

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

The Espresso Group: first half 2006 consolidated operating profit of € 105.7 million and net profit of € 54.8 million

SUMMARY

Interim Financial Statements as of June 30, 2006

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 consolidated results of the first half 2006. The most significant results of the first half - compared with the results of both the corresponding period of 2005 and the entire year 2005 - are indicated here below:

| (€mn) Consolidated Data | Year 2005 | 1st half 2005 | 1st half 2006 | Δ % 1st half 06/05 |
|---------------------------------|--------------|------------------|------------------|-----------------------|
| Revenues | 1,079.9 | 567.6 | 601.5 | +6% |
| Operating and labor costs | (857.7) | (437.9) | (475.7) | +8.6% |
| Gross operating profit | 222.2 | 129.7 | 125.8 | -3% |
| Depreciation and devaluation | (44.8) | (21.1) | (20.1) | -4.8% |
| Operating profit | 177.5 | 108.6 | 105.7 | -2.6% |
| Net Financial Income/ (Expense) | (25.6) | (11.7) | (10.3) | 12.1% |
| Profit before taxes | 151.9 | 96.9 | 95.5 | -1.5% |
| Net profit | 116.3 | 54.8 | 54.8 | |
| Shareholders' Equity | 550 | 488.7 | 525.1 | |
| Net financial position | (252.6) | (259.2) | (257.7) | |

PRESS RELEASE

Comment on the interim consolidated financial statements as of 30 June, 2006

The Espresso Group closed the first half 2006 with a consolidated net profit of € 54.8 million, in line with the corresponding period of the previous year; the operating profit has been of €105.7 million with respect to €108.6 million of the first half 2005. Excluding the government's contribution for paper (€4.8 mln) which was discontinued in 2006, the operating profit was higher than in 2005. Price increase in raw materials and labor (a 2.5% increase in journalists labor costs derived from pure automatism, even if the national contract was not renewed) was abundantly counterbalanced by the increases registered in advertising revenues, circulation of La Repubblica and L'espresso, above market growth of Internet sites – both number of viewers and revenues – and, finally, by the substantial stability of profits of optional products sold coupled with the Group's titles. Sales of nearly 10 million add-ons have actually enabled revenues to reach over € 140 million (+10.4% with respect to the first half 2005).

Consolidated advertising revenues increased by 6.4% (+5% in homogenous terms, also including All Music's revenues which were not included in the first quarter of 2005) thanks to both the good performance of all the titles and the possibility to offer a choice of multimedia applications (press, radio, television and the internet). A better result could have been attained if, in the first half-year, two phenomena had not cumulated, which traditionally cause advertising investments to either slow down (political elections) or converge (2006 World Cup) toward the directly involved TV channels.

La Repubblica has extensively exploited the opportunities offered by full color, thus attracting quite a number of customers from various sectors – i.e. consumer goods – which traditionally used to concentrate their investments just on television and now are experimenting different media to seek alternatives to the TV's crowded milieus and audiences. The growth rate of the Internet has reached over 60%; the radio stations have kept their upward trend; local titles have improved their advertising collection by nearly 4 percentage points with respect to the corresponding period in the previous year.

In the first half-year the increase in revenues was also attained thanks to the good trend of circulation of La Repubblica, which confirmed to be the most popular daily newspaper in Italy - with 3 million readers – and averaged out to 634 thousand daily copies. L'espresso reached 432 thousand copies per week, while the circulation of local daily newspapers, marginally decreasing in some areas due partially to the combined offer of two newspapers at the price of one proposed by national editors, reached 470 thousand copies per issue.

According to Audiradio's first half-year data, Radio DeeJay is still the most popular Italian radio station with 13.7 million weekly listeners and 5.8 million daily listeners. Radio Capital, with over 2 million daily listeners and 6.5 million weekly listeners, and m2o, with a daily audience of 1 million people and 2.8 million weekly listeners, have strengthened their positions. The Group's three radio stations confirm a very high degree of listeners' loyalty (calculated as the percentage of daily listeners on weekly listeners): 42% for Radio DeeJay, 31% for Radio Capital, and 36% for m2o.

