Gruppo Editoriale
L'Espresso Spa

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

The Espresso Group: 2007 Consolidated Net Profit equal to €95.6mn; dividend equal to €0,17 per share (+6% over 2006). Proposal to the Shareholders' Meeting to cancel part of treasury stocks.

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, to examine the 2007 Consolidated Financial Statements. The most important consolidated results, 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	

Proposal of dividend

The Board of Directors proposed to the Shareholders' Meeting, called to be held on April 17, 2008, to distribute a dividend, gross of legal deductions, equal to €0.17 per share (6% increase vis-à-vis €0,16 of previous 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.

PRESS RELEASE

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 the employee termination indemnity (TFR) – as per legislative modifications on indemnity destination – entailed a €7.8mn positive impact on net profit (€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 €10.3mn positive impact on net profit.

The comparison of net profit of the two different periods is also affected by the absence, in 2007, of deferred tax assets equal to €22.3mn - related to the losses carried forward by the subsidiary Elemedia - whose allocation was definitely completed in 2006.

Net of the abovementioned effects, the consolidated results would have been as recorded in the following table:

Pro-forma consolidated results (*) (€mn)	**Year 2006**	**Year 2007**	**∆% 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 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, together with the daily newspapers' cover price increase (from €0.90 to a €1.00) enabled Gruppo Espresso to counterbalance the expected slowdown of optional products' revenues and profits, related to the progressive saturation of the market.

Net of contribution of optional products, the most significant financial results are showing an increasingly positive trend: consolidated revenues increased from €908,1mn in 2006 to €966.3mn in 2007 (+6.4%), gross operating profit increased from €150.7mn (16.6% on revenues) to €173.2mn (17.9% on revenues) and operating profit 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. la Repubblica and the Group's local dailies increase in advertising was 5.2% vis-à-vis 3.5% of the market (source: FCP).

The difference with the competitors is also positive for the other media of the Group: advertising in the three radio stations has increased by 8.5% vis-à-vis 8% of the market (source: Nielsen) and advertising in the network of the Internet sites has increased by over 64% vis-à-vis 40.6% of the market (source: FCP), growing up to a 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 5.1% growth thanks to the daily newspapers' cover price increase (which entailed a slight decrease of newspapers sales).
la Repubblica circulation has averaged 621 thousand copies vis à vis with 628 thousand copies of 2006; confirming its primacy among the Italian newspapers in terms of readership with about 3mn readers (source: Audipress 2007/I), and recording a 12.6% lead over its closest competitor.
The Group's local titles have recorded an average circulation of 473 thousand copies, unchanged with respect to the previous year, and a combined readership of 2.9 mn readers.
L'espresso averaged 396 thousand copies per week in line with 2006, thanks to the increasing number of subscriptions, that permitted to counterbalance the reduced number of copies sold together with optional products.
Also the Group's radio audience data were positive ones, reaching an audience of 8.9mn average daily listeners and 23.1mn weekly listeners (source: Audiradio 2007). Deejay confirmed its leadership among Italian private radio stations, with 5.6 million average daily listeners, reaching 13.2 million weekly listeners; Radio Capital confirmed around 1.9mn daily listeners and 6.3mn weekly listeners, while m2o has significantly extended its daily audience reaching 1.4mn daily listeners and 3.5mn weekly listeners.
All Music totalled over 2.8mn viewers aged 15-34 (IPSOS).
Furthermore, the Group's network of Internet sites recorded a very high growth, with 14.3mn unique users and 630mn page views, registered in January 2008.
Repubblica.it confirmed its leadership as news website with 12mn unique users, increased by 46% with respect to the previous year. The audio-video sector has also significantly developed, as RepubblicaTV has recorded over 2mn users.
Finally, many contents produced by the Group's titles are at the top of the Italian podcast lists.

