relevant market continued the downward trend in all areas of operation that had marked 2015.

The relevant advertising market closed the first eight months down by 3.0%. The trend was driven downwards by the negative performance of print (-5.3%), with dailies (net of the local typology) and magazines falling by 6.8% and 3.6% respectively, and by the drop of the Internet (-1.6%). Revenue from Radio grew (+1.3%, *Nielsen - January-August 2016*).

Regarding circulation, ADS has suspended the count of multiple digital copies. Data will be shown and commented net of such type of sale. ADS data in January-September 2016 show a drop of approximately 10.4% in print circulation for the major national newspapers compared with January-September 2015. Print+digital circulation fell by 9.6%.

Area performance

Publishing & Digital ended the first nine months of 2016 with **revenue** of €98.1 million (-4.4% compared with the same period of 2015). Circulation and other revenue came to €57.8 million, down by €2.8 million (-4.7% compared with the same period of 2015). Circulation revenue from the Daily (print+digital) fell by €1.3 million (-2.4%) to €50.6 million compared with the same period of 2015. Revenue from digital information content of the Daily and of broadsheets grew by €2.4 million (+12.6%).

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

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

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

Digital revenue from information content increased by €12.4 million and currently account for 45.9% of total revenue from content compared with 39.1% in the same period of 2015.

Advertising revenue amounted to €40.3 million, down by 4.0% compared with the same period of the prior year, as a result of the adverse market trend of advertising sales in newspapers, financial advertising in particular.

The **gross operating loss** amounted to -€16.6 million compared with a restated -€17.6 million in the same period of 2015, improving by €1 million. A result achieved thanks to the reduction in direct and operating costs, specifically of business and marketing services (-33.3%), in production costs related mainly to add-on products (-9.5%), and in costs for raw materials, which more than offset the drop in revenue, amounting to €4.5 million.

In the first nine months of 2016, the Daily expanded the range of its publishing products offered on sale as add-ons to meet reader needs: these include *Racconti d'autore*, the English language learning series *English Actually* and the series *I tuoi soldi*, *L'economia per la famiglia* and *I tuoi diritti*.

Advertising revenue from the magazines *How To Spend It*, *IL*, and *24hours*, ended the first nine months increasing by 5.3%. A change attributable to the different scope of consolidation; net of this change, advertising revenue was up by 1.1% compared with the same period of the prior year and compared with the market's 3.6% drop (*Nielsen January- August 2016*).

The quali-quantitative survey conducted by GFK on *How To Spend It* shows that the magazine enjoys a regular readership of 500,000 average readers per issue, boasting a medium-high profile. The first nine months of 2016 saw the launch, as a new spin-off of Moda24, of "*Speciale Pitti Bimbo*", which marked the Group's landing in a new market: kidswear.

As a result of the drop in newsstand sales of generalist add-ons, considered no longer profitable, the decision was taken to not add new titles, unless interesting projects came to the fore. Such a decision led to a drop in revenue of €1.2 million.

www.ilsole24ore.com, Italy's first fee-based website, recorded over 714,000 unique browsers on average in the first nine months of 2016, up by +1.4%.

In the first nine months of 2016, the mobile version of *www.ilsole24ore.com* saw a 28.7% increase in average daily unique browsers, reaching the figure of 119,790. Growth was confirmed as regards social media. At 30 September 2016 the official Il Sole 24 ORE Facebook page had over 650,000 fans, up by 14.5% compared with the figure at 30 September 2015.

The number of followers on Twitter has exceeded 2.5 million (source: internal data).

In the first nine months of 2016, **Radiocor Plus Agency revenue** fell by 0.6% compared with the same period of 2015, continuing the negative trend.

Tax&Legal

Tax & Legal develops integrated product systems grounded upon technical and regulatory content tailored to professionals, businesses and the PA. The specific market segments are covered by three main lines - Tax/Labour/Economy; Law; Construction and the PA - which meet all the information, training and operational needs of the target audiences through well-integrated specialist information tools: books, magazines, databases, Internet services.

TAX & LEGAL AREA RESULTS			
in thousands of euro	9M 2016	9M 2015 Restated	% change
Circulation/other revenue	45,615	47,329	-3.6%
Advertising revenue	242	153	58.0%
Revenue	45,857	47,482	-3.4%
Gross operating profit (EBITDA)	8,527	10,873	-21.6%
EBITDA Margin %	18.7%	23.0%	-4.3 p.p.
Operating profit (loss) (EBIT)	8,075	10,490	-23.0%

Market performance

The professional publishing market is marked by strong downsizing. In fact, in 2015 professional publishing recorded a 4.1% drop in business volumes compared with the prior year, improving on the negative trend previously reported in 2014 (-5.9%). The market will drop more moderately in 2016 (around -3.4% compared with 2015 with a less negative performance than the sector average for tax publications and in line with that for legal publications), again affected by lower spending power by professionals and by spending review action taken by Public Administration.

The consumer model for the professional publishing market is shifting towards electronic media, databases and online products and services. This shift has led to lower spending owing to the difficulty on the professional market in selling online information at prices comparable to the print versions.

Area performance

Tax&Legal revenue amounted to €45.9 million, down by 3.4% compared with the same period of 2015. Total revenue from information content, both print and digital, amounted to €38.9 million, dropping by an overall 7.4% compared with the same period of 2015. This change was partly offset by the growth in revenue from commercial intermediation relating to the agency contract, due to expire on 31 December 2017, signed with TeamSystem, the buyer of the Software Area sold in 2014.

Specifically, revenue from databases and other digital products amounted to €29.4 million, down by 5.2%. The various business lines reported different downward patterns. Tax and Labour, where the Group has a deeper footprint and the product range is continually renewed to meet the needs of both the high-end and the medium/low-end segments of customers, achieved revenue of €20 million, dropping slightly by 1.0%. Law achieved revenue of €5.5 million, down by 9.5%, while

Construction and the PA was affected by the severe crisis of the construction market, achieving revenue of €4 million, down by 17.4%.

Looking at the revenue patterns of other products:

- magazines generated €8.2 million, down by 15.2% compared with the first nine months of 2015, as a result of the streamlining of the portfolio to tackle the market decline;
- books generated €0.7 million, down by 21.2% as a result of the streamlining of the catalogue with the closure of loss-making titles.

Gross operating profit came to €8.5 million, down by 21.6% compared with a restated €10.9 million in 2015. The change is mainly due to the different revenue mix, since intermediation revenue has a lower margin than the core business products, databases and magazines.

The Telefisco 2016 event saw the launch of the new version of the **Plusplus24 Fisco** database, enhanced with content from the magazine *Bollettino Tributario*, which comments on developments in taxation and procedural law, also providing insights into key constitutional, criminal and international issues, and by *Percorsi di Approfondimento*, authored by the top experts from Il Sole 24ORE.

April saw the launch of **Business Class Fisco**, the new product for the mid-market. This single, innovative work tool contains all the information and the content offered by the 24 ORE Group for professional activities: *Il Sole 24 Ore*, *Il Quotidiano del Fisco*, *La Settimana Fiscale*, *Norme e Tributi Mese*, *Guida Pratica Fiscale*, *Guida ai Controlli Fiscali*, *Guida alla Contabilità e Bilancio*, *L'Esperto Risponde*, *Norme e Tributi*, *Riviste24 Fisco*, and *Soluzioni24Fisco*.

The Labour market saw the launch of “*Circolari 24 Lavoro*”, weekly updates integrated into the daily labour publication, *Business Class Lavoro*, all the information and the content offered by the 24 ORE Group to industry professionals in one single tool: *Il Sole 24 ORE*, *Il Quotidiano del Lavoro*, *Circolari24 Lavoro*, *Guida al Lavoro*, *L'Esperto risponde*, *Norme e Tributi*, *Massimario di Giurisprudenza del Lavoro*, *Riviste24 Lavoro*, and *Unico Lavoro 24*.

