

Press Release

24 ORE Group: BoD approves results as at 31 December 2010

- **Consolidated revenues €482 million, down 2.3% on a like-for-like basis**
- **EBITDA and EBIT negative, but improving versus 2009 - by €10 million and €11.8 million respectively - net of non-recurring charges and the effects of the postage rate hike**
- **Direct and operating costs down €20.3 million (-6.2%), net of increased postage rates**
- **Personnel costs down 4.2%, net of non-recurring charges**
- **Group net profit -€40.1 million versus -€52.6 million in 2009**
- **Positive net financial position of €84 million (€99 million in 2009)**
- **2011-2013 Group Business Plan approved at end January with scheduled investments of €50 million and EBITDA at end of plan back to pre-crisis levels (2008)**

MAIN FIGURES OF THE 24 ORE GROUP

Amounts in € million	FY2010	FY2009
Revenues	482.0	502.7
Gross operating profit (EBITDA)	(16.8)	(24.7) (*)
Operating profit (EBIT)	(47.8)	(67.5)
Pre-tax profit	(48.7)	(66.7)
Profit for the period	(40.4)	(53.3)
Profit attributable to the shareholders of the parent company	(40.1)	(52.6)
Net financial position	84.1	98.8 (**)
Total equity attributable to the shareholders of the parent company	257.2	296.9
Number of employees at the end of the period	2,092	2,202

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* EBITDA is defined as earnings before amortization of tangible and intangible assets, financial charges and income, capital gains/losses from disposal of fixed assets, write-down of equity interests, capital gains from disposal of equity interests, depreciation of intangible assets and income tax. Since EBITDA is not seen as an accounting measure by either the Italian Accounting Standards or the European IFRS, the determination of its quantity may be prone to ambiguity. The principle adopted by the Group to

Milan, 15 March 2011. Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Cav. Lav. Dr. Giancarlo Cerutti, approved the consolidated results as at 31 December 2010.

In 2010, the Group's core market showed no real improvement: the rebound reported mostly in advertising investments can hardly be contextualized in an overall economic recovery.

Brighter news came from the advertising market, which ended the year on a rise (+3.8%, *Nielsen Media Research* - January-December 2010), propelled by the performance of Television (+6%), net of which the progress would come to a more modest +1.4%.

Print media continued to slide, dropping by an overall -4.3%, with paid dailies (-2%) doing slightly better than magazines (-5.4%), hit in particular by the performance of monthlies. Radio (+7.7%) and the Internet (+20.1%) grew at a stronger pace, thanks to a market in search of low prices on the one hand, and to planning innovation on the other.

As for circulation figures, the latest ADS data (moving average 12-month period December 2009-November 2010) show a -7.3% drop suffered by main national paid dailies versus the same period last year. In this 12-month period, **Il Sole 24 ORE** was the fourth major national daily (excluding sports dailies), with an average circulation of about 265,000 copies.

Likewise, the professional services market continued to feel the brunt of the current economic climate and the grim moment of professionals and small and medium enterprises; the Italian IT market (*Assinform/NetConsulting* survey) slowed the slide started in 2008, but still ended 2010 on the negative side (-2.7%), as a result primarily of services (-3.9%), but also of software, still falling versus 2009 (-2.1%).

Alongside the economic woes, the whole publishing sector was also affected by the shockwaves from the cancellation of subsidized postage rates. The unexpected news on the new rates, the sudden effects of their application, and the higher costs (€6.6 million) incurred by the **24 ORE Group**, given the relevance of subscription sales of the newspaper and professional magazines on total revenues, impacted heavily on 2010 results. Law L.163/2010, which acknowledged the agreement reached in July between Poste Italiane and FIEG, and the following ministerial decrees, readjusted the rates effective 1 September 2010. Although the increase is lower than the hike produced by the application of normal rates (as was the case from April to August 2010), postage rates are still far much higher than those applied up to the end of March 2010.

