

“PRICE SENSITIVE” PRESS RELEASE IN COMPLIANCE WITH THE FINANCE ACT AND CONSOB REGULATIONS

The Espresso Group: The Board of Directors approves the consolidated results of the first quarter 2008.

SUMMARY

2008 First Quarter Consolidated Financial Statements

The Board of Directors of Gruppo Editoriale L'Espresso S.p.A. met today in Rome at 10.30 a.m. under the chairmanship of Carlo De Benedetti and approved the consolidated first quarter 2008 financial statements. The most significant consolidated data, compared with the previous year, are summarized here below:

(€mn) consolidated data	1st Quarter 2007	1st Quarter 2008	Δ %
Revenues	272.5	262.3	-3.7%
Of which:			
• Circulation	110.4	105.8	-4.2%
• Advertising	153.9	149.3	-3%
Gross Operating Profit	42.5	35.6	-16.2%
Operating Profit	32.4	25.4	-21.6%
Financial Income / (Expense)	(4.7)	(4.4)	-7.5%
Net Profit	13.5	10.5	-22.4%
	31/12/2007	31/03/2008	
Net Financial position	(264.9)	(234.7)	
Employees	3,414	3,456	

PRESS RELEASE

1st Quarter 2008 Consolidated results

A decline of the advertising revenues in the month of March, near to 13% with respect to the month of March 2007, also due to the worsening of the macroeconomic environment and to phenomena historically entailing a negative impact on promotional investments, that have widened the effects of the negative trend of the Italian and International economy, has determined a decrease of 3% in First Quarter advertising revenues which inverted the positive

trend of the first two months when an increase of 4.8% had been recorded with respect to the previous year. Projections for April and May actually show a recovery and an increase in revenues vis-à-vis the corresponding months of 2007.

A positive mark was produced by the good performance of optional products sold together with the Group's dailies and magazines, which have contributed to increase the consolidated operating profit.

The impact on profits caused by the slowdown in revenues was partially counterbalanced by the reduction of paper costs (-1.5%), the freezing of turnover, the reduction of the industrial costs linked to investments made in 2007 and by the first impacts of some corporate reorganization plans which, in the next three years, will generate a personnel reduction of 100 people.

Besides these actions, during the first quarter 2008 a new plan to reduce operating costs has been implemented: it will be fully completed over the second half year and will impact all kinds of expense.

In the event of a further deterioration of market conditions, nevertheless, additional cost improvement actions will become necessary.

Besides seeking efficiency in processes and costs, the strategy of the Espresso Group aims to strengthen the competitive advantage of being a branded content company that disseminates its original quality contents among readers and listeners through the whole range of existing platforms and at any moment of the day, offering to present and potential advertisers new ways of promotion through innovative techniques and sale models.

In this perspective, a few days ago an "on line only" local edition of la Repubblica was launched dedicated to the town of Parma, aimed to both disseminate in-depth local information, and stimulate readers to participate in discussions regarding most involving matters of interest at the national or local level.

Circulation of daily newspapers has remained substantially stable: la Repubblica has registered 632 thousand copies per issue (-1.4% vis-à-vis first quarter 2007) and local dailies 460 thousand average copies per issue (-1.3%). Circulation of L'espresso, equal to 428 thousand weekly copies (-4.6% vis-à-vis the same period of 2007), has recorded a reduction in newsstands and optional products' sales, only partially counterbalanced by the good performance of subscriptions.

All of the Groups' main media have confirmed their leadership in terms of readers, listeners and unique users.

La Repubblica has maintained its leadership among the Italian newspapers and reached nearly 3 million daily readers (source: Audipress 2007/II), holding a 10% lead over the nearest competitor, in addition to over 11 million monthly unique users totalled by www.repubblica.it, thus aggregating an integrated and modern audience around the brand. The local on line editions of la Repubblica have likewise increased and totalled nearly one million unique users.

L'espresso has attained positive records too with 2.4 million weekly readers (+4.3%) and over 1 million website unique users, together with the Group's local daily newspapers which reached about 3 million readers and over 1 million page views.

The Group's radio stations have likewise attained good results averaging an audience of 8.4 million daily listeners and 22.9 million weekly listeners (source: Audiradio 1st bimester 2008),

with Radio DeeJay maintaining its leadership among the Italian private broadcasters with 5.4 million average daily listeners and 13.3 million weekly listeners.