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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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The positive results attained by the Group's titles and brands, even as regards their digital versions, appear to be significant ones in a market going through a transition, with uncertain perspectives produced by the Internet revolution and the development of new media, such as free press and pay-TV. The Group was in a position to attain these results thanks to the ability to make use of the strength of its own brands in a market where circulation of contents is a more and more often multiplatform, on demand, asynchronous, and mobile.
The strategy of the Espresso Group is to strengthen the competitive advantage of being a branded content company; to circulate own high-quality original contents - which cannot be disintermediated by technology – to its readers and listeners who are linked to it by a fiduciary relationship established over the years; to reach its audience through all the possible platforms and time of the day; to offer to both existing and potential advertising investors up to date promotion ideas, through innovative sale techniques and forms.
The strength of the brands on the various distribution platforms has already permitted to reach additional readers and listeners: in fact, considering the entire Group, they were 22mn in the

average week in 1999 and reached 33mn in 2006; the best results were recorded among people aging 14 to 44.

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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 the corporate and accounting documents) - 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.

Comment on the outstanding bond loan issue

The company, with the BBB- with stable outlook rating awarded by Standard&Poor's, has an outstanding bond loan issue of € 300 million, expiring in October 2014. The bond issue is listed on the Luxembourg Stock Exchange and pays an annual coupon equal to 5.125%.

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 the higher dividends received by subsidiaries, which have increased from €56.3mn to € 135.5mn.

Revenues were €618.8mn, -5.9% compared with 657.9mn of 2006, because of decreased revenues from optional products 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.

Operating performance over the first months of 2008

Circulation of the Group titles has been basically in line with the corresponding period of the previous year, optional products launched early in 2008 are showing a satisfactory trend, and advertising revenues, after a negative month of January, are showing in February signs of recovery.

To date it is difficult to give any certain indication on the possible expected results of 2008, as they greatly depend on advertising revenues, whose visibility is still quite limited.

In any case, financial results of the current year will certainly suffer the lack of the positive one-off effects entailed in 2007 by the new employee termination indemnity (TFR) regulations and the recalculation of deferred taxes; however, they will benefit from lower regional tax (IRAP) and income tax (IRES) rates.

Verification of requisites for independence of the members of the Board of Directors and Board of Statutory Auditors

The Board of Directors has verified its members' requisites for independence and confirmed that the following members are entitled: Prof. (Ms) Agar Brugiavini, Mr. Mario Greco and Mr. Luca Paravicini Crespi. Requisite for independence and honorability were also confirmed for the members of the Board of Statutory Auditors.

Proposal submitted to the Shareholders' Meeting to cancel part of treasury shares and consequently reduce share capital

The Board of Directors deliberated to propose to the Extraordinary Shareholders' Meeting to cancel the Group's treasury shares, except for 4,400,000 shares purchased for the stock option plans assigned to the Managing Director. In particular, this proposal provides that 25,215,000 shares are cancelled out of 29,615,000 treasury shares. The reason for cancellation is that none of the possible uses – coherent with the objectives which had originated the purchase - has arisen in the latest years and that cancellation of shares, and subsequent reduction of share capital, will enable to optimize the Group's capital structure, maintaining at the same time the capital soundness needed to sustain future initiatives, and to increase both Earning per Share and Dividend per Share.

This proposal provides that the "treasury stocks reserve" - entered as a liability in Shareholders' Equity, in compliance with international accounting standards - should be reduced to €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.

Reduction of share capital will become effective provided that no opposition will be raised within ninety (90) days as per art. 2445 of Italian Civil Code.

Proposal submitted to the Shareholders' Meeting to revoke the existing proxy and authorize a new proxy for share buyback

The Board of Directors deliberated to propose to the Shareholders' Meeting to revoke, for the time left and for the non-utilized part, the existing proxy for share buyback and simultaneously confer a new proxy. Also considering the capital structure of the Group, the buyback could be a good lever to create value in favour of the shareholders. The required proxy has the following characteristics: a) duration: 18 months after the first day subsequent to approval by the Shareholders' Meeting; 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 must neither be 10% higher nor 10% lower of the reference price registered by ordinary shares in the regulated market trading session prior to each operation.

