Gruppo Editoriale
L'Espresso Spa

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

SHAREHOLDERS MEETING OF GRUPPO EDITORIALE L'ESPRESSO S.P.A.:

- ***Approval of 2007 Financial Statements: distribution of dividend (€0.17 per share: 6% increase vis-à-vis 2006).***
- ***Renewal of proxy to Board of Directors to buy own shares***
- ***Launch of "2008 Phantom stock option plan"***
- ***Reduction of share capital through cancellation of part of treasury shares.***

SUMMARY

2007 Consolidated Financial Statements

The Board of Directors of Gruppo Editoriale L'Espresso S.p.A. met today in Rome, under the chairmanship of Carlo De Benedetti, and approved the 2007 Consolidated Financial Statements. The most significant consolidated data, compared with the previous year, are summarized here below:

(€mn) consolidated data	2006	2007	∆ %
Revenues	1,102.6	1,098.2	-0.4%
Of which:			
• Circulation (including optional products)	456.6	405.1	-11.3%
• Advertising	615.8	657.1	+6.7%
Gross Operating Profit	204.4	223.4	+9.3%
Operating Profit	163.3	180.6	+10.6%
Financial Income/(Expense)	(19.6)	(17.6)	+10.4%
Profit before taxes	143.6	163.0	+13.5%
Net Profit	103.6	95.6	-7.7%
Shareholders' Equity	562.8	535.4	
Net Financial Position	(262.7)	(264.9)	
Employees	3,384	3,414	

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PRESS RELEASE

Dividend
The Shareholders' Meeting deliberated to distribute a dividend - gross of legal deductions - equal to €0.17 per share (6% increase vis-à-vis €0.16 of prior year), for a total amount of €68.8mn. The dividend will be paid on April 24, 2008, against detachment of coupon n.12 on April 21, 2008.

Comments on the Consolidated Financial Statements
2007 financial results have benefited from two extraordinary effects produced by new regulatory provisions: the different accounting applied to employee termination indemnity (TFR) – as per legislative amendments on indemnity destination – entailed a positive impact on net profit equal to €7.8mn (€11.6mn on operating profit); the reduction of both regional tax (IRAP) and income tax (IRES) – as per Financial Law 2008 – entailed a recalculation of deferred taxes and a subsequent positive impact on net profit equal to €10.3mn.
The comparison between net profit of the two different periods is also affected by the absence in 2007 of deferred tax assets - related to losses carried forward by the subsidiary Elemedia - equal to €22.3mn, whose allocation was definitely completed in 2006.

Net of the abovementioned effects, the consolidated results would have been as follows:

Pro-forma consolidated results (*) (€mn)	*Year 2006*	*Year 2007*	*Δ% 2007/2006*
Revenues	1,102.6	1,098.2	-0.4%
Gross Operating Profit	204.4	211.8	+3.6%
Operating Profit	163.3	169.0	+3.5%
Profit before taxes	143.6	151.4	+5.4%
Net Profit	81.2	77.6	-4.5%

(*) *Consolidated results net of impact of employee termination indemnity (TFR), recalculation of deferred taxes and deferred tax assets related to losses carried forward by the subsidiary Elemedia.*

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The increase in advertising revenues, higher than the market for all the Group's media, and the daily newspapers' cover price increase (from €0.90 to €1) enabled the Espresso Group to counterbalance the expected slowdown in revenues and profits of optional products, related to the progressive market saturation.
Net of contribution of optional products, the most significant financial results are showing an increasingly positive trend: consolidated revenues have increased from €908.1mn in 2006 to €966.3mn in 2007 (+6.4%), gross operating profit has increased from €150.7mn (16.6% on revenues) to €173.2mn (17.9% on revenues) and operating profit has improved both as absolute value to €130.4mn (+19.1%), and as margin from 12.1% to 13.5%.
In 2007 advertising revenues totalled €657.1mn, with 6.7% increase over 2006. Increase in advertising revenues for la Repubblica and the Group's local dailies was 5.2% vis-à-vis 3.5% of the market (source: FCP).

The difference vis-à-vis competitors is positive also for the other Group's media: advertising in the three radio stations increased by 8.5% vis-à-vis 8% of the market (source: Nielsen) and advertising in the network of the Internet sites increased by over 64% vis-à-vis 40.6% of the market (source: FCP), growing up to 4.6% of total advertising revenues. Classified advertising has also performed significantly in printed products (+6.7%) and has more than doubled in the Internet.

Circulation revenues, net of optional products' revenues, recorded a growth equal to 5.1% thanks to the daily newspapers' cover price increase which entailed a slight decline of newspaper sales.
The consolidated net financial indebtedness as of December 31, 2007 was €264.9mn, almost unaltered with respect to end 2006, thanks to the good trend of Operating Cash Flow (€163.6mn) which counterbalanced the distribution of dividends equal to €67.2mn, the purchase of 16,115 thousand own shares for €58.6mn and investments for a total amount of €40.7mn.

