

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

The Espresso Group: The Board of Directors has approved the consolidated financial statements of the first nine months of 2007. Compared to the corresponding period of the previous year, advertising has increased by 7.4%.

SUMMARY

Consolidated Financial Statements of the first nine months of 2007

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 consolidated financial statements as of the first nine months of 2007. The related most significant results, compared with the results of both the corresponding period of 2006 and the entire year 2006, are summarized here below:

(€mn) Consolidated Data	Year 2006	January -September 2006	January -September 2007	Δ % January -September 07/06
Revenues	1,102.6	814.1	797.1	-2.1%
Gross Operating Profit	204.4	145.2	155.3	+7%
Operating Profit	163.3	114.9	123.9	+7.8%
Financial Income (Expense)	(19.6)	(15.1)	(14)	-7.6%
Profit before taxes	143.6	99.8	109.9	+10.2%
Net Profit	103.6	65.6	57.1	
Shareholders' Equity	562.8	525	513.5	
Net Financial Position	(262.7)	(240)	(266.2)	
Employees	3,384	3,425	3,405	

PRESS RELEASE

Comment on the first nine months of 2007 consolidated financial statements

As already occurred in the first-half and will occur at the year end, the consolidated net profit of the first nine months of 2007 benefited from the extraordinary positive effect of €7.8mn (€11.6mn as Operating Profit), produced by the different accounting applied to the employee termination indemnity (TFR), subsequent to the well-known legislative modifications.

The comparison of net profit of the two different periods is also affected by the absence, in 2007, of deferred tax assets equal to €10.6mn - 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 reported in the following table:

(€mn) Consolidated data pre impact of TFR and deferred tax assets due to Elemedia's losses	January - September 2006	January - September 2007	Δ % 2007/2006
Revenues	814.1	797.1	-2.1%
Gross Operating Profit	145.2	143.7	-1.1%
Operating Profit	114.9	112.2	-2.3%
Profit before taxes	99.8	98.3	-1.5%
Net Profit	55.0	49.3	

The good trend of the third quarter of the year, characterized by a considerable increase in advertising revenues (+8.3% vis-à-vis the July-September 2006 period), together with the positive contribution of optional products - which are recovering with respect to the two previous quarters - enabled Espresso Group to maintain at 14.1% the incidence of the Operating Profit on revenues in the first nine months of the year, vis-à-vis the corresponding 2006 period. Net of the contribution of optional products, the most significant economic results are showing a positive trend: consolidated revenues increased from €656.6mn in the first nine months of 2006 to €696.5mn in 2007 (+6.1%), gross operating profit increased from €100.8mn (15.3% on revenues) to €113.7mn (16.3% on revenues) and operating profit increased both as absolute value to €82.3mn (+16.9%), and as operating margin from 10.7% to 11.8%.

By the end of September, advertising revenues totalled €465mn, increasing by 7.4% with respect to the corresponding 2006 period. The trend was positive also in comparison with the Group's competitors: up to August – according to the most recent FCP (advertising concessionaires association) available data - advertising in la Repubblica and the Group's local dailies increased by 5.8% vis-à-vis 4.3% of the market. The differential with respect to the competitors is positive also for the other media of the Group: in fact, advertising in the three radio stations increased by 8.4% vis-à-vis 7.3% of the market, and investments in the network of the internet sites grew by 70% (classified advertising having more than doubled), showing a better result than the already very successful expansion of the sector as a whole (+45.7%).

Circulation revenues, which totalled €312,7mn (-13.5% with respect to the corresponding period of 2006, but – net of the optional product revenues – increased by +4.2%) have benefited from the increase in the cover price (from €0.90 to €1), whose positive effects were partially offset by the journalists' strikes in support of the national contract renewal and by a slight decline in the number of copies sold.

In particular, la Repubblica circulation has averaged 615 thousand copies vis-à-vis 626 thousand copies of the first nine months of 2006, and it has maintained the leadership in terms of readers among the Italian newspapers, reaching about 3 million daily readers (Audipress 2007/I)).