September saw the launch of **Guida Pratica Fiscale Digital**, the new product that marks the kickstart of the Frizzera brand, thanks to a digital native product. The product is tailored to accountants and offers the signature wealth of the Frizzera System (brevity, actionability, use of charts and examples), harnessing, for the first time ever, the potential of the digital medium (search engine, real time updates, correlations and links connecting the wide range of content, access from smartphones, tablets and PCs). September also saw the launch of **Diritto 24**, the new legal database.

Radio

The Radio Area manages the national Radio 24 broadcaster, News & Talk radio with an editorial format alternating news and entertainment programmes based almost exclusively on speech.

RADIO AREA RESULTS			
in thousands of euro	9M 2016	9M 2015 Restated	% change
Circulation/other revenue	363	473	-23.3%
Advertising revenue	11,446	11,659	-1.8%
Revenue	11,810	12,132	-2.7%
Gross operating profit (EBITDA)	262	1,320	-80.2%
EBITDA Margin %	2.2%	10.9%	-8.7 p.p.
Operating profit (loss) (EBIT)	(165)	844	-119.6%

Market performance

The latest radio audience figures (first half of 2016) indicate a total of 35,611,000 listeners on average day, increasing by 2.0% (+684,000) compared with the same period of 2015 (*GfK Eurisko, RadioMonitor*).

Area performance

The Radio Area ended the first nine months of 2016 with revenue of €11.8 million compared with 12.1 million in the same period of 2015 (-2.7%).

Gross operating profit (EBITDA) came to €0.3 million compared with €1.3 million in the same period of 2015 (-€1.1 million). The change is due mostly to the increase by €0.6 million in direct and operating costs, particularly in editorial costs (+18.4%), and to lower revenue.

Radio 24 came ninth in the average daily audience rankings in the first half of 2016 (latest figures available) with an average 2,011,000 daily listeners, up by 2.5% compared with the same period last year. The market grew, instead, by 2.0%. The figures in the first half of 2016 show that Monday-Friday listeners were 2,275,000, up compared with the figures in the same period of 2015 (2,206,000, +3.2%). Sundays, in particular, saw an 11% increase compared with the same half-year period of the prior year, thanks to the new weekend programmes (*GfK Eurisko; RadioMonitor*).

Radio Area advertising revenue, via radio and on the website *www.radio24.it*, was down by 1.8% compared with the same period of 2015.

In the first nine months of 2016, the Radio 24 website increased the number of page views from 4.3 million in the same period of 2015 to 4.9 million, while general unique users of the website increased from 334 thousand to 545 thousand. A result on the digital achieved thanks also to the vertical site of the programme “*La Zanzara*”, with an average of approximately 400,000 page views every month (*Omniture Site Catalyst*).

Radio 24’s positive trend is also confirmed by audience data for “on demand” radio on the new website and App: in the January-September 2016 period, the number of audio files and podcasts

downloaded rose by 3.1% compared with the same period of the prior year, reaching over 13 million downloads.

System Area – Advertising revenue

System is the division acting as the advertising sales agency for the Group's main media and for some third-party media.

SYSTEM AREA RESULTS			
in thousands of euro	9M 2016	9M 2015 Restated	% change
Captive revenue	64,544	66,535	-3.0%
Non-captive revenue	16,149	19,120	-15.5%
Revenue	80,693	85,655	-5.8%
Gross operating profit (EBITDA)	(1,494)	1,568	-195.3%
EBITDA Margin %	-1.9%	1.8%	-3.7 p.p.
Operating profit (loss) (EBIT)	(1,501)	1,563	-196.0%

Market performance

The relevant advertising market closed the first 8 months of the year down by 3.0%. Print continued to fall (-5.3%); daily newspapers were severely hit, losing -6.8% (net of the local type), while magazines dropped by -3.6%. Internet fell too (-1.6%). Advertising revenue on Radio was the only positive performer (+1.3%, *Nielsen - January-August 2016*).

Area performance

System ended the first nine months of 2016 with revenue of €80.7 million, down by 5.8% compared with the same period of 2015. This result is largely due to concessions on certain publications (e.g. FAZ, LePoint, FD, EIEconomista, Sky and Borsa Italiana) included in 2015 but no longer in the portfolio in 2016. Net of this change in scope, the Area revenue fell by 3.8% compared with the market's 3.0% drop in the first eight months of 2016. Group media revenue amounted to €64.5 million, down by 3.0% compared with 2015.

System continued its development of numerous integrated multimedia communications projects (press - radio - Internet) and special ad hoc initiatives for customers, with Radio 24 also generating a significant presence in the country through activities sponsored by customers.

The **gross operating loss** amounted to -€1.5 million compared with +€1.6 million in the first nine months of 2015. The change is mainly due to the drop in revenue and to the recognition of charges arising from the FIGC-Infront agreement on advertising sales for the Italian football team over the 2015-2018 four-year period.

The analysis of the various Group media shows that **Il Sole 24ORE** closed the first nine months of 2016 down by 5.6% (daily newspapers market net of the local typology -6.8%; *Nielsen - January-*

August 2016), affected by the downturn in financial advertising, where Il Sole 24 ORE boasts market leadership in terms of revenue, and on the financial market in general. The first nine months of 2016 saw a drop in the number of extraordinary financial transactions (IPOs, mergers, share capital increases) and related announcements by the companies involved. Mention should also be made that in the first nine months of 2016, the daily newspapers market saw a reduction in planning by companies in the Finance/Insurance sector (-12.6%). The situation affected Il Sole 24 ORE in particular (-13.7%), being the daily newspaper that handles the largest number of announcements in this specific sector (23% market share).

Advertising sales on **Radio 24** fell by 1.6% compared with the same period of the prior year and compared with the market's 1.3% growth (*Nielsen – January-August 2016*). In the period under review, the radio market saw fewer investments by companies in the Finance/Insurance, Professional Services and IT/Photography sectors (-27.0%; *Nielsen radio analysis per second - January-September*). Radio24 was severely hit by such a situation, as these three sectors account for roughly one third of total advertising space revenue (*Nielsen analysis per second - January-September*) and adopt, on average, high pricing strategies.

Internet revenue decreased by 11.6% due mainly to the loss of Sky.it, Borsa Italiana and FAZ. Net of this change, the online result was down by 3.9% compared with the market's 1.6% drop (*Nielsen – January-August 2016*). Italian revenue, both Group and third parties, on a like-for-like basis, fell by 0.6%.

Education & Services

The Education & Services Area provides specialist training to young university graduates, managers and professionals and organizes annual conferences and events on a contract basis for large customers all over Italy. Included in this area are the activities of the subsidiary Next 24 S.r.l., which provides support services to businesses in their innovation and digital transformation processes.

EDUCATION & SERVICES AREA RESULTS

in thousands of euro	9M 2016	9M 2015 Restated	% change
Business School and Events	12,350	12,336	0.1%
Next area	867	489	77.2%
Newton	-	8,738	-100.0%
Revenue	13,217	21,563	-38.7%
Gross operating profit (EBITDA)	(765)	1,007	-176.0%
EBITDA Margin %	-5.8%	4.7%	-10.5 p.p.
Operating profit (loss) (EBIT)	(3,651)	866	-521.6%

Market performance

The training market, including financial training, had estimated revenue of €620 million (2013/2014 ISFOL Report data).

The 2016 expenditure forecasts are positive. In fact, 34% of the sample interviewed expects spending to increase, 58% steady investments and only 8% a decrease. In the training market, the main sources of funding are the *Interprofessional Funds*, which cover 46% of the total expense. Experiential learning, action learning, case history, coaching/mentoring, project work, workshops and laboratories, in-house testimonials and role play are increasing.

As regards the events market, the latest available figures for 2015 recorded a recovery in investments in events and communications by Italian companies. The total spending volume was €819 million (+4.3% compared with 2014; *Event Report – Astra Ricerche on behalf of ADC Group*).