In 2010, the **24 ORE Group** achieved **consolidated revenues** of €482.0 million, down €20.7 million versus 2009 (-4%). Excluding publications and operations subject to closure or disposal, which impacted chiefly on advertising and software sales revenues, **the drop would actually be 2.3%**, due basically to the nosedive of add-ons (-54.9%), now considered a product well past its zenith for the entire publishing industry, and to the drop in circulation revenues generated by the newspaper (-9.5%) and by magazines (-9%).

determine EBITDA may differ from the criteria adopted by other groups. Hence, its amount may not be comparable with the amount determined by other groups.

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

Netted against the effects of the closure at end March 2009 of the free press daily 24minuti, **System's** advertising revenues ended **in line with 2009**.

Gross operating profit (EBITDA) came to -€16.8 million, versus however the -€24.7 million in 2009.

In 2010, **EBITDA rose by €10 million** versus 2009, excluding non-recurring charges that weighed on this and last year's results (€17.5 million in 2010, €22.1 million in 2009), and the above-mentioned postage rate hike. Even excluding non-recurring charges only and including the postage hike, EBITDA in 2010 would nonetheless come to +€0.7 million, improving by €3.3 million versus 2009

Thanks to the reorganization plan and cost-curbing measures implemented, **direct and operating costs fell by €13.7 million**, or €20.3 million excluding the higher distribution costs generated by the postage hike.

Personnel costs, excluding non-recurring charges for 2009 and 2010, **fell by €7.6 million (-4.2%)**. The figure stems from the reduction of 120 average units, and is the result of a stronger streamlining of the peripheral structure towards a more centralized setup, of a tough turnover freeze policy, of cuts in executive staff, of the early retirement plan involving the newspaper journalists, of the efficiency plan in the Business Media area, and of the disposal of business units in Esa Software. Mention must also be made of the agreement reached in December 2010 with the trade unions on a reorganization plan in the graphic designers and printers sector, which envisages, once in effect, a further reduction of 180 units over the two-year period.

Operating profit came to -€47.8 million, but strongly improved (-29.2%) versus the -€67.5 million as at 31 December 2009. Net of non-recurring charges and write-offs, the 2010 result came to -€21.9 million, surging versus the -€33.7 million in 2009 (**+€11.8 million**).

The **result attributable to the shareholders of the Parent Company** came to -€40.1 million, **much lower (-23.7%)** however than the -€52.6 million result of 2009. The loss of €40.1 million was a result of the abovementioned recurring and non-recurring items, and of the lower contribution versus 2009 of net financial income (lower average liquidity and interest rates) and tax benefits, as a result of the lower negative result and absence of the realignment operations between tax amounts and the carrying amounts of 2009, amounting to €3.4 million.

The Group's **net financial position** as at 31 December 2010 showed a positive figure of €84.1 million, down versus the €98.8 million as at 31 December 2009, due mainly to net investments over the period, in a basically stable operational context.

Shareholders' Meeting

The Board of Directors also decided to submit to the Shareholders' Meeting, summoned on 19 April 2011, the proposal not to distribute any dividend and to cover losses for the period of the Parent Company Il Sole 24 ORE S.p.A., amounting to €35,686,017, through retained profit carried forward in the net equity.

Segment reporting

In 2009, a number of organizational changes modified the business areas forming the Group, and reshuffled certain activities and responsibilities amongst these areas and corporate functions. In order to render the amounts for the two years comparable, the results of 2009 have been reclassified based on the organizational structure of 2010.

The **System Area** produced good results in **display advertising** on the newspaper in 2010, although the **2.4% rise** was unable to offset in absolute terms the 8.3% contraction of the service typology (taking into account all the advertising sales from the funds typology, both off and online).

The 24 ORE Group **websites did well (+17.5%)** in 2010, including *iPad*, thanks to the progress of the *ilsole24ore.com* website (+14.9%).

The **radio market performed strongly** overall, **growing by +10%** versus 2009, and outperforming the market (+7.7%, *Nielsen*).

Revenues generated by **Publishing** totaled €205.2 million (-7.8% versus 2009), as a result of the different movements in advertising and circulation figures. Advertising revenues inched downwards (-4%), due mainly to the closure of free press, while the dip in circulation revenues (-11.3%) stems from the further plunge of add-ons and the persistently conservative trend of the newspaper.

Another important feature was the revamping of the Sunday edition, with the cultural add-on now sporting a new tabloid format, and the Monday edition, with a greater focus on small and medium enterprises, alongside its customary eye on professionals. Both initiatives were warmly welcomed by readers.