The Group's local dailies have averaged 477 thousand copies, substantially in line with the corresponding period of the previous year, having attained over 2.9 million daily readers as a whole.

L'espresso reached an average circulation of 409 thousand copies (405 thousand in the first nine months of 2006), also thanks to the renewed interest arousing from its reportages and by an increased number of subscribers.

The Group's radio stations have recorded good audience results averaging, as a whole, 9.1 million daily listeners and 23.1 million weekly listeners (Audiradio 2007 4th bimester 2007). DeeJay is always the most popular Italian private radio station with 5.7 million daily listeners and 13.2 million weekly listeners. Radio Capital has nearly attained 2 million daily listeners and 6.3 million weekly listeners; m2o has considerably increased its audience having attained 1.5 million daily listeners and 3.5 million weekly listeners. Finally, All Music has reached over 2.8mn viewers among the target people aged 15-34 (IPSOS) with higher growth rates vis-à-vis the other TV networks dedicated to the young people.

The strong upward trend of the Group's network of Internet sites in September 2007 attained 12.3 million unique users and 510 million page views. Repubblica.it has confirmed its place as the first Italian news broadcasting website with 10 million unique users, with a 58% growth over the previous year.

In the period under consideration, the launching of the new websites of the Group's local dailies was completed; their implementation was especially focused on the areas of local communities, interactivity and contributions from citizens who can communicate and send their own texts to the newspaper.

A series of social networking services for the young people (m2o, DeeJay) was also launched, along with www.seidimoda.it, the website dedicated to the women's universe. Moreover, a number of tests are being conducted to distribute on mobile telephones the contents produced on a daily basis by the various titles.

The consolidated Net financial indebtedness as of September 30, 2007, equal to €266.2 million, has reported almost no variation with respect to end 2006, thanks to the good trend of cash flow from operations (€147mn), which compensated a distribution of dividends equal to €67.2mn, purchase of 11,055,450 own shares equal to €41.2mn and investments equal to €30.5mn.

At the end of this period, the Group's employees, including short-term contracts, totalled 3,405 employees, with an increase of 21 people with respect to the total 3,384 employees as of December 31, 2006.

Fabio Tacciarra, Company's Holding General Manager, today appointed also *dirigente preposto alla redazione dei documenti contabili societari* (manager in charge of drafting the corporate 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.

Expected trend of operations

Forecasts for the advertising revenues of the last quarter show again an increase, with respect to the prior year, though with a slowing growth rate as compared to the year-to-date figures. As far as the full year 2007 results, net profit will be lower than 2006 because of the already mentioned absence of deferred tax assets related to the losses carried forward by the subsidiaries.

Consolidated financial statements of third quarter 2007

The most significant consolidated data related to the third quarter 2007 compared to the corresponding period of 2006 are summarized here below:

(€mn) Consolidated quarterly results	3rd Quarter 2006	3rd Quarter 2007	Δ % 2007/2006
Revenues	212.6	235.5	+10.8%
Gross Operating Profit	19.4	32.6	+68.1%
Operating Profit	9.2	21.8	
Profit before taxes	4.3	17.1	
Net Profit	10.8	7.1	

Own shares in portfolio

Based on the Shareholders Meeting's authorization, since the beginning of this year a total number of 12,772,950 own shares has been purchased, at an average market price of €3.71 per share, for a total amount of €47.4 million. To this date the total number of own shares in portfolio is 24,122,950, equal to 5.55% of the share capital.

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Company's contacts

The text of this press release is also available on the Company's website

www.gruppoespresso.it.