Research conducted on a sample of 300 Italian companies who invest in communication, 42% of which invested 20% of their budget in events, shows a positive forecast for the next two years, to the point of forecasting investments in events of €1,041 million in 2017.

Area performance

Education & Services Area revenue, including 24 ORE Training, Events and Next revenue, amounted to €13.2 million, down by €8.3 million compared with the same period of 2015. Prior-year revenue included revenue from the Newton subsidiaries, amounting to €8.7 million. On a like-for-like basis, net of Newton, the Area revenue grew by €0.4 million, or by 3.1%.

Business school and Events revenue totalled €12.4 million, in line with the same period of the prior year.

Full-time master courses grew by 21.4% compared with the same period of 2015, with 36 initiatives targeting young graduates. The part-time master courses for managers involved over 2 thousand participants. During the period, the high-level training for managers and executives was expanded, with 17 Executive master courses adopting a blended model combining classroom and online training. Part-time master courses in weekend or weekday module formats continued for professional updates with the release of attendance certificates.

Revenue from the Next24 range launched in early 2015, relating to support services to businesses in their innovation and digital transformation processes, amounted to €0.9 million compared with €0.5 million in the same period of 2015.

The gross operating loss for the Education & Services Area amounted to -€0.8 million, down by €1.8 million compared with the same period of 2015, due mainly to costs incurred by Next24 for structural organization, and to deconsolidation of the Newton subsidiaries. The **gross operating profit** of **Business School and Events** came to €1.2 million compared with €1.6 million in the same period of the prior year.

The operating loss amounted to -€3.7 million and includes charges of €2.8 million from the measurement at equity of Newton Management Innovation S.r.l.

Culture

Culture produces publishing content in two segments - the production of exhibitions and book publication - and includes Group activities in the Culture segment, through 24ORE Cultura S.r.l. and its subsidiaries Ticket 24 ORE S.r.l. and Food 24 S.r.l.

CULTURE AREA RESULTS			
in thousands of euro	9M 2016	9M 2015 Restated	% change
Circulation/other revenue	13,021	13,268	-1.9%
Revenue	13,021	13,268	-1.9%
Gross operating profit (EBITDA)	(2,898)	(4,859)	40.4%
EBITDA Margin %	-22.3%	-36.6%	14.4 p.p.
Operating profit (loss) (EBIT)	(3,543)	(4,997)	29.1%

Market performance

The exhibitions production market continues to grow. All the performance indicators were positive: business volume (+2.2%), entrance tickets (+6.6%), spending at the exhibition stores (+7.2%) and spending by the public (+0.7%). (*SIAE - 2015 Exhibitions Yearbook - July 2016*).

The preliminary figures for 2016 confirm the trend of 2015.

Area performance

In the first nine months of 2016, the Culture Area revenue totalled €13 million, down by 1.9% compared with the same period of 2015. The drop was due to the exhibitions sector which, in the first nine months of the year, saw a 17% decline associated with fewer visitors, partly offset by MUDEC activities, up by €1.6 million overall, thanks in particular to sponsorship revenue and to events held at the museum. The main revenue sources are organized exhibitions, which generated €8.7 million, €3.0 million of which from the exhibition bookshop and €2.8 million from MUDEC-related activities, as well as sponsorships, events and the management of venue services (internal store, catering - in March 2016 entrusted to Enrico Bartolini, a Michelin two-star chef - and the carpark).

The following exhibitions that opened in 2015 came to a close in 2016: *Da Raffaello a Schiele* and *Alfons Mucha e le atmosfere art nouveau* at the Palazzo Reale in Milan, *Tamara de Lempicka* in Verona, *Gauguin. Racconti dal paradiso* and *BARBIE - The icon* at the MUDEC.

The following exhibitions opened in the first nine months of 2016: *Il Simbolismo. Arte in Europa dalla Belle Époque alla Grande Guerra* at the Palazzo Reale (5 February), *Mirò* at the MUDEC (24 March), the second and third stops for the *BARBIE - The icon* exhibition at the Complesso del Vittoriano in Rome (15 April) and Palazzo Albergati in Bologna (18 May), the second stop for *Alfons Mucha e le atmosfere art nouveau* at the Palazzo Ducale in Genoa (30 April), the *Escher*

exhibition at the Palazzo Reale in Milan (24 June) and, lastly, the *Homo Sapiens. Le nuove storie dell'evoluzione umana* exhibition at the MUDEC (30 September).

In the first nine months of 2016, the exhibitions held brought in 765,000 visitors (879,000 in the first nine months of 2015), 227,000 of whom to the MUDEC.

The Culture Area gross operating loss was -€2.9 million compared with the loss of -€4.9 million in 2015. EBIT at 30 September 2016 was affected by prior-year costs and impairment losses on receivables of €0.8 million, and by non-recurring charges of €0.4 million from the departure of the CEO of 24 ORE Cultura S.r.l.. Area activities were limited to a smaller number of initiatives, focusing in particular on Milan. The direct margin from exhibitions has already improved from the current year compared with the €1.4 million reported in the same period of the prior year.

In the first nine months of 2016, the persisting critical state of the Culture CGU led to the full write-down of the allocated goodwill for €0.3 million relating to the acquisition of Ticket 24.

SIGNIFICANT EVENTS IN THE FIRST NINE MONTHS OF 2016

In January 2016, the trade union and ministerial procedure was finalized for confirmation of the early retirement plan for 28 journalists.

An agreement was reached on 24 February 2016 for the early settlement of the vendor loan, with repayment by Team System of the entire capital of €22.5 million, plus €2 million in interest. The original maturity of the vendor loan relating to the sale of the Software Area was 15 November 2020. The full amount of €24.5 million was paid in a lump sum on 3 March 2016.

On 29 April 2016, the Shareholders' Meeting approved the 2015 financial statements and agreed to fully cover the parent Il Sole 24 ORE S.p.A.'s loss for the year of €21,253,000 from the share premium reserve.

The Shareholders' Meeting of 29 April 2016 appointed the Board of Directors, composed of: Luigi Abete, Mauro Chiassarini, Maria Carmela Colaiacovo, Nicolò Dubini, Marcella Panucci, Claudia Parzani, Carlo Pesenti, Livia Pomodoro, Cesare Puccioni, Carlo Robiglio, and Giorgio Squinzi.

The Shareholders' Meeting appointed Giorgio Squinzi as Chairman of the Board of Directors.

The Board of Statutory Auditors was appointed by the same Shareholders' Meeting, and will remain in office until approval of the financial statements for the year ending 31 December 2018. Its members are Luigi Biscozzi as Chairman, Laura Guazzoni and Giovanni Maccagnani as standing auditors. As proposed by the Board of Statutory Auditors, the independent audit of accounts for the period 2016-2024 was assigned to EY S.p.A.. Luigi Predieri was appointed Secretary to the Board.

On 13 June 2016, the Board of Directors of Il Sole 24 ORE S.p.A. co-opted Gabriele Del Torchio as Chief Executive Officer, replacing the non-independent non-executive director Cav. Lav. Cesare Puccioni.

The Chief Executive Officer was granted full powers of management.

On 15 June 2016, the Ministry of Labour issued a decree confirming the reorganization situation given the company crisis of Il Sole 24 ORE S.p.A. pursuant to Italian Publishing Act 416/81.

Under the decree (and later renewals), the Company is authorized to place 231 daily newspaper journalists in temporary redundancy on a revolving basis during the two-year period of the plan (February 2016-January 2018), in accordance with the agreements signed with the trade unions.

In addition, again to manage journalist overstaffing, the placement in temporary redundancy is a necessary technical condition to place in early retirement any daily newspaper journalists that meet the personal and contribution requirements of the special publishing legislation for access to early retirement.

On 27 September 2016, the Board of Directors approved the guidelines of the 2016-2020 Business Plan, which focus on:

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

On 30 September 2016, the following Directors tendered their resignation from the Board of Directors of Il Sole 24 Ore S.p.A.: Giorgio Squinzi (Chairman), Livia Pomodoro, Claudia Parzani, Carlo Pesenti and Mauro Chiassarini.