Moreover, most of the contents produced by the Group's titles are at the top of the Italian podcast ranks, and in a perspective of multiplatform distribution of the Group's contents, a range of new services such as Trovacinema (cinema information), Trovaristoranti (restaurant information) and RepubblicaTV's video contributions have been made available on mobile phones.

The consolidated Net financial indebtedness as of March 31, 2008 was equal to €234.7mn and is increasing vis-à-vis the end of 2007, thanks to the good performance of operating cash flow (€52.8mn), also favoured by the seasonality of the publishing activity, which has largely counterbalanced the purchase of 2,150,000 own shares for €5.6mn and net investments for an amount of €12.4mn.

Fabio Tacciarra, Company's Holding General Manager, *dirigente preposto alla redazione dei documenti contabili societari* (manager in charge of drafting accounting and corporate records) - pursuant to subparagraph 2 article 154bis of Testo Unico della Finanza (Finance Act) - states that the accounting information included in this press release corresponds to the documented results, the books and the accounting records.

Expected trend of operations

Circulation revenues of the Group's titles and sales of optional products are in line with the 1st Quarter's trend; April and May trends of advertising revenues show recovery signs vis-à-vis the month of March.

As of today it is difficult to forecast end of year results, as they largely depend on the performance of advertising revenues, whose visibility is still limited at the moment. In any case the macroeconomic framework deterioration plus the absence of the positive *una tantum* effects of 2007 linked to the new accounting regulations applied to employee termination indemnity (TFR) and recalculation of deferred taxes - only partially counterbalanced by the application of the reduced regional tax (IRAP) and income tax (IRES) - will entail a decrease in 2008 financial results vis-à-vis the previous year.

Company's contacts

The text of this press release is also available on the Company's site www.gruppoespresso.it
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Rome, April 17, 2008

Gruppo Espresso

Consolidated Income Statement

(€ million)	1 st Quarter 2007	1 st Quarter 2008
Revenues	272,5	262,3
Change in inventories	(1,0)	(0,7)
Other operating income	3,8	3,5
Purchases	(42,3)	(40,5)
Services received	(108,4)	(102,7)
Other operating charges	(5,7)	(5,5)
Investments valued at equity	0,3	0,3
Personnel costs	(76,6)	(81,1)
Depreciation, amortization and write-downs	(10,1)	(10,3)
Operating profit	32,4	25,4
Financial income (expense)	(4,7)	(4,4)
Pre-tax profit	27,7	21,0
Income taxes	(14,1)	(10,4)
Net profit	13,6	10,6
Minority interests	(0,1)	(0,2)
GROUP NET PROFIT	13,5	10,5
Earnings per share, basic	0,032	0,026
Earnings per share, diluted	0,031	0,025

Unaudited figures

Gruppo Espresso

Consolidated Balance Sheet

ASSETS (€ million)	31 December 2007	31 March 2008
Intangible assets with an indefinite useful life	649,2	650,8
Other intangible assets	4,0	3,7
Intangible assets	653,2	654,5
Property, plant and equipment	220,4	219,3
Investments valued at equity	26,9	27,2
Other investments	4,1	4,0
Non-current receivables	1,9	1,8
Deferred tax assets	45,6	43,5
NON-CURRENT ASSETS	952,1	950,2
Inventories	30,5	30,9
Trade receivables	303,3	264,6
Marketable securities and other financial assets	0,1	0,1
Tax receivables	23,0	25,1
Other receivables	27,6	27,9
Cash and cash equivalents	152,1	192,1
CURRENT ASSETS	536,5	540,7
TOTAL ASSETS	1.488,6	1.490,9

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	31 December 2007	31 March 2008
Share capital	65,2	65,2
Reserves	310,4	234,5
Retained earnings (loss carry-forwards)	64,2	230,3
Net profit (loss) for the period	95,6	10,5
Group Shareholders' Equity	535,4	540,4
Minority interests	11,1	11,3
SHAREHOLDERS' EQUITY	546,5	551,7
Financial debt	396,5	396,3
Provisions for risks and charges	10,8	11,1
Employee termination indemnity and other retirement benefits	92,6	92,3
Deferred tax liabilities	102,9	104,0
NON-CURRENT LIABILITIES	602,9	603,7
Financial debt	20,5	30,5
Provisions for risks and charges	15,5	16,4
Trade payables	187,0	167,4
Tax payables	24,7	32,6
Other payables	91,4	88,7
CURRENT LIABILITIES	339,2	335,6
TOTAL LIABILITIES	942,1	939,2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1.488,6	1.490,9