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Fabio Tacciaria, Company's Holding General Manager, *dirigente preposto alla redazione dei documenti contabili e 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.

2007 Financial Statements of the Parent Company
The Parent Company closed the year with a Net Profit of €166.2mn, which has grown, compared with €85.9mn of the previous year, thanks to higher dividends (from €56.3mn to €135.5mn) received by subsidiaries.
Revenues were €618.8mn, -5.9% vis-à-vis €657.9mn of 2006, because of decreased revenues from optional products sold with the titles, only partly counterbalanced by 6.9% increase in advertising revenues.
Operating Profit, which was equal to €70mn – decreased with respect to €77.1mn of 2006 - was affected by lower profits on optional products, even if the profitability of the traditional businesses has increased.

Cancellation of part of treasury shares and consequent share capital reduction
The Extraordinary Shareholders' Meeting, having acknowledged that in the latest years none of the possible uses have arisen which had suggested share buyback, that the related cancellation and consequent share capital reduction would allow to optimize the Company's capital structure and - at the same time – to maintain enough capital soundness to sustain future initiatives and to increase both Earning per Share and Dividend per Share – deliberated to cancel treasury shares, except for 4,400,000 shares purchased for the stock option plans awarded to the Managing Director. In particular the cancellation regarded 25,215,000 shares out of the existing 29,615,000 treasury shares.
Pursuant to this resolution the "Treasury Stocks Reserve" - entered as a liability in Shareholders' Equity in compliance with the international accounting standards – shall be reduced of €95.3mn, against a reduction of share capital of €3.8mn, corresponding to 25,215,000 shares of €0.15 nominal value, the cancellation of the "Share Premium Reserve" for €80.5mn, and the reduction of the "Optional Reserve" for €11mn.

The share capital reduction will become effective provided that no opposition is raised within ninety (90) days, as per art.2445 of the Italian Civil Code.

Revocation of the existing proxy and authorization for a new proxy to the Board of Directors for share buyback

The Ordinary Shareholders' Meeting – having outlined that the buy back might be a means to create value for the shareholders, and considering the Group's capital structure - revoked for the time left and for the non-utilized part the existing proxy for share buyback and simultaneously conferred a new proxy with the following characteristics: a) duration: 18 months; b) maximum number of ordinary shares that may be purchased: 20,000,000 equal to about 4.6% of Share Capital; c) the price of each share buyback shall neither be 10% higher nor 10% lower than the reference price registered by ordinary shares in the regulated market trading session prior to each operation.

Approval of "2008 Phantom Stock Option Plan"

The Ordinary Shareholders' Meeting approved the guidelines for the "2008 Phantom Stock Option Plan" in favour of the Managing Director and employees of the Company and its subsidiaries, authorizing the Board of Directors and the Remuneration Committee on its behalf, to identify the beneficiaries, issue the regulations' texts and fulfil the obligations to disclose the Plan.

According to the above guidelines, a maximum number of 6,025,000 options shall be awarded to the beneficiaries - divided into two lots with an equal number of units - granting the right to receive an extraordinary variable compensation which is equal – for each share – to the difference between the value of the above said share in the option exercise period and the share value at the moment when the option is granted. The Company shall record in the Income Statement the cost of the bonuses matured and the related accessory charges as per regulations in force for salaries.

The value of each share at the moment when the option is granted is the simple arithmetical mean derived from the Stock Exchange official prices of the actual share quotation on the days comprised within fifteen (15) calendar days prior to the date of the share granting, while the value of each share at the moment of option exercise is the simple arithmetical mean derived from the Stock Exchange official prices of the actual share quotation days comprised between the first and the fifteenth day of the month in which each exercise time period is fixed.

Option exercise will be performed over the time periods comprised between the sixteenth and the last day of the last month of each calendar quarter, starting from the quarter subsequent to the quarter in which option granting is performed, and shall be effective from the last day of the above-said periods.

Options granting will take place before May 15, 2008 for the first lot of options, and before October 15, 2008 for the second lot; exercise of these options shall gradually come on maturity in order to make them fully exercisable within a maximum term of 4 years plus one quarter from the granting date; the first lot of options shall remain exercisable until September 30, 2018 and the second lot until March 31, 2019.

The right to exercise the granted options is linked and subject to employment or directorship relationship permanence involving the beneficiary and the Company or its subsidiaries. In case of severance or termination of employment or directorship relationship – for whatever cause - the beneficiary or her/his heirs will be entitled to exercise only those options deemed exercisable on the date of severance, unless otherwise deliberated by the Board of Directors.

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Company's contacts

The text of this press release is also available on the Company's website www.gruppoespresso.it. Contact for additional information: Stefano Mignanego, Direttore Centrale Relazioni Esterne, (General Director for External Relations), telephone number +39-06-84787434, e-mail address s.mignanego@gruppoespresso.it.

Rome, April 17, 2008