Call for Ordinary and Extraordinary Shareholders' Meeting

The Ordinary and Extraordinary Shareholders' Meeting will be held in first call at 11.00 a.m. on April 17, 2008 at FIEG headquarters in Rome, via Piemonte, 64 and, if necessary, in second call the next day, same time, same venue.

The Ordinary Shareholders' Meeting, besides approving the Annual Financial Statements and the proposal for the distribution of the net profit of the year, shall also deliberate the proposal of revoking the existing proxy and conferring the new proxy to the Board for share buyback. Information concerning incentive plans for Employees and the Managing Director will also be provided.

The Extraordinary Shareholders' Meeting shall deliberate on the proposal to cancel treasury stocks and consequently reduce share capital.

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, February 20, 2008

Gruppo Espresso
Consolidated Income Statement

(€ thousand)	Year 2006	Year 2007
Revenues	1.102.565	1.098.166
Change in inventories	(327)	662
Other operating income	17.284	17.640
Purchases	(171.407)	(167.287)
Services received	(439.622)	(422.483)
Other operating charges	(17.021)	(20.459)
Investments valued at equity	1.407	1.206
Personnel costs	(288.464)	(284.039)
Depreciation, amortization and write-downs	(41.165)	(42.815)
Operating profit	**163.250**	**180.591**
Financial income (expense)	(19.601)	(17.576)
Pre-tax profit	**143.649**	**163.015**
Income taxes	(39.750)	(66.494)
Net profit	**103.899**	**96.521**
Minority interests	(338)	(923)
GROUP NET PROFIT	**103.561**	**95.598**
Earnings per share, basic	0,243	0,230
Earnings per share, diluted	0,234	0,221

Not completely audited data

Gruppo Espresso
Consolidated Balance Sheet

ASSETS (€ thousand)	31 December 2006	31 December 2007
Intangible assets with an indefinite useful life	638.163	649.211
Other intangible assets	4.432	3.982
Intangible assets	642.595	653.193
Property, plant and equipment	233.337	220.362
Investments valued at equity	27.007	26.866
Other investments	4.043	4.088
Non-current receivables	3.075	1.910
Deferred tax assets	68.667	45.631
NON-CURRENT ASSETS	**978.724**	**952.050**
Inventories	35.631	30.532
Trade receivables	285.804	303.253
Marketable securities and other financial assets	50	50
Tax receivables	37.205	22.969
Other receivables	25.437	27.574
Cash and cash equivalents	172.643	152.140
CURRENT ASSETS	**556.770**	**536.518**
TOTAL ASSETS	**1.535.494**	**1.488.568**

LIABILITIES AND SHAREHOLDERS' EQUITY (€ thousand)	31 December 2006	31 December 2007
Share capital	65.150	65.167
Reserves	344.215	310.447
Retained earnings (loss carry-forwards)	49.828	64.153
Net profit (loss)	103.561	95.598
Group Shareholders' Equity	**562.754**	**535.365**
Minority interests	10.526	11.103
SHAREHOLDERS' EQUITY	**573.280**	**546.468**
Financial debt	413.898	396.511
Provisions for risks and charges	12.018	10.846
Employee termination indemnity and other retirement benefits	107.704	92.639
Deferred tax liabilities	110.818	102.895
NON-CURRENT LIABILITIES	**644.438**	**602.891**
Financial debt	21.517	20.549
Provisions for risks and charges	12.500	15.460
Trade payables	175.989	187.046
Tax payables	22.769	24.705
Other payables	85.001	91.449
CURRENT LIABILITIES	**317.776**	**339.209**
TOTAL LIABILITIES	**962.214**	**942.100**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.535.494**	**1.488.568**