EVENTS AFTER 30 SEPTEMBER 2016

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

Additionally, the Board took note of the resignation tendered on 1 October 2016 of Maria Carmela Colaiacovo, who remains a member of the Board of Directors under *prorogatio* pursuant to art. 2385 of the Italian Civil Code, appointed Board Member Carlo Robiglio as Chairman of the Board of Directors and, on a proposal from Chairman Robiglio, appointed Board Member Luigi Abete as Vice-Chairman.

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

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

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Highlights of the consolidated income statement

CONDENSED CONSOLIDATED INCOME STATEMENT			
in thousands of euro		9M 2016	9M 2015 Restated
Revenue	(1)	208,449	227,356
Other operating income		2,937	8,522
Personnel expenses	(2)	(84,790)	(78,314)
Change in inventories		(1,240)	(1,198)
Purchase of raw materials and consumables		(7,847)	(7,925)
Costs for services		(115,767)	(136,403)
Other operating costs		(23,522)	(22,193)
Provisions and provision for bad debts		(3,533)	(2,313)
Gross operating profit	(3)	(25,314)	(12,467)
Depreciation and amortisation		(19,524)	(12,970)
Gains/(losses) on property, plant and equipment and intangible assets		(2,107)	1,117
Operating profit (loss)	(4)	(46,945)	(24,320)
Financial income (expense)	(5)	(3,922)	(1,443)
Income (expense) from investments		(225)	-
Pre-tax profit (loss)		(51,091)	(25,763)
Income taxes	(6)	(10,545)	(694)
Profit (loss) from continuing operations		(61,636)	(26,456)
Profit (loss) from discontinued operations		-	-
Net profit (loss)		(61,636)	(26,456)
Profit (loss) attributable to non-controlling interests		(4)	(405)
Profit (loss) attributable to owners of the parent		(61,631)	(26,051)

Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
in thousands of euro	Note	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
ASSETS				
Non-current assets				
Property, plant and equipment		41,311	48,655	52,453
Goodwill		15,982	18,397	18,147
Intangible assets		54,127	59,750	59,576
Investments in associates and joint ventures		580	-	20
Available-for-sale financial assets		733	948	909
Other non-current assets		3,421	28,956	26,977
Deferred tax assets		36,555	47,439	57,732
Total	(7)	152,708	204,144	215,815
Current assets				
Inventories		4,324	5,564	6,779
Trade receivables		83,013	104,995	112,181
Other receivables		12,075	9,820	10,830
Other current financial assets		815	-	(0)
Other current assets		5,186	6,200	5,840
Cash and cash equivalents		36,136	39,198	34,487
Total	(8)	141,549	165,776	170,117
Assets held for sale				
TOTAL ASSETS		294,257	369,920	385,932

24 ORE GROUP

INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

in thousands of euro	Note	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent				
Share capital		35,124	35,124	35,124
Equity reserves		61,728	82,981	98,814
Legal reserves		7,025	7,025	7,025
Negative goodwill		11,272	11,272	11,272
Post-employment benefits Reserve - IAS adjustment		(4,604)	(3,598)	(4,593)
Other reserves		278	303	263
Profit (losses) carried forward		(32,851)	(29,409)	(35,289)
Profit (loss) attributable to owners of the parent		(61,631)	(25,412)	(9,811)
Total		16,340	78,286	102,804
Equity attributable to non-controlling interests				
Capital and reserves attributable to non-controlling interests		18	596	273
Profit (loss) attributable to non-controlling interests		(4)	(86)	491
Total		14	511	764
Total equity	(9)	16,353	78,797	103,568
Non-current liabilities				
Non-current financial liabilities		6,296	6,687	22,697
Employee benefits		24,397	24,846	27,457
Deferred tax liabilities		5,211	5,212	6,678
Provisions for risks and charges		8,324	8,553	11,304
Total	(10)	44,229	45,298	68,136
Current liabilities				
Bank overdrafts and loans - due within one year		70,303	66,453	17,197
Other current financial liabilities		1,199	-	-
Trade payables		128,118	144,707	157,761
Other current liabilities		145	242	77
Other payables		33,911	34,423	39,174
Totale	(11)	233,675	245,825	214,228
Liabilities held for sale		-	-	
Total liabilities		277,904	291,122	282,364
TOTAL EQUITY AND LIABILITIES		294,257	369,920	385,932

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS

in thousands of euro	9M 2016	9M 2015 Restated
Items of the statement of cash flows		
Pre-tax profit (loss) attributable to owners of the parent [a]	(51,086)	(25,356)
Adjustments [b]	25,558	7,406
Profit (loss) attributable to non-controlling interests	(4)	(405)
Depreciation & Amortisation	15,586	12,966
Write-offs	1,104	-
(Gains) loss	2,107	(1,117)
Deconsolidation of Newton	2,834	-
Increase (decrease) in provisions for risks and charges	(228)	(3,664)
Increase (decrease) in employee benefits	(236)	(1,359)
Increase (decrease) in deferred tax assets/liabilities	472	(455)
Financial income (expense)	3,922	1,443
Other adjustments	-	(3)
Changes in net working capital [c]	3,127	(6,833)
Increase (decrease) in inventories	1,240	1,198
Increase (decrease) in trade receivables	16,707	23,234
Increase (decrease) in trade payables	(13,040)	(24,935)
Income tax paid	(257)	(94)
Other changes in net working capital	(1,524)	(6,236)
Total cash flows used in operating activities [d=a+b+c]	(22,402)	(24,783)
Cash flows from (used in) investing activities [e]	(5,835)	(7,722)
Investments in intangible assets and property, plant and equipment	(6,033)	(8,529)
Purchase of investments in subsidiaries	-	(250)
Purchase of investments in associates	-	(39)
Proceeds from the disposal of intangible assets and property, plant and equipment	22	1,130
Changes in scope of consolidation	-	(44)
Other changes in investing activities	177	10
Cash flows from (used in) financing activities [f]	26,164	2,426
Net financial interest paid	(3,922)	(2,503)
Change in medium/long-term bank loans	(391)	(44)
Change in short-term bank loans and borrowings	4,839	4,703
Changes in other payables and loan assets	1,148	-
Dividends paid	-	(142)
Change in share capital and reserves	(315)	618
Change in equity attributable to non-controlling interests	(493)	(163)
Other changes in financial assets and liabilities	25,297	(43)
Cash flows used during the period [g=d+e+f]	(2,073)	(30,080)
Opening cash and cash equivalents	(17,742)	24,829
Closing cash and cash equivalents	(19,814)	(5,251)
Increase (decrease) for the period	(2,073)	(30,080)

Net financial position (indebtedness)

CONSOLIDATED NET FINANCIAL POSITION (INDEBTEDNESS)		
in thousands of euro	30.09.2016	31.12.2015 Restated
Cash and cash equivalents	36,136	39,198
Bank overdrafts and loans due within one year	(70,303)	(66,453)
Short-term financial liabilities to other lenders	(1,199)	-
Short-term loan assets	815	-
Short-term net financial position (indebtedness)	(34,550)	(27,256)
Non-current financial liabilities	(6,296)	(6,687)
Medium/long-term net financial position (indebtedness)	(6,296)	(6,687)
Net financial position (indebtedness)	(40,847)	(33,942)

COMMENTARY

General information

The share capital of the parent totals €35,123,787, represented by 90,000,000 ordinary shares and 43,333,213 special-category shares. Their breakdown is as follows:

- 90,000,000 ordinary shares owned by Confindustria, accounting for 67.5% of all shares;
- 40,031,186 special-category shares listed in the standard segment (Class 1) of the Milan screen-based equity market (MTA - Mercato Telematico Azionario) of Borsa Italiana S.p.A., accounting for 30.0% of all shares;
- 3,302,027 special-category treasury shares, accounting for 2.5% of all shares.