Online publishing continued its strong dynamic trend. The major storyline in 2010 was the launch of Apple's iPad on the Italian market, an event coveted by the industry's main players, which opened up a whole new market for advertising opportunities and the sale of content. Mobile navigation continued its upward march, advancing on smartphones and across social networks like Facebook.

E-commerce was up 14% in 2010, posting an increase in orders, while the average receipt remained basically unchanged, particularly in the publishing, music and audio-visuals segment (Milan Polytechnic *B2C* Observatory).

Revenues generated by the *Online* BU rose by 48.4% versus 2009, thanks to the remarkable performance of advertising sales, to the start of new projects such as *Fondi24* online and to the excellent sales on tablet PCs, in addition to the revenues generated by paid content on tablet PCs, PCs and databanks. Regarding the iPad in particular, in 2010 *Il Sole 24 ORE* recorded 150,000 downloads of its apps, including the newspaper's e-reader, the iPad only magazine, *La Vita Nuova* and the *Finanza&Mercati* app.

E-commerce business stepped up transactions on *Shopping24*, reaching €14 million (+13%), which include Group products (94%) and third-party products (6%). A strong rise indeed thanks to business partnerships forged with companies operating in segments out of the Group's scope (such as *Hoepli.it*, *Yoox*, *Saldi Privati*, *Bow.it* and *Vini24*).

A point worth mentioning was the **7.9% increase in revenues by Radiocor**, thanks mainly to the Diversified Editorial Services product line.

Revenues generated by **Professionals** were down 4.4% overall versus 2009, due basically to the disposal of activities with low or negative profit margins carried out in the frame of the Group's restructuring plan

The trend of revenues generated by the Professionals Area was in line with 2009, net of the Sector-specific Publishing BU and on a like-for-like basis.

Digital revenues (software, e-publishing and online services), accounting for over 45% of total area revenues, **were up 4.4%** on a like-for-like basis. A fact worth mentioning was the improvement in e-publishing revenues (+3.5%), driven by the constant and significant efforts in terms of product, editorial and technological innovation, in order to respond quickly and effectively to the evolution of the target's usage models, and by development of system-wide product lines.

On a like-for-like basis, **revenues generated by the Software Solutions BU were up 2.4%**. The year 2009 saw the deconsolidation of the graphics unit of Data Ufficio, sold to the Buffetti Group, followed by the deconsolidation, in 2010, of Cesaco S.r.l. and Mondoesa Milano Nordovest S.r.l., and by the disposal of the SI5 system unit of Esa Software S.p.A.

A noteworthy point was the **positive performance of software products branded 24 ORE, whose revenues rose by 3.6%** versus 2009. A result that stems not only from the high loyalty level of the subscribers to Sistema Via Libera, but also from the strong sales performance of the new product Studio24 Commercialisti, launched in 2009, up 2.5% and strengthening its foothold on the core public accountants market.

On a like-for-like basis, net of the disposal of the SI5 system unit, revenues generated by ESA Software S.p.A. as at 31 December 2010 were up 7.4% versus 2009, thanks to a rebound in the sale of new licenses versus the first months of the year.

Revenues generated by the Tax & Legal BU dropped by 2.2%. The contraction was partly due to the economic climate and partly to the decline in revenues from magazines (-9.5%) and books (-0.5%), which depends partly on the transition towards new, mostly online tools of information, and to the consequent streamlining of the product catalogue, aimed at maximizing the profitability of these two product lines. This segment maintained high margins, thanks both to cross-selling policies, which increased average spending, and to stringent cost-curbing measures. Magazines continued to enjoy high subscriber loyalty, supported also by the development of online publications, created for the very purpose of meeting the relevant target's growing propensity to use electronic media and the Internet.

Special mention must be made of the revenues generated by the Training BU, up 28.8% versus 2009.

Revenues generated by **Radio 24** were up 8.5% versus 2009, as a result of an **increase in advertising revenues, which rose by 8.8%**, outperforming the market (+7.7%, *Nielsen*). Advertising volumes on Radio 24 climbed by 10.3% versus 2009, double the market growth (*Nielsen*). The positive trend in revenues, plus the effective cost-curbing measures, editorial costs in particular, led Radio to an almost substantial break-even point, net of the amortization of frequencies, amounting to €3.4 million.