Not completely audited data

Gruppo Espresso

Statement of Consolidated Cash Flows

(€ thousand)	Year 2006	Year 2007
OPERATING ACTIVITIES		
Net profit (loss) for the period, including minority interests	103.899	96.521
Adjustments:		
- Depreciation, amortization and write-downs	41.165	42.815
- Accruals to provisions for stock option costs	2.780	2.017
- Net change in provisions for personnel costs	2.750	(15.065)
- Net change in provisions for risks and charges	531	2.424
- Losses (gains) on disposal of fixed assets	(712)	(828)
- Adjustments for financial assets	603	-
- Adjustments for investments valued at equity	(142)	(238)
- Dividends (received)	(19)	-
Cash flow from operating activities	**150.855**	**127.646**
Change in current assets and other flows	**(28.921)**	**35.999**
CASH FLOW FROM OPERATING ACTIVITIES	**121.934**	**163.645**
of which:		
Interest received (paid) through banks	(17.456)	(16.848)
Received (outlay) for income taxes	(23.422)	(46.156)
INVESTING ACTIVITIES		
Outlay for purchase of fixed assets	(37.529)	(40.479)
Outlay for purchase of equity investments	(2.940)	(2.385)
Received on disposals of fixed assets	1.849	2.029
Public grants received	267	154
(Purchase) sale of marketabel securities and available-for-sale assets	2	-
Dividends received	19	-
CASH FLOW FROM INVESTING ACTIVITIES	**(38.332)**	**(40.681)**
FINANCING ACTIVITIES		
Increases in capital and reserves	1.641	345
(Acquisition) sale of treasury stocks	(32.768)	(58.562)
Issue (repayment) of other financial debt	(12.383)	(17.385)
(Dividends paid)	(62.468)	(67.180)
Other changes	(587)	(339)
CASH FLOW FROM FINANCING ACTIVITIES	**(106.565)**	**(143.121)**
Increase (decrease) in cash and cash equivalents	**(22.963)**	**(20.157)**
Cash and cash equivalents at beginning of the year	**195.247**	**172.284**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**172.284**	**152.127**

Not completely audited data

Gruppo Espresso

Changes in the Consolidated Net Financial Position

(€ thousand)	Year 2006	Year 2007
SOURCES OF FUNDS		
Net profit (loss), including minority interests	103.899	96.521
Depreciation, amortization and write-downs	41.165	42.815
Accruals to provisions for stock option costs	2.780	2.017
Net change in provisions for personnel costs	2.750	(15.065)
Net change in provisions for risks and charges	531	2.424
Losses (gains) on disposal of fixed assets	(712)	(828)
Write-down (revaluation) of equity investments	603	-
Adjustments for investments valued at equity	(142)	(238)
Cash flow from operating activities	**150.874**	**127.646**
Decrease (Increase) in non-current receivables	(465)	1.165
Increase in liabilities/Decrease in deferred tax assets	(12.911)	15.113
Increase in payables/Decrease in tax receivables	29.340	16.172
Decrease (Increase) in inventories	(3.445)	5.099
Decrease (Increase) in trade and other receivables	(22.216)	(19.586)
Increase (Decrease) in trade and other payables	(18.361)	19.596
Change in current assets	**(28.058)**	**37.559**
CASH FLOW FROM OPERATING ACTIVITIES	**122.816**	**165.205**
Increases in capital and reserves	1.641	345
Other changes	-	47
T0TAL SOURCES OF FUNDS	**124.457**	**165.597**
USES OF FUNDS		
Net investment in fixed assets	(35.804)	(41.701)
Net equity investments	(2.925)	(302)
(Acquisition) sale of treasury stocks	(32.768)	(58.562)
(Dividends paid)	(62.468)	(67.180)
Other changes	(587)	-
TOTAL USES OF FUNDS	**(134.552)**	**(167.745)**
Financial surplus (deficit)	**(10.095)**	**(2.148)**
BEGINNIG NET FINANCIAL POSITION	**(252.627)**	**(262.722)**
ENDING NET FINANCIAL POSITION	**(262.722)**	**(264.870)**

Not completely audited data

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Income Statement

(€ thousand)	Year 2006	Year 2007
Revenues	657.905	618.807
Change in inventories	(1.011)	396
Other operating income	7.222	8.031
Purchases	(122.957)	(113.491)
Services received	(332.543)	(311.843)
Other operating charges	(6.243)	(8.880)
Personnel costs	(112.035)	(109.061)
Depreciation, amortization and write-downs	(13.251)	(13.974)
Operating profit	**77.087**	**69.985**
Financial income (expense)	(14.958)	(15.288)
Dividends	56.320	135.500
Pre-tax profit	**118.449**	**190.197**
Income taxes	(32.521)	(24.035)
NET PROFIT	**85.928**	**166.162**