The Company By-laws contain provisions whereby the controlling shareholders of the Issuer may not be changed. In particular, in accordance with Article 8 of the Company By-laws, shareholders may not hold more special-category shares than those that represent one fiftieth of the share capital plus one share, with the exception of the Issuer which owns them as treasury shares.

Il Sole 24 ORE S.p.A. special-category share are currently listed in the Standard (Class 1) segment on the MTA of Borsa Italiana S.p.A.

The share identification codes are as follows:

SHARE IDENTIFICATION CODES	
Name	Il Sole 24 ORE S.p.A.
ISIN	IT0004269723
Alphanumerical code	S24.MI
Reuters code	S24.MI
Bloomberg code	S24 IM

The companies included in the scope of consolidation at 30 June 2016 were:

- **Il Sole 24 ORE S.p.A.**, the parent, which acts both as the holding company for controlling investments in Group companies, and as an operating company, by performing core business activities (general, financial and professional news and information, press agency, etc.);
- **Il Sole 24 ORE UK Ltd.**, which mediates for the sale of advertising space in the United Kingdom;
- **Il Sole24 ORE – Trading Network S.p.A.**, which performs agency activities for the distribution of Group and third-party products;
- **24 ORE Cultura S.r.l.**, specialised in products dedicated to art and photography and in the organisation of shows and events;

- **Ticket 24 ORE S.r.l.**, an e-commerce and online marketing company, operating in the exhibition and events ticketing and reception sector. The company is controlled through 24 ORE Cultura S.r.l.;
- **Food 24 S.r.l.**, established on 9 February 2015, a company operating in the entertainment and catering industry at the MUDEC site. The company is controlled through 24 ORE Cultura S.r.l.;
- **Next 24 S.r.l.**, established on 4 December 2015, a company operating in the business and professional training sector;
- **BacktoWork 24 S.r.l.**, specialised in the production and development of communications projects through the creation and management of a portal that aims to bring together managers and small businesses. The company is controlled through Next 24 S.r.l.;
- **Economics and Management Consultants Inc. (EMC)**, operating in the political, economic and financial information sector in the United States;
- **Newton Management Innovation S.p.A.**, a company active in training services, is consolidated at equity. This company holds an investment in Newton Lab S.r.l.

Compared with the latest approved financial statements, the changes to the scope of consolidation were as follows:

Starting from 2016, the Group has no longer control over **Newton Management Innovation S.p.A.** and its subsidiary **Newton Lab S.r.l.**, both active in training services. Loss of control derives from the entry into force of a number of clauses included in the shareholders' agreements arranged with non-controlling interests in 2012 and suspended until this year, which in actual fact involve joint control of the company. Accordingly, the company is considered a joint venture and accounted for at equity.

The registered and administrative offices of Il Sole 24 ORE S.p.A. are located at Via Monte Rosa 91, Milan, Italy. Confindustria (the Confederation of Italian Industry) controls the parent.

Format, content and International Financial Reporting Standards

The interim management statement at 30 September 2016 was prepared on the assumption that the Company is operated on a going concern basis, using the recognition and measurement criteria set out in IFRS (International Accounting Standards – IAS and International Financial Reporting Standards – IFRS) in a manner consistent with those adopted for preparation of the last annual financial statements.

The interim management statement was prepared in accordance with the provisions of art. 154-ter, Italian Legislative Decree no. 58 of 24 February 1998, the article included by art. 1, Italian Legislative Decree no. 195 of 6 November 2007.

The interim management statement was not subject to audit.

The financial statements presented are:

1. Consolidated Income Statement for the first nine months of 2016, compared with the same period of 2015. Compared to the financial statements at 31 December 2015, the income statement is presented in a condensed form, grouping revenue items, the details of which are found in the explanatory notes;

2. Consolidated Statement of Financial Position at 30 September 2016, compared with the latest approved financial statements;
3. Consolidated Statement of Cash Flows for the first nine months of 2016, compared with the same period of 2015;
4. Net financial position (indebtedness) at 30 September 2016, with assets and liabilities divided into current or medium-term, compared with the latest approved financial statements.

Lastly, mention should be made that the consolidated interim results of the 24 ORE Group are affected by seasonal factors, in particular relating to daily newspaper sales, advertising revenue and the professional publishing performance. These factors are particularly seen in the third quarter, which is usually the most critical period of the calendar year.

The following paragraph illustrates the notes to the consolidated financial statements, for the most important items indicating the most significant changes and related causes.

Changes in accounting policies, errors and changes in estimates

Change in accounting policies

Change in the recognition of revenue from the sale of databases

Compared to the last approved financial statements, in this Interim Management Statement at 30 September 2016, as in the Half-Year Financial Report at 30 June 2016, the revenue recognition method has changed for certain database sales contracts, as specified below.

The change relates to the commercial sale of databases, comprising as from June 2012 two components:

- a service component, including publishing contents constantly updated by the editorial staff of Il Sole 24 ORE;
- one-shot goods component, including publishing products not subject to updating and separate from the service.

The service component revenue was recognized on a proportionate basis, whilst one-shot goods revenue was recognized at the time the goods were provided.

Following the technological advancements in the methods for providing the service product (via web, cloud and mobile) and contracting developments, the service component has gradually increased compared to the “goods” component, which has become less and less significant.

Given the product developments reported above, the Group decided to change the accounting recognition criterion applied to sales of database products/services to also recognize the one-shot component on a proportionate basis. The change was made with a view to improving financial disclosures, considering product development, and was applied by adopting a “backdated” criterion, changing the comparative figures of the prior year. It was therefore considered appropriate to change the accounting recognition criterion applied to the sale of database products/services. This change also had an impact on agent commissions recorded.

Recognition of the cost of commissions associated with the sale of databases was also accrued by linking it to the proportionate criterion for revenue recognition.

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INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

The Group decided to present the figures retroactively, adjusting the comparative values. The amended figures and their effects year by year in terms of changes are shown below.

One-shot revenue and effect on commissions				
	2012	2013	2014	2015
Effect on revenue				
Accrued income attributed to the separate financial statements	5,921	9,972	16,346	19,282
Revised accrual	1,827	9,377	13,066	18,266
Difference in revenue	(4,094)	(595)	(3,280)	(1,016)
Effect on commissions				
Average rate	15%	18%	18%	18%
Accrued income attributed to the separate financial statements	888	1,795	2,942	3,471
Revised accrual	274	1,688	2,352	3,288
Difference in commissions	(614)	(107)	(590)	(183)
Net effect	(3,480)	(488)	(2,689)	(833)

The following tables show the adjusted amounts year by year in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Financial Position.

One-shot revenue and effect on commissions - Adjusted values of the Consolidated Statement of Profit or Loss for the year				
	2012	2013	2014	2015
Total revenue	(4,094)	(595)	(3,280)	(1,016)
Services	614	107	590	183
Loss attributable to owners of the parent	(3,480)	(488)	(2,689)	(833)

One-shot revenue and effect on commissions - Adjusted values of the Consolidated Statement of Financial Position				
	2012	2013	2014	2015
Other current assets	614	721	1,312	1,495
TOTAL ASSETS	614	721	1,312	1,495
Trade payables	4,094	4,689	7,969	8,985
Profit (losses) carried forward		(3,480)	(3,968)	(6,657)
Profit (loss) attributable to owners of the parent	(3,480)	(488)	(2,689)	(833)
TOTAL EQUITY AND LIABILITIES	614	721	1,312	1,495

Error correction

Restatement of fund advertising revenue

Compared to the Interim Management Statement at 30 September 2015, a change has been made in this Statement to the recognition method for fund advertising revenue. This type consists in services for the online and print publication of the price of funds managed by customers. The sale agreements are all due on 31 December of the year when they were concluded. Revenue was recognized at the time the agreement was signed. Unlike the prior year, it is deemed appropriate to recognize revenue throughout the year. The change has no effect on the annual consolidated financial statements.