In 2010, revenues generated by the Culture BU **grew by 41.5%**, thanks to the success of a series of exhibitions, in particular the one dedicated to Salvador Dalì, "The dream approaches", which drew over 330,000 visitors at Palazzo Reale, becoming the third most successful exhibition ever in Milan.

Parent Company performance

In 2010, the wholly-owned company Il Sole 24 ORE Business Media S.r.l. was merged by incorporation into the Parent Company, effective as from 1 June 2010, with legal, accounting and tax effectiveness as from 1 January 2010.

The Parent Company ended the year with **revenues** amounting to €418.4 million, up 2.7%. Net of the merger effects, revenues decreased by 4.9%, due mainly to the nosedive of add-ons (-

54.9%), now considered a product well past its zenith for the entire publishing industry, and to the drop in circulation revenues generated by the newspaper (-9.5%) and magazines (-9.5%).

Gross operating profit (EBITDA) came to -€20.6 million versus -€19.7 million in 2009. Net of the merger effects, EBITDA shot up by €6.2 million, or +23.2%, thanks to the streamlining and the cost curbing measures. Direct and operating costs fell by €10.2 million, or 3.7%. A point worth stressing was the increase in distribution costs, amounting to €6.6 million in 2010, as a result of the cancellation of subsidized postage rates.

Net profit showed a loss of €35.7 million, much less however than the €46.4 million in 2009, a result negatively affected by lower net financial income and by the write-down of equity interests in subsidiaries and investees.

Events subsequent to 31 December 2010

On 21 January 2011, the Board of Directors approved the Group's 2011-2013 Business Plan. The lines of action fall in the frame of two macro-areas:

- 1) a new growth-oriented business model hinged on the Group's areas of excellence through a:
 - stable foothold in the core businesses, specifically the newspaper, radio, press agency, and the professionals area;
 - deeper entrenchment of the newspaper, also through the launch of new initiatives, in its leadership position in business-financial information;
 - implementation of an integrated system of products, with special focus on multimedia, enhancing all the Group's components and promoting a wide-ranging and unified offer;
 - strong emphasis on developing online business in every form across all the Group's business areas;
- 2) further streamlining of processes and organization, investments in technology functional to operating efficiency and effectiveness, and drastic, structural cuts in operating costs.

Based on the range of planned measures, in a frame of over 30 operating areas, the economic-financial targets for the year 2013 can be summarized as follows:

- growth rate of revenues substantially aligned to inflation, but with a strong rise in the digital component (over 30% of consolidated revenues at end of plan);
- sharp rise in EBITDA, returning to pre-crisis levels (2008) at end of plan;
- positive cash flow for the 2011-2013 three-year period, notwithstanding investments in excess of €50 million, mostly in technological innovation.

In the first quarter of 2011, under the approved plan, talks were held with the in-house journalist trade unions in order to come to an agreement on the technical procedures to restrain labour costs, the fundamental precondition for the expected recovery in profitability.

Business outlook

Economic indicators for 2011 still show feeble growth rates.

Looking at advertising investments, in a climate still hampered by poor visibility, expectations for a rebound of the market as a whole reveal highly diversified performance patterns for each of the media, with a further contraction in print media and positive movements for radio and the

Internet. No signs of a reversal of the downward trend are expected for the circulation figures of paid dailies.

The **24 ORE Group's** advertising sales in the January-February period of 2011 indicate a weak start of the year, marked by delayed investment planning by some of the major clients.

Regarding the professionals area, excluding sector-specific publishing, expectations indicate a substantial stability marked by the transition from print models and means to electronic platforms.

Against this highly complex backdrop and in the absence of adverse events in the advertising market, the measures already implemented in 2010, the renewed operating focus, the numerous areas of operation in terms of revenue growth and structural cost containment, envisaged in the implementation of the new 2011-2013 Business Plan, suggest a sharp rise in EBITDA in 2011 versus the result of 2010.