Not completely audited data

Gruppo Editoriale L'Espresso SpA

Balance Sheet

ASSETS (€ thousand)	31 December 2006	31 December 2007
Intangible assets with an indefinite useful life	220.661	220.661
Other intangible assets	2.811	2.187
Intangible assets	223.472	222.848
Property, plant and equipment	68.035	60.932
Investments	391.694	391.853
Non-current receivables	348	356
Deferred tax assets	14.734	10.881
NON-CURRENT ASSETS	**698.283**	**686.870**
Inventories	30.398	25.387
Trade receivables	119.112	125.486
Tax receivables	25.117	18.357
Other receivables	11.194	11.357
Cash and cash equivalents	219.313	224.813
CURRENT ASSETS	**405.134**	**405.400**
TOTAL ASSETS	**1.103.417**	**1.092.270**

LIABILITIES AND SHAREHOLDERS' EQUITY (€ thousand)	31 December 2006	31 December 2007
Share capital	65.150	65.167
Reserves	131.897	80.112
Retained earnings (loss carry-forwards)	49.827	64.153
Net profit (loss)	85.928	166.162
SHAREHOLDERS' EQUITY	**332.802**	**375.594**
Financial debt	338.744	332.985
Provisions for risks and charges	6.970	5.473
Employee termination indemnity and other retirement benefits	47.576	41.026
Deferred tax liabilities	40.677	39.667
NON-CURRENT LIABILITIES	**433.967**	**419.151**
Financial debt	168.319	125.891
Provisions for risks and charges	2.848	4.019
Trade payables	115.232	115.641
Tax payables	12.128	10.389
Other payables	38.121	41.585
CURRENT LIABILITIES	**336.648**	**297.525**
TOTAL LIABILITIES	**770.615**	**716.676**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.103.417**	**1.092.270**

Not completely audited data

Gruppo Editoriale L'Espresso SpA

Statement of Cash Flows

(€ thousand)	Year 2006	Year 2007
OPERATING ACTIVITIES		
Net profit (loss), including minority interests	85.928	166.162
Adjustments:		
- Depreciation, amortization and write-downs	13.251	13.974
- Accruals to provisions for stock option costs	2.780	2.017
- Net change in provisions for personnel costs	2.020	(6.550)
- Net change in provisions for risks and charges	(757)	(326)
- Losses (gains) on disposal of fixed assets	22	(5)
- Adjustments for financial assets	6	-
- Dividends (received)	(56.320)	(135.500)
Cash flow from operating activities	**46.930**	**39.772**
Change in current assets and other flows	**6.381**	**11.328**
CASH FLOW FROM OPERATIONS	**53.311**	**51.100**
of which:		
Interest received (paid) through banks	(13.653)	(13.595)
Received (outlay) for income taxes	(5.162)	(19.620)
INVESTING ACTIVITIES		
Outlay for purchase of fixed assets	(9.008)	(8.036)
Outlay for purchase of equity investments	(12.148)	(1.700)
Received on disposals of fixed assets	303	1.589
Dividends received	56.320	135.500
CASH FLOW FROM INVESTING ACTIVITIES	**35.467**	**127.353**
FINANCING ACTIVITIES		
Increases in capital and reserves	1.641	345
(Acquisition) sale of treasury stocks	(32.768)	(58.562)
Issue (repayment) of other financial debt	(4.316)	(5.874)
(Dividends paid)	(62.468)	(67.180)
Other changes	5	7
CASH FLOW FROM FINANCING ACTIVITIES	**(97.906)**	**(131.264)**
Increase (decrease) in cash and cash equivalents	**(9.128)**	**47.189**
Cash and cash equivalents at beginning of the year	**69.359**	**60.231**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**60.231**	**107.420**

Not completely audited data