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Rome, October 17, 2007

Gruppo Espresso

Consolidated Income Statement

(€ million)	Jan - Sept 2006	Jan - Sept 2007
Revenues	814,1	797,1
Change in inventories	(0,5)	(0,6)
Other operating income	11,1	10,9
Purchases	(126,8)	(122,3)
Services received	(327,5)	(310,8)
Other operating charges	(12,6)	(13,7)
Investments valued at equity	1,0	1,1
Personnel costs	(213,5)	(206,3)
Depreciation, amortization and write-downs	(30,3)	(31,4)
Operating profit	114,9	123,9
Financial income (expense)	(15,1)	(14,0)
Pre-tax profit	99,8	109,9
Income taxes	(33,9)	(52,3)
Net profit	65,9	57,6
Minority interests	(0,3)	(0,6)
GROUP NET PROFIT	65,6	57,1
Earnings per share, basic	0,153	0,136
Earnings per share, diluted	0,148	0,131

Unaudited figures

Gruppo Espresso

Consolidated Income Statement

(€ million)	3 rd Quarter 2006	3 rd Quarter 2007
Revenues	212,6	235,5
Change in inventories	1,3	0,9
Other operating income	2,9	1,9
Purchases	(37,2)	(38,8)
Services received	(92,6)	(97,7)
Other operating charges	(2,9)	(3,5)
Investments valued at equity	0,3	0,3
Personnel costs	(65,0)	(66,0)
Depreciation, amortization and write-downs	(10,2)	(10,8)
Operating profit	9,2	21,8
Financial income (expense)	(4,8)	(4,7)
Pre-tax profit	4,3	17,1
Income taxes	6,6	(9,8)
Net profit	10,9	7,3
Minority interests	(0,1)	(0,2)
GROUP NET PROFIT	10,8	7,1

Unaudited figures

Gruppo Espresso

Consolidated Balance Sheet

ASSETS (€ million)	December, 31 2006	September, 30 2007
Intangible assets with an indefinite useful life	638,2	649,1
Other intangible assets	4,4	3,4
Intangible assets	642,6	652,6
Property, plant and equipment	233,3	220,6
Investments valued at equity	27,0	27,1
Other investments	4,0	4,0
Non-current receivables	3,1	2,0
Deferred tax assets	68,7	58,0
NON-CURRENT ASSETS	978,7	964,4
Inventories	35,6	29,7
Trade receivables	285,8	265,4
Marketable securities and other financial assets	0,1	0,1
Tax receivables	37,2	42,3
Other receivables	25,4	30,0
Cash and cash equivalents	172,6	176,6
CURRENT ASSETS	556,8	544,0
TOTAL ASSETS	1.535,5	1.508,4

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	December, 31 2006	September, 30 2007
Share capital	65,2	65,2
Reserves	344,2	322,9
Retained earnings (loss carry-forwards)	49,8	68,3
Net profit (loss)	103,6	57,1
Group Shareholders' Equity	562,8	513,5
Minority interests	10,5	10,7
SHAREHOLDERS' EQUITY	573,3	524,3
Financial debt	413,9	404,0
Provisions for risks and charges	12,0	11,6
Employee termination indemnity and other retirement benefits	107,7	92,8
Deferred tax liabilities	110,8	119,5
NON-CURRENT LIABILITIES	644,4	627,9
Financial debt	21,5	38,8
Provisions for risks and charges	12,5	15,5
Trade payables	176,0	163,5
Tax payables	22,8	50,5
Other payables	85,0	87,9
CURRENT LIABILITIES	317,8	356,2
TOTAL LIABILITIES	962,2	984,1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1.535,5	1.508,4