Under paragraph 2, article 154-bis of the Consolidated Finance Law (TUF), Giuseppe Crea, in his capacity as corporate financial reporting manager, attests that the accounting information contained herein is consistent with the Company's document results, books and accounting records.

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**Consolidated financial statements of “Il Sole 24 ORE” Group
as at and for the year ended 31 December 2010**

Accounting schedules

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT		
Amounts in € million	FY2010	FY2009
ASSETS		
Non-current assets		
Property, plant and equipment	84.8	90.5
Goodwill	73.1	72.9
Intangible assets	90.0	100.5
Investments in associates and joint ventures	3.1	3.1
Financial assets available for sale	1.2	2.9
Other non-current financial assets	19.8	19.2
Other non-current assets	1.2	0.8
Deferred tax assets	41.3	29.6
Total	314.4	319.5
Current assets		
Inventories	10.0	15.4
Trade receivables	178.7	193.5
Other receivables	13.1	12.5
Other current assets	6.2	6.8
Cash and cash equivalents	76.7	95.3
Total	284.7	323.6
Assets held for sale	-	3.0
TOTAL ASSETS	599.1	646.1

Figures to be fully audited

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)

Amounts in € million	FY2010	FY2009
EQUITY AND LIABILITIES		
Equity		
Equity attributable to shareholders of parent company		
Share capital	35.1	35.1
Equity reserves	180.3	180.3
Revaluation reserves	20.6	20.6
Hedging and translation reserves	(0.3)	(0.3)
Other reserves	26.0	35.0
Profit/(loss) carried forward	35.6	78.8
Profit (loss) attributable to shareholders of parent company	(40.1)	(52.6)
Total	257.2	296.9
Equity attributable to minorities		
Capital and reserves attributable to minorities	0.6	1.5
Profit (loss) attributable to minorities	(0.3)	(0.8)
Total	0.3	0.7
Total equity	257.5	297.6
Non-current liabilities		
Non-current financial liabilities	8.1	10.9
Employee benefit obligations	37.1	38.8
Deferred tax liabilities	19.0	21.0
Provisions for risks and charges	16.8	19.2
Other non-current liabilities	0.1	0.0
Total	81.1	89.9
Current liabilities		
Bank overdrafts and loans due within one year	3.1	3.6
Financial liabilities held for trading	0.5	0.5
Trade payables	162.6	161.1
Other current payables	9.7	8.8
Other payables	84.7	84.2
Total	260.6	258.2
Liabilities held for sale	-	0.5
Total liabilities	341.7	348.5
TOTAL EQUITY AND LIABILITIES	599.1	646.1

Figures to be fully audited

CONSOLIDATED INCOME STATEMENT

Amounts in € millions	FY2010	FY2009
1) Continuing operations		
Revenue from newspaper, books and magazines	137.4	155.4
Revenue from advertising	182.8	187.6
Other revenue	161.7	159.7
Total revenue	482.0	502.7
Other operating income	18.0	14.4
Personnel expenses	(190.0)	(203.2)
Change in inventories	(6.2)	(3.0)
Purchase of raw materials and consumables	(24.8)	(34.3)
Services	(235.4)	(243.6)
Use of third party assets	(35.5)	(33.4)
Other operating costs	(13.1)	(14.3)
Provisions	(3.5)	(2.3)
Provisions for bad debts	(8.4)	(7.6)
Gross operating profit (EBITDA)	(16.8)	(24.7)
Amortisation of intangible assets	(18.1)	(19.8)
Depreciation of property, plant and equipment	(11.5)	(11.6)
Impairment losses on property, plant and equipment and on intangible assets	-	(11.7)
Capital gain (losses) on disposal of non-current assets	(1.5)	0.3
Operating profit (EBIT)	(47.8)	(67.5)
Financial income	1.8	3.0
Financial expenses	(0.7)	(0.6)
Total Financial income (expenses)	1.1	2.4
Other income from investment assets and liabilities	(1.9)	(0.6)
Gains (losses) from equity-accounted investees	(0.0)	(1.2)
Pre-tax profit	(48.7)	(66.7)
Income tax	8.2	13.4
Net profit (loss) from continuing operations	(40.4)	(53.3)
2) Discontinued operations	-	-
Profit (loss) from discontinued operations	-	-
Profit (loss) for the year	(40.4)	(53.3)
Profit (loss) attributable to minorities	(0.3)	(0.8)
Profit (loss) attributable to the shareholders of the parent company	(40.1)	(52.6)