Restatement of the sale of the rotary press (IAS 17)

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

In accordance with IAS 8 on the correction of errors, the Group has deemed it appropriate to correct the figures retroactively, by changing the comparative amounts. The amended figures and their effects year by year in terms of changes are shown below.

Sale and lease back of the rotary printing press			
	2013	2014	2015
Property, plant and equipment	8,134	8,134	8,134
Accumulated depreciation of property, plant and equipment	(85)	(1,101)	(2,118)
Net value of property, plant and equipment	8,049	7,033	6,016
TOTAL ASSETS	8,049	7,033	6,016
Financial liabilities	8,098	7,653	7,183
Profit (losses) carried forward		(48)	(620)
Profit (loss) for the period	(49)	(572)	(547)
TOTAL EQUITY AND LIABILITIES	8,049	7,033	6,016

EMC consolidation

In 2008, the Group acquired the entire share capital of EMC Inc, a company that provides almost exclusively journalistic services to the Group. Given also the irrelevant amount of total assets and total revenue, the company had erroneously not been included in the consolidation scope.

In accordance with IAS 8 on the correction of errors, the Group has deemed it appropriate to correct the figures retroactively, by changing the comparative amounts. The amended figures and their effects year by year in terms of changes are shown below.

24 ORE GROUP

INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

EMC consolidation

	2014	2015
Property, plant and equipment	6	14
Intangible assets	57	54
Trade receivables	148	74
Other receivables	45	48
Cash and cash equivalents	11	58
TOTAL ASSETS	268	248
Other reserves	268	303
Profit (loss) for the period	9	(19)
Total equity	277	284
Trade payables	(85)	(52)
Other current liabilities	34	-
Other payables	42	16
Total liabilities	(9)	(36)
TOTAL EQUITY AND LIABILITIES	268	248

24 ORE GROUP

INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

Effects on the Interim Management Statement

As a result of the changes in accounting policies, error corrections and changes in estimates referred to above, the reclassified highlights of the Consolidated Statement of Financial Position at the start and end of 2015 are as follows:

HIGHLIGHTS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
in thousands of euro	31.12.2014	Database adjustments	EMC consolidation adjustments	Rotary printing press	Reclassification of the financial debt	1.1.2015 Restated
Non-current assets	208,719	-	63	7,033	-	215,815
Current assets	168,601	1,312	205	-	-	170,117
Available-for-sale assets	-	-	-	-	-	-
Total assets	377,319	1,312	268	7,033	-	385,932
Equity attributable to owners of the parent	109,804	(6,657)	277	(620)	-	102,804
Equity attributable to non-controlling interests	764	-	-	-	-	764
Total equity	110,568	(6,657)	277	(620)	-	103,568
Non-current liabilities	60,483	-	-	7,653	-	68,136
Current liabilities	206,268	7,969	(9)	-	-	214,228
Available-for-sale liabilities	-	-	-	-	-	-
Total liabilities	266,751	7,969	(9)	7,653	-	282,364
Total equity and liabilities	377,319	1,312	268	7,033	-	385,932

HIGHLIGHTS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
in thousands of euro	31.12.2015	Database adjustments	EMC consolidation adjustments	Rotary printing press	Reclassification of the financial debt	31.12.2015 Restated
Non-current assets	198,060	-	68	6,016	-	204,144
Current assets	164,101	1,495	180	-	-	165,776
Available-for-sale assets	-	-	-	-	-	-
Total assets	362,161	1,495	248	6,016	-	369,920
Equity attributable to owners of the parent	86,659	(7,490)	284	(1,167)	-	78,286
Equity attributable to non-controlling interests	511	-	-	-	-	511
Total equity	87,170	(7,490)	284	(1,167)	-	78,797
Non-current liabilities	53,611	-	-	6,687	(15,000)	45,298
Current liabilities	221,380	8,985	(36)	496	15,000	245,825
Available-for-sale liabilities	-	-	-	-	-	-
Total liabilities	274,990	8,985	(36)	7,183	-	291,122
Total equity and liabilities	362,161	1,495	248	6,016	-	369,920

24 ORE GROUP

INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

The following table shows the summary effects on the income statement of the first nine months of 2015:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS						
in thousands of euro	9M 2015	Database adjustments	EMC consolidation adjustments	Rotary printing press	Advertising revenue adjustments	9M 2015 Restated
1) Continuing operations						
Total revenue	227,906	402	165		(1,117)	227,356
Other operating income	8,522	-	-			8,522
Personnel expense	(78,205)	-	(109)			(78,314)
Change in inventories	(1,198)	-	-			(1,198)
Purchase of raw materials and consumables	(7,898)	-	(26)			(7,925)
Services	(137,218)	137	23	655		(136,403)
Use of third party assets	(16,876)	-	(64)			(16,941)
Other operating costs	(5,221)	-	(31)			(5,252)
Provisions	(634)	-	-			(634)
Provisions for bad debts	(1,679)	-	-			(1,679)
Gross operating profit	(12,501)	540	(44)	655	(1,117)	(12,467)
Amortisation of intangible assets	(6,497)	-	(3)			(6,500)
Depreciation of property, plant and equipment	(5,707)	-	(1)	(763)		(6,470)
Net gains on disposal of non-current assets	1,117	-	-			1,117
Operating profit (loss)	(23,587)	540	(47)	(108)	(1,117)	(24,320)
Financial income	1,481	-	-			1,481
Financial expense	(2,619)	-	-	(305)		(2,924)
Net financial expense	(1,138)	-	-	(305)	-	(1,443)
Net profit (loss) before tax	(24,725)	540	(47)	(412)	(1,117)	(25,763)
Income tax	(690)	-	(3)			(694)
Net profit (loss) from continuing operations	(25,415)	540	(51)	(412)	(1,117)	(26,456)
2) Discontinued operations						
Profit (loss) from discontinued operations	-	-	-	-	-	-
Profit (loss) attributable to non-controlling interests	(405)	-	-	-		(405)
Profit (Loss) attributable to owners of the parent	(25,010)	540	(51)	(412)	(1,117)	(26,051)

The comparative figures in this Interim Management Statement are based on the restated amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

(1) Revenue

Revenue amounted to €208,449 thousand, down by 8.3% compared with the same period of the prior year.

REVENUE				
in thousands of euro	9M 2016	9M 2015 Restated	Change	% change
Publishing revenue	95,145	101,469	(6,324)	-6.2%
Advertising revenue	80,429	85,315	(4,886)	-5.7%
Other revenue	32,874	40,572	(7,697)	-19.0%
Total	208,449	227,356	(18,907)	-8.3%

(2) Personnel

Personnel expense amounted to €84,790 thousand, increasing by €6,476 thousand compared with €78,314 thousand in the first nine months of 2015. Restructuring costs amounted to €5,500 thousand, while non-recurring charges came to €1,871 thousand, attributable to the departure of the Group CEO and the CEO of 24 ORE Cultura S.r.l.. Net of non-recurring charges, personnel expense dropped by €895 thousand compared with the same period of 2015, due mainly to the reduction in average headcount (related partly to the deconsolidation of Newton subsidiaries) and to the increased use of holidays.

Average headcount came to 1,229 units, down by 9 units; net of the deconsolidation of the Newton subsidiaries, average headcount increased by 5 units compared with the same period last year. The increase is attributable to the application of the Jobs Act, which has allowed atypical contracts to be converted into permanent employment contracts, taking advantage of the reduction in social contributions under the law, with basically no increase in costs.