Unaudited figures

Gruppo Espresso

Statement of Consolidated Cash Flows

(€million)	Jan - Sept 2006	Jan - Sept 2007
OPERATING ACTIVITIES		
Net profit (loss) for the period, including minority interests	65,9	57,6
Adjustments:		
- Depreciation, amortization and write-downs	30,3	31,4
- Accruals to provisions for stock option costs	2,0	1,7
- Net change in provisions for personnel costs	2,0	(14,9)
- Net change in provisions for risks and charges	(1,5)	2,6
- Losses (gains) on disposal of fixed assets	0,0	(0,7)
- Adjustments for financial assets	0,6	-
- Adjustments for investments valued at equity	0,3	(0,1)
- Dividends (received)	(0,0)	-
Cash flow from operating activities	99,5	77,7
Change in current assets and other flows	46,5	69,3
CASH FLOW FROM OPERATING ACTIVITIES	146,1	147,0
of which:		
Interest received (paid) through banks	1,3	2,8
Received (outlay) for income taxes	0,0	(18,9)
INVESTING ACTIVITIES		
Outlay for purchase of fixed assets	(27,7)	(33,9)
Outlay for purchase of equity investments	(2,4)	-
Received on disposals of fixed assets	0,4	2,1
Public grants received	1,3	1,3
(Purchase) sale of marketable securities and available-for-sale assets	0,0	-
Dividends received	0,0	-
FLUSSO DELL'ATTIVITA' DI INVESTIMENTO	(28,3)	(30,5)
FINANCING ACTIVITIES		
Increases in capital and reserves	0,8	0,3
(Acquisition) sale of treasury stocks	(31,0)	(41,2)
Issue (repayment) of other financial debt	(4,1)	(8,7)
Dividends (paid)	(62,5)	(67,2)
Other changes	(0,4)	(0,3)
CASH FLOW FROM FINANCING ACTIVITIES	(97,2)	(117,1)
Increase (decrease) in cash and cash equivalents	20,6	(0,6)
Cash and cash equivalents at beginning of the period	195,2	172,3
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	215,8	171,6

Unaudited figures

Gruppo Espresso

Consolidated Statement of Changes in the Net Financial Position

(€ million)	Jan - Sept 2006	Jan - Sept 2007
SOURCES OF FUNDS		
Net profit (loss) for the period, including minority interests	65,9	57,6
Depreciation, amortization and write-downs	30,3	31,4
Accruals to provisions for stock option costs	2,0	1,7
Net change in provisions for personnel costs	2,0	(14,9)
Net change in provisions for risks and charges	(1,5)	2,6
Losses (gains) on disposal of fixed assets	0,0	(0,7)
Write-down (revaluation) of equity investments	0,6	-
Adjustments for investments valued at equity	0,3	(0,1)
Cash flow from operating activities	99,6	77,7
Decrease (Increase) in non-current receivables	(0,6)	1,1
Increase in liabilities/Decrease in deferred tax assets	(4,1)	19,3
Increase in payables/Decrease in tax receivables	37,7	22,6
Decrease (Increase) in inventories	(1,2)	6,0
Decrease (Increase) in trade and other receivables	31,6	15,9
Increase (Decrease) in trade and other payables	(27,6)	(5,7)
Change in current assets	35,8	59,1
CASH FLOW FROM OPERATING ACTIVITIES	135,4	136,8
Increases in capital and reserves	0,8	0,3
TOTAL SOURCES OF FUNDS	136,2	137,2
USES OF FUNDS		
Net investment in fixed assets	(27,3)	(31,8)
Net equity investments	(2,4)	-
(Acquisition) sale of treasury stocks	(31,0)	(41,2)
Dividends (paid)	(62,5)	(67,2)
Other changes	(0,4)	(0,3)
TOTAL USES OF FUNDS	(123,6)	(140,6)
Financial surplus (deficit)	12,7	(3,4)
BEGINNIG NET FINANCIAL POSITION	(252,6)	(262,7)
ENDING NET FINANCIAL POSITION	(240,0)	(266,2)

Unaudited figures

Gruppo Espresso

Consolidated Net Financial Position

(€ million)	December, 31 2006	September, 30 2007
Financial receivables from Group companies	0,6	-
Cash and bank deposits	172,0	176,6
Current account overdraft	(0,4)	(5,0)
Net cash and cash equivalents	172,3	171,6
Marketable securities and other financial assets	0,1	0,1
Bond issue	(308,5)	(319,5)
Other bank debt	(124,1)	(116,6)
Other financial debt	(2,4)	(1,7)
Other financial assets (liabilities)	(435,0)	(437,8)
NET FINANCIAL POSITION	(262,7)	(266,2)

Unaudited figures