Figures to be fully audited

CONSOLIDATED CASH FLOW STATEMENT

Amounts in € million	FY2010	FY2009
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Result for the period attributable to the shareholders of the parent company	(40.1)	(52.6)
Adjustments for:		
Amortisation of property, plant and equipment	11.5	11.6
Amortisation of other intangible assets	18.1	19.8
Impairment of other tangible assets and goodwill	-	11.7
Depreciation of non-current assets	2.0	1.7
(Gains) loss from sale of property, plant and equipment	0.8	(0.1)
(Gains) loss from disposal of intangible assets	1.3	(0.2)
(Gains) loss from branch's transfer	(0.6)	(0.0)
(Gains) losses from the disposal of investments in subsidiaries	(0.1)	0.0
Increase (decrease) in provisions for risks and charges	(2.4)	(4.4)
Increase (decrease) in employee benefit obligations	(1.3)	(2.8)
Increase (decrease) in deferred tax assets/liabilities	(13.7)	(20.2)
Variations in the consolidation basis for operating funds	(0.1)	(0.2)
Annual instalment of substitute tax	1.7	4.9
Net financial expenses (income)	(1.1)	(2.4)
Cash flows from ordinary activities before change in working capital	(24.0)	(33.2)
(Increase) decrease in inventories	5.5	3.0
(Increase) decrease in trade receivables	14.5	22.0
Increase (decrease) in trade payables	1.8	(13.9)
Income tax paid	(4.2)	(16.3)
Increase (decrease) in other assets/liabilities	4.1	15.3
Variations in the consolidation basis for working capital	0.1	(0.1)
Changes in net working capital	21.8	10.0
TOTAL NET CASH FLOWS FROM ORDINARY ACTIVITIES (A)	(2.2)	(23.2)

Figures to be fully audited

CONSOLIDATED CASH FLOW STATEMENT (CONT.)

Amounts in € million	FY2010	FY2009
B) CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from the sale of subsidiaries	1.3	0.0
Proceeds from the sale of associates	0.1	-
Proceeds from sale of tangible assets	0.1	0.7
Proceeds from sales of intangible assets	0.3	0.2
Proceeds from the sale of branches of business	1.4	0.6
Investments in tangible assets	(6.6)	(6.6)
Investments in intangible assets	(9.3)	(10.6)
Other changes in tangible assets	(0.0)	(0.1)
Other changes in intangible assets	(0.0)	(1.6)
Other increases in goodwill	(0.2)	(1.4)
Purchase of investments in subsidiaries	-	(0.9)
Other decreases (increases) in investments in associates	(0.1)	(0.1)
Other decreases (incr.) of other non-current assets and liabilities	(0.3)	(0.8)
Purchase of financial assets available for sale	(0.3)	(0.0)
Decreases (increases) assets and liabilities held for sale	(0.2)	0.0
TOTAL NET CASH FLOWS FOR INVESTING ACTIVITIES (B)	(14.0)	(20.4)
FREE CASH FLOW (A + B)	(16.2)	(43.6)
C) CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	-	(10.2)
Registering (repayment) of medium/long-term bank loans	(2.8)	(3.1)
Change in other non-current financial assets	(0.5)	(0.6)
Change in financial assets/liabilities held for trading	0.0	0.3
Net financial interest received	1.1	2.4
Change in equity attributable to minorities	(0.4)	(0.8)
Other changes in reserves	0.4	2.5
Variations in the consolidation basis for financing activities	-	(0.1)
TOTAL CASH FLOWS FOR FINANCING ACTIVITIES (C)	(2.2)	(9.6)
NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)	(18.4)	(53.2)
OPENING CASH AND CASH EQUIVALENTS	92.1	145.3
CLOSING CASH AND CASH EQUIVALENTS	73.6	92.1
INCREASE (DECREASE) FOR THE YEAR	(18.4)	(53.2)