The average headcount by category was as follows:

EMPLOYEES						
AVERAGE HEADCOUNT	9M 2016		9M 2015 Restated		Change	
	Number	%	Number	%	Number	%
Managers	42.4	3.4%	44.6	3.6%	(2.2)	-4.8%
Journalists	335.0	27.3%	344.3	27.8%	(9.3)	-2.7%
White-collars	790.6	64.3%	784.8	63.4%	5.8	0.7%
Blue-collars	61.0	5.0%	64.1	5.2%	(3.1)	-4.8%
Total	1,229.0	100.0%	1,237.8	100.0%	(8.7)	-0.7%

(3) Gross operating profit (loss)

The **gross operating loss**, the interim result before amortization and depreciation, impairment losses and net gains from asset disposals, came to -€25,314 thousand compared with a restated -€12,467 thousand in the same period of 2015. A difference explained mainly by the drop in revenue and by non-recurring charges of €9,081 thousand, as well as by lower operating income of €5,585 thousand, which amounted to €8,522 thousand in the first nine months of 2015. EBITDA, net of non-recurring charges in the first nine months of 2016, amounted to -€16,233 thousand.

(4) Operating loss

Operating loss amounted to -€46,945 thousand compared with a restated -€24,320 thousand in the same period of 2015, and includes non-recurring charges of €15,122 thousand.

EBIT, net of non-recurring charges, amounted to -€31,823 thousand. Amortization and depreciation amounted to €15,586 thousand compared with €12,970 thousand in the same period of 2015, up by €2,616 thousand, due mainly to the changed estimate of the useful life of certain intangible assets. EBIT includes non-recurring charges from the deconsolidation of Newton for €2,834 thousand, and losses of €2,107 thousand mainly from the disused assets following departure from the Pero offices as a result of the early termination of the lease. EBIT was also impacted by the write-off of software and licenses for €854 thousand, and by the impairment of goodwill of the Culture Area for €250 thousand.

(5) Net financial income (expense)

NET FINANCIAL INCOME (EXPENSE)				
in thousands of euro	9M 2016	9M2015 Restated	Change	% change
Financial income from investment of cash and cash equivalents	11	9	2	18.8%
Other financial income	117	1,426	(1,309)	-91.8%
Exchange rate gains	77	46	30	65.5%
Total income	204	1,481	(1,277)	-86.2%
Exchange rate losses	(113)	(141)	28	20.1%
Financial expenses on loans and borrowings	(2,101)	(1,973)	(128)	-6.5%
Financial expenses on vendor loan	(1,037)	-	(1,037)	
Other financial expenses	(876)	(809)	(66)	-8.2%
Total expenses	(4,126)	(2,924)	(1,202)	-41.1%
Total	(3,922)	(1,443)	(2,479)	-171.9%

The net financial expense came to -€3,922 thousand, down by €2,479 thousand compared with the restated figure in the same period of 2015, €2,402 thousand of which from the early collection of

the vendor loan. In fact, the amount collected was €24,500 thousand, against a receivable of €25,537 thousand, resulting in expense of €1,037 thousand. The first nine months of 2015 had reported financial income of €1,365 thousand. The breakdown of net financial income and expense is as follows:

- €204 thousand in financial income referring to income on cash and cash equivalents and exchange rate gains, lower than in the same period of 2015 due to there no longer being interest income on the vendor loan;
- €4,126 thousand in financial expense, up compared with the same period of the prior year, due mainly to the effect of expense on early collection of the vendor loan, and of the higher financial expense on current financial liabilities, in relation to the greater use of short-term bank credit facilities and the syndicated loan.

(6) Income taxes

Income taxes are calculated at the rate expected to be applied at the close of the year.

The Group has recorded an overall loss; however, a current tax liability is envisaged as certain Group companies recorded a positive taxable amount for IRAP purposes. The tax payable totals €137 thousand.

The current tax payable was lower than the €693 thousand reported in the first nine months of 2015.

Compared to the comparison period, the improvement is due to the extension of the Tax Consolidation scheme to all Group companies.

An assessment of the deferred tax assets was performed based on the guidelines in the 2016-2020 plan, estimating the probability of recovery of the amounts recognized in the financial statements. This assessment led to a €10,408 thousand reduction in deferred tax assets. No new deferred tax assets have been recognized from 2013 onwards.

The Group does not calculate tax liabilities on suspended provisions for which no distribution is envisaged.

Consolidated Statement of Financial Position

The highlights of the consolidated statement of financial position are as follows:

HIGHLIGHTS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
in thousands of euro	30.09.2016	31.12.2015 Restated	1.1.2015 Restated
Non-current assets	152,708	204,144	215,815
Current assets	141,549	165,776	170,117
Available-for-sale assets	-	-	-
Total assets	294,257	369,920	385,932
Equity attributable to owners of the parent	16,340	78,286	102,804
Equity attributable to non-controlling interests	14	511	764
Total Equity	16,353	78,797	103,568
Non-current liabilities	44,229	45,298	68,136
Current liabilities	233,675	245,825	214,228
Available-for-sale liabilities	-	-	-
Total liabilities	277,904	291,122	282,364
Total equity and liabilities	294,257	369,920	385,932

(7) Non-current assets

Non-current assets amounted to €152,708 thousand compared with €204,144 thousand at 31 December 2015, down by €51,435 thousand. More specifically:

- Goodwill, recognized in the amount of €15,982 thousand, decreased by €2,415 thousand compared with end 2015, due to the deconsolidation of Newton Management and of Newton Lab S.r.l., and to the impairment of goodwill of the Culture Area referring to Ticket 24;
- Deferred tax assets amounted to €36,555 thousand, €27,254 thousand of which from loss carried forward. Based on the previous plan, deferred taxes were recoverable by 2026. The results in the first nine months of 2016 and 2016 estimates deviate significantly from the forecasts contained in the previous plan, and resulted in the write-down of deferred tax assets of €10,408 thousand. Mention should be made that no new deferred tax assets have been recognized from 2013 onwards.
- Intangible assets amounted to €55,127 thousand, €27,823 thousand of which for radio broadcasting frequencies and €25,425 thousand for licenses and software, including projects currently underway. Investments in the period amounted to €4,732 thousand, amortization came to €9,220 thousand, and write-offs totalled €854 thousand;

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INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

- Property, plant and equipment amounted to €41,311 thousand. Investments in the period amounted to €1,301 thousand, while divested assets from the Pero offices amounted to €2,073 thousand. Depreciation amounted to €6,367 thousand;
- Other and non-current assets amounted to €3,421 thousand, down by €25,535 thousand, from the early collection of the vendor loan relating to the disposal of the Software Area, with the original maturity falling on 15 November 2020. The full amount of €24,500 thousand was paid in a lump sum on 3 March 2016, with a charge of €1 million recognized.

The changes in property, plant and equipment and intangible assets at 30 September 2016 were as follows:

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS										
in thousands of euro	Opening balance	Purchases	Disposals	Amortisation/ Depreciation	Reclassifications and other changes	Write- off/scrap	Disposal of Pero property assets	Changes in scope of consolidation	Closing balance	
Property, plant and equipment	48,655	1,301	(56)	(6,367)	(1)	-	(2,073)	(149)	41,310	
Intangible assets	59,750	4,732	-	(9,220)	(177)	(854)	-	(105)	54,127	
Total	108,404	6,033	(56)	(15,587)	(178)	(854)	(2,073)	(254)	95,437	

(8) Current assets

Current assets amounted to €141,549 thousand compared with a restated €165,775 thousand at the beginning of the year, dropping by €24,227 thousand, due mainly to the decrease in trade receivables, which fell by €21,982 thousand compared with 31 December 2015.