Unaudited figures

Gruppo Espresso

Statement of Consolidated Cash Flows

(€ million)	1 st Quarter 2007	1 st Quarter 2008
OPERATING ACTIVITIES		
Net profit (loss) for the period, including minority interests	13,6	10,6
Adjustments:		
- Depreciation, amortization and write-downs	10,1	10,3
- Accruals to provisions for stock option costs	0,8	0,2
- Net change in provisions for personnel costs	1,6	(0,4)
- Net change in provisions for risks and charges	1,6	1,2
- Losses (gains) on disposal of fixed assets	(0,8)	(0,1)
- Adjustments for investments valued at equity	(0,3)	(0,3)
Cash flow from operating activities	26,6	21,4
Change in current assets and other flows	40,8	31,1
CASH FLOW FROM OPERATING ACTIVITIES	67,4	52,5
of which:		
Interest received (paid) through banks	0,7	0,8
INVESTING ACTIVITIES		
Outlay for purchase of fixed assets	(10,2)	(12,3)
Received on disposals of fixed assets	1,6	0,4
(Purchase) sale of marketable securities and available-for-sale assets	-	(0,0)
CASH FLOW FROM INVESTING ACTIVITIES	(8,5)	(12,0)
FINANCING ACTIVITIES		
Increases in capital and reserves	0,1	-
(Acquisition) sale of treasury stocks	(9,9)	(5,6)
Issue (repayment) of other financial debt	(0,4)	(0,4)
Other changes	0,0	-
CASH FLOW FROM FINANCING ACTIVITIES	(10,3)	(5,9)
Increase (decrease) in cash and cash equivalents	48,7	34,5
Cash and cash equivalents at beginning of the year	172,3	152,1
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	220,9	186,7

Unaudited figures

Gruppo Espresso

Changes in the Consolidated Net Financial Position

(€ million)	1 st Quarter 2007	1 st Quarter 2008
SOURCES OF FUNDS		
Net profit (loss) for the period, including minority interests	13,6	10,6
Depreciation, amortization and write-downs	10,1	10,3
Accruals to provisions for stock option costs	0,8	0,2
Net change in provisions for personnel costs	1,6	(0,4)
Net change in provisions for risks and charges	1,6	1,2
Losses (gains) on disposal of fixed assets	(0,8)	(0,1)
Adjustments for investments valued at equity	(0,3)	(0,3)
Cash flow from operating activities	26,6	21,4
Decrease (Increase) in non-current receivables	1,1	0,1
Increase in liabilities/Decrease in deferred tax assets	3,9	3,3
Increase in payables/Decrease in tax receivables	17,4	5,7
Decrease (Increase) in inventories	3,8	(0,3)
Decrease (Increase) in trade and other receivables	24,2	38,3
Increase (Decrease) in trade and other payables	(13,6)	(20,8)
Change in current assets	36,7	26,2
CASH FLOW FROM OPERATING ACTIVITIES	63,3	47,6
Net disinvestments in equity investments	-	0,1
Increases in capital and reserves	0,1	-
Other changes	0,0	-
TOTAL SOURCES OF FUNDS	63,4	47,7
USES OF FUNDS		
Net investment in fixed assets	(9,1)	(12,0)
(Acquisition) sale of treasury stocks	(9,9)	(5,6)
TOTAL USES OF FUNDS	(19,0)	(17,5)
Financial surplus (deficit)	44,4	30,2
BEGINNIG NET FINANCIAL POSITION	(262,7)	(264,9)
ENDING NET FINANCIAL POSITION	(218,3)	(234,7)

Unaudited figures

Gruppo Espresso

Consolidated Net Financial Position

(€ million)	31 March 2007	31 December 2007	31 March 2008
Financial receivables from Group companies	0,7	-	-
Financial payables to Group companies	-	-	-
Cash and bank deposits	223,6	152,1	192,1
Current account overdrafts	(3,3)	(0,0)	(5,4)
Net cash and cash equivalents	220,9	152,1	186,7
Marketable securities and other financial assets	0,1	0,1	0,1
Bond	(312,1)	(307,9)	(311,5)
Other bank debt	(124,6)	(107,8)	(108,9)
Other financial debt	(2,5)	(1,4)	(1,0)
Other financial assets (liabilities)	(439,2)	(417,0)	(421,4)
NET FINANCIAL POSITION	(218,3)	(264,9)	(234,7)

Unaudited figures