Figures to be fully audited

CONSOLIDATED NET FINANCIAL POSITION

Amounts in € million	FY2010	FY2009
Cash and cash equivalents	76.7	95.3
Bank overdrafts and loans due within one year	(3.1)	(3.6)
Short-term net financial position	73.6	91.6
Non-current financial liabilities	(8.1)	(10.9)
Non-current financial assets and fair value of hedging instruments	18.6	18.1
Medium/long-term net financial position	10.5	7.2
Net financial position	84.1	98.8

Figures to be fully audited

Financial statements of Il Sole 24 ORE S.p.A. as at and for the year ended 31 December 2010

Accounting schedules

BALANCE SHEET AND CASH FLOW STATEMENT OF THE PARENT		
Amounts in € million	FY2010	FY2009
ASSETS		
Non-current assets		
Property, plant and equipment	80.9	86.1
Goodwill	18.2	0.5
Intangible assets	35.7	18.9
Investments in associates and joint ventures	1.3	1.3
Financial assets available for sale	0.9	2.9
Other non-current financial assets	19.7	19.2
Other non-current assets	119.1	150.7
Deferred tax assets	37.6	18.1
Total	313.5	297.7
Current assets		
Inventories	5.6	10.8
Trade receivables	152.8	149.4
Other receivables	10.8	8.3
Other current financial assets	9.9	21.4
Other current assets	5.3	5.5
Cash and cash equivalents	68.9	87.4
Total	253.4	282.7
Assets held for sale	-	1.6
TOTAL ASSETS	566.8	582.0

Figures to be fully audited

BALANCE SHEET AND CASH FLOW STATEMENT OF THE PARENT (CONT.)

Amounts in € million	FY2010	FY2009
EQUITY AND LIABILITIES		
Equity		
Share capital	35.1	35.1
Equity reserves	180.3	180.3
Revaluation reserves	20.6	20.6
Hedging and translation reserves	(0.3)	(0.3)
Other reserves	26.6	35.4
Profit/(loss) carried forward	62.2	99.3
Profit (loss) for the year	(35.7)	(46.4)
Total equity	288.8	323.9
Non-current liabilities		
Non-current financial liabilities	7.5	10.1
Employee benefit obligations	33.2	32.0
Deferred tax liabilities	6.6	0.7
Provisions for risks and charges	14.9	13.7
Other non-current liabilities	0.0	0.0
Total	62.2	56.7
Current liabilities		
Bank overdrafts and loans due within one year	2.7	3.1
Other current financial liabilities	0.5	4.2
Financial liabilities held for trading	0.5	0.5
Trade payables	150.5	140.2
Other current payables	5.2	4.4
Other payables	56.5	49.0
Total	215.8	201.5
Non current liabilities held for sale	-	-
Total liabilities	278.0	258.1
TOTAL EQUITY AND LIABILITIES	566.8	582.0

Figures to be fully audited

INCOME STATEMENT OF THE PARENT		
Amounts in € million	FY2010	FY2009
1) Continuing operations		
Revenue from newspaper, books and magazines	134.0	146.6
Revenue from advertising	182.6	161.6
Other revenue	101.7	99.0
Total revenue	418.4	407.2
Other operating income	17.8	13.6
Personnel expenses	(157.6)	(153.8)
Change in inventories	(6.8)	(1.8)
Purchase of raw materials and consumables	(19.5)	(28.6)
Services	(224.1)	(213.0)
Use of third party assets	(27.9)	(25.7)
Other operating costs	(10.7)	(9.6)
Provisions	(3.0)	(2.4)
Provisions for bad debts	(7.2)	(5.6)
Gross operating profit (EBITDA)	(20.6)	(19.7)
Amortisation of intangible assets	(6.6)	(3.4)
Depreciation of property, plant and equipment	(10.3)	(10.0)
Capital gain (losses) on disposal of non-current assets	(2.0)	0.2
Operating profit (EBIT)	(39.5)	(32.8)
Financial income	1.8	3.2
Financial expenses	(0.6)	(0.5)
Total Financial income (expenses)	1.2	2.7
Other income from investment assets and liabilities	(4.1)	(20.6)
Pre-tax profit	(42.3)	(50.8)
Income tax	6.7	4.3
Net profit (loss) from continuing operations	(35.7)	(46.4)
2) Discontinued operations		
Profit (loss) from discontinued operations	-	-
Profit (loss) for the year	(35.7)	(46.4)