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INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

(9) Equity

24 ORE GROUP - CONSOLIDATED STATEMENT OF CHANGES IN EQUITY											
in thousands of euro	Share capital	Share premium reserve	Legal reserve	Negative goodwill	Post-employment benefit reserve (IFRS adjustment)	Other reserves	Retained earnings/ Losses carried forward	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Balance at 31 December 2015	35,124	82,981	7,025	11,272	(3,598)	-	(22,132)	(24,012)	86,659	511	87,170
Effects of restatement						303	(7,277)	(1,399)	(8,373)		(8,373)
Balance at 31 December 2015 - Restated	35,124	82,981	7,025	11,272	(3,598)	303	(29,409)	(25,412)	78,286	511	78,797
Income/expenses recognised directly in equity					(1,007)				(1,007)		(1,007)
Profit (loss) for the period								(61,631)	(61,631)	(4)	(61,636)
Total income/expenses for the period	-	-	-	-	(1,007)	-	-	(61,631)	(62,638)	(4)	(62,642)
Change in the 2015 profit (loss)		(21,253)					(4,158)	25,412	0		0
Deconsolidation of Newton							544		544	(544)	-
Other changes						(25)	172		147	51	198
Balance at 30 September 2016	35,124	61,728	7,025	11,272	(4,604)	278	(32,851)	(61,631)	16,340	14	16,353

Equity stood at €16,353 thousand compared with a restated €78,797 thousand at 31 December 2015, decreasing by €62,444 thousand from the consolidated financial statements at 31 December 2015, as a result of the loss for the period of 61,631 thousand and of the actuarial assessment of post-employment benefits.

Equity attributable to non-controlling interests changed as a result of the deconsolidation of Newton Management Innovation S.p.A. and its subsidiary Newton Lab S.r.l..

(10) Non-current liabilities

Non-current assets amounted to €44,229 thousand compared with a restated €45,297 thousand at 31 December 2015, down by €1,069 thousand, due €449 thousand to the reduction in employee benefits and €228 thousand to the decrease in provisions for risks and charges. Non-current financial liabilities amounted to €6,296 thousand and comprise the residual portion of the debt relating to the sale and lease back of the Bologna rotary press. At 31 December 2015 they totalled €6,687 thousand.

(11) Current liabilities

Current liabilities amounted to €233,675 thousand, down by €12,150 thousand compared with €245,825 thousand at the beginning of the year, due to the decrease by €16,590 thousand in trade payables, partly offset by the increase by €3,850 thousand in bank overdrafts and loans.

(12) Consolidated Statement of Cash Flows

Total cash outflows, which benefited from the early collection of the vendor loan of €24.5 million, came to €2.1 million compared with the cash outflows of €30.1 million in the same period of 2015.

Cash flows used in operating activities stood at €22.4 million compared with €24.8 million in the first nine months of the prior year, attributable mainly to net working capital dynamics.

Cash flows from (used in) investing activities stood at a negative €5.8 million and referred mainly to operating investments.

Cash flow from (used in) financing activities stood at €26.2 million, compared with the inflows of €2.4 million for the same period last year, benefiting from the early collection of the vendor loan of €24.5 million.

(13) Net financial position (indebtedness)

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

Seasonality of Group activities

Group activities are subject to seasonal phenomena consisting in a slowdown in revenue - publishing and especially advertising - in the summer months.

QUARTERLY RESULTS							
in thousands of euro	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Revenue	84,296	81,110	61,949	96,806	86,020	65,799	56,629
Gross operating profit (loss)	1,283	(4,123)	(9,627)	13,405	115	(19,862)	(5,567)
Operating loss	(2,797)	(7,547)	(13,976)	9,032	(4,069)	(32,031)	(10,844)

The above figures are on a like-for-like basis, are indicative only and should not be used to make an accurate forecast of future results.

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

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

Consolidated net debt

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

Group net debt amounts to -€40.8 million at 30 September 2016 compared with a restated -€33.9 million at 31 December 2015, increasing by €6.9 million. The change in the first nine months of 2016 is attributable mainly to the negative cash flow from operations, to operating investments and to the payment of non-recurring charges.

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

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

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

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

The net debt of the Company amounts to -€35.1 million at 30 September 2016 compared with a restated -€28.9 million at 31 December 2015, increasing by €6.2 million.

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

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

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INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

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

Amounts due from the 24 ORE Group split up by nature

AMOUNTS DUE FROM THE 24 ORE GROUP

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

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

AMOUNTS DUE FROM IL SOLE 24 ORE S.p.A.

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

24 ORE GROUP

INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

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

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

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

Related parties of the Group

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

Trade and other receivables refer mainly to:

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

Financial receivables refer to current accounts relating to cash management agreements with Newton Management Innovation S.p.A. and Newton Lab S.r.l.. To its credit balances, the Parent

applies a one-month Euribor interest rate at a 365 basis +5.5%. To its debit balances, the Parent applies a one-month Euribor interest rate at a 365 basis.

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

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

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

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

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

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INTERIM MANAGEMENT STATEMENT AT 30 SEPTEMBER 2016

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

RELATED PARTY TRANSACTIONS - IL SOLE 24 ORE S.p.A.

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

Financial receivables refer to:

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

Trade and other receivables refer mainly to:

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

Trade and other payables refer mainly to:

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

Loans and borrowings relate to the current account with the subsidiaries Il Sole 24 ORE Trading Network S.p.A. and Ticket 24 ORE S.r.l.

Revenue and operating income mainly relate to:

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

Costs mainly refer to:

- a contractual agreement with the subsidiary Il Sole 24 ORE UK Ltd., for the commercial intermediation activity relating to the sale of advertising space in the UK;
- a contractual agreement with the subsidiary Il Sole 24 ORE Trading Network S.p.A. for business activities relating to the sale of Sole products;

- operations services (operational planning and coordination, sales management and customer services);
- costs for the development of digital radio broadcasting;
- costs for management of events and training;
- costs for press agency and editorial consulting.

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

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

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

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

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

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

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

- the NFP/equity ratio must not exceed 0.75 for the entire duration of the loan;
- the net financial position must not exceed a negative €30.0 million at 30 June 2015, at 31 December 2015 and at 30 June 2016;
- EBITDA must not exceed a negative €3.0 million 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 specifically marked the second quarter of the year, the Group requested the lenders to suspend the application of the EBITDA-related financial covenant for the calculation date of 30 June 2016 relating to the above syndicated loan.

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

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

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

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

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

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

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

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

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

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

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

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

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

DIRECTORS' ASSESSMENT ON THE GOING CONCERN ASSUMPTION AND OUTLOOK

Premise

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

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

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

Business performance

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

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

Financial position

Available credit lines

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

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

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

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

Medium-term syndicated loan

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

The loan consists of a revolving cash credit facility for a total of €50.0 million, granted by a pool of banks comprising of Intesa Sanpaolo, Banca Popolare di Milano, Banca Popolare di Sondrio, Banca Monte dei Paschi di Siena and Credito Valtellinese. Banca IMI acts as coordinator and agent bank.

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

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

- the NFP/equity ratio must not exceed 0.75 for the entire duration of the loan;
- the net financial position must not exceed a negative €30.0 million at 30 June 2015, at 31 December 2015 and at 30 June 2016;
- EBITDA must not exceed a negative €3.0 million 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.

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

State of relations with the financial system

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

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

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

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

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

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

Equity position

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

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

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

Directors' conclusions on continuity as a going concern

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

- on 29 September 2016, the majority shareholder expressed its willingness to consider taking, also in light of the financial and equity requirements envisaged in the 2016-2020 Business Plan, any action on the share capital as may be necessary to allow continuity as a going concern;
- on 3 November 2016, the Board of Directors approved the 2016-2020 Business Plan, submitted to an independent business review (IBR) performed by an independent expert, the guidelines of which had been previously approved by the Board of Directors last 27 September 2016;
- the lenders were asked to freeze fundings and borrowing facilities in place, allowing the renewal of all existing utilizations.

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

OUTLOOK

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

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

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

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

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

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

Milan, 11 November 2016

The Chairman of the Board of Directors
Carlo ROBIGLIO

Declaration pursuant to art. 154-bis, paragraph 2, Italian Legislative Decree no. 58 of 24 February 1998 as subsequently amended and supplemented

The Manager in charge of financial reporting, Valentina Montanari, hereby confirms that the economic and financial information provided in this interim management statement corresponds with the corporate books and accounting records.

Milan, 11 November 2016

Manager in charge of financial reporting

Valentina MONTANARI