Figures to be fully audited

CASH FLOW STATEMENT OF THE PARENT

Amounts in € million	FY2010	FY2009
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Result for the period	(35.7)	(46.4)
Adjustments for:		
Dividends received	(1.0)	(0.1)
Amortisation of property, plant and equipment	10.3	10.0
Amortisation of other intangible assets	6.6	3.4
Depreciation of non-current assets	5.1	20.8
(Gains) loss from sale of property, plant and equipment	0.8	(0.2)
(Gains) loss from disposal of intangible assets	1.4	(0.0)
(Gains) loss from branch's transfer	(0.2)	-
Increase (decrease) in provisions for risks and charges	(2.7)	(2.8)
Increase (decrease) in employee benefit obligations	(1.5)	(2.5)
Increase (decrease) in deferred tax assets/liabilities	(11.0)	(9.0)
Changes in the scope of consolidation of operating funds	3.9	-
Annual instalment of substitute tax	1.5	1.9
Net financial (income) expenses	(1.2)	(2.7)
Cash flows from ordinary activities before change in working capital	(23.8)	(27.7)
(Increase) decrease in inventories	6.1	1.8
(Increase) decrease in trade receivables	16.2	9.8
Increase (decrease) in trade payables	(0.9)	(9.0)
Income tax paid	(3.0)	(9.7)
Increase (decrease) in other assets/liabilities	2.9	8.0
Changes in the scope of consolidation of working capital	(5.9)	-
Changes in net working capital	15.3	0.9
TOTAL NET CASH FLOWS FROM ORDINARY ACTIVITIES (A)	(8.5)	(26.7)

Figures to be fully audited

CASH FLOW STATEMENT OF THE PARENT (CONT.)

Amounts in € million	FY2010	FY2009
B) CASH FLOWS FOR INVESTING ACTIVITIES		
Dividends received	1.0	0.2
Proceeds from the sale of subsidiaries	1.6	-
Proceeds from sale of tangible assets	0.0	0.6
Proceeds from the sale of branches of business	1.3	-
Investments in tangible assets	(5.3)	(5.0)
Investments in intangible assets	(6.8)	(5.9)
Purchase of investments in subsidiaries	-	(1.6)
Other decreases (incr.) of other non-current assets and liabilities	(5.1)	(1.2)
Decreases (inc.) in assets and liabilities held for sale	-	(1.6)
Changes in the scope of consolidation of investment activities	(2.6)	-
TOTAL NET CASH FLOWS FOR INVESTING ACTIVITIES (B)	(16.0)	(14.5)
FREE CASH FLOW (A + B)	(24.5)	(41.2)
C) CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	-	(10.1)
Registering (repayment) of medium/long-term bank loans	(2.7)	(3.1)
Change in other non-current financial assets	(0.6)	(0.6)
Change in financial assets/liabilities held for trading	0.0	0.3
Net financial interest received	1.2	2.7
Other changes in reserves	0.6	2.3
TOTAL CASH FLOWS FOR FINANCING ACTIVITIES (C)	(1.4)	(8.5)
NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)	(25.8)	(49.7)
OPENING CASH AND CASH EQUIVALENTS	101.5	151.2
CLOSING CASH AND CASH EQUIVALENTS	75.7	101.5
INCREASE (DECREASE) FOR THE YEAR	(25.8)	(49.7)

Figures to be fully audited

NET FINANCIAL POSITION OF THE PARENT

Amounts in € million	FY2010	FY2009
Cash and cash equivalents	68.9	87.4
Bank overdrafts and loans due within one year	(2.7)	(3.1)
Short-term financial payables to other lenders	(0.5)	(4.2)
Short-term financial receivables	9.9	21.4
Short-term net financial position	75.7	101.5
Non-current financial liabilities	(7.5)	(10.1)
Non-current financial assets and fair value of hedging instruments	18.6	18.1
Medium/long-term net financial position	11.1	7.9
Net financial position	86.8	109.4

Figures to be fully audited