The TV network All Music audience was rewarded too and, according to the outcome of a research conducted by IPSOS, it reached 2.7 million viewers among the target people aged 15-34, one third of which have been acquired since less than one year. DeeJay Tv (satellite TV only) reached 739 thousand viewers. Since mid-June, in addition to analogue signal and digital terrestrial television, All Music is also broadcasting via satellite within the SKY bouquet. During the half-year under consideration this station has also been broadcasting with great success – within the synergies of the Group - the 'DeeJay Chiama Italia' (DeeJay Calls Italy) radio program anchored by Linus on Radio DeeJay.

A lively pace of innovation in contents and graphics, the growth of podcasting and the search for fine-tuned interactivity with viewers were the main guidelines of the Group's Internet websites. La Repubblica, L'espresso, Kataweb, DeeJay, Capital and All Music have all presented new graphics, opening a section entirely dedicated to their users, who can send contributions, participate in and propose debates, answer online polls and create new blogs. A Multimedia section was also fostered, which, through a shared database, proposes the TV news, video and audio services, as well as interactive contributions, prepared by all the Group's online editorial units together and by the users.

In May 2006 the Espresso Group's network of websites registered over 10 million unique users per month, mostly thanks to the special reportages dedicated to the political elections, and corroborated this result in June.

Repubblica TV broadcastings, though still in the experimental phase, are visible via the Internet and digital terrestrial television: three hours of news, commentaries and interviews which, thanks to the online connection, are enabling a high level of interactivity with the public and which, thanks to podcasting, can be downloaded and enjoyed in 'time shift' viewing.

Comment on the outstanding bond loan issues

The company, with the BBB- with positive 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%.

Main events following the half-year end and expected trend of operations

La Repubblica circulation keeps growing with respect to the previous year, while sales of add-ons are getting into the summer phase, with good circulation results but reduced initiatives, pending new launches expected in autumn.

The projections regarding advertising revenues in July and August show an increase with respect to the month of June, even if visibility on the trend of the next months is still limited.

Based on these considerations and in the absence of any particular event that could change the competitive frame, this year should end with revenues increasing with respect to the previous year and with operating profitability substantially in line.

Financial Statements of the Parent Company as of 30 June, 2006

The Parent Company closed this half-year with a net profit of € 84.8 million, which is growing if compared to € 78.5 million of the corresponding period of the previous year. Revenues were equal to €376.6 million, +7.3%, if compared to € 350.9 million of the first half 2005. The operating profit showed a decrease from €63.3 million to € 60.5 million, mostly due to the discontinuance of government contribution on paper for this year.

Announcement on the purchase of own shares

Based on the Shareholders' Meeting deliberation of 26 April, 2006, 6,200,000 own shares were purchased in the market up to 21 July, 2006, that is 1.43% of the share capital, at an average market price of €4.00 per share and for a total amount of € 24.8 million. Considering the number of own shares already in portfolio – mostly destined to stock option plans, the company is now the owner of 9,400,000 own shares, equal to 2.2% of the share capital.

* * *

Company's contacts

The text of this press release is also readable 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, 26 July, 2006

Gruppo Espresso

Consolidated Balance Sheet

| ASSETS (in thousand of euro) | December, 31 2005 | June, 30 2006 |
|--|----------------------|------------------|
| Intangible assets with an indefinite useful life | 633.552 | 636.239 |
| Other intangible assets | 4.476 | 4.292 |
| Intangible assets | 638.028 | 640.531 |
| Property, plant and equipment | 249.975 | 239.628 |
| Investments valued at equity | 23.925 | 25.748 |
| Other investments | 4.072 | 4.050 |
| Non-current receivables | 2.610 | 2.049 |
| Deferred tax assets | 47.494 | 46.885 |
| NON-CURRENT ASSETS | 966.104 | 958.891 |
| Inventories | 32.186 | 32.107 |
| Trade receivables | 266.391 | 288.014 |
| Marketable securities | 52 | 51 |
| Current financial receivables | 446 | 1.244 |
| Tax receivables | 59.921 | 60.228 |
| Other receivables | 22.631 | 26.274 |
| Cash and cash equivalents | 204.496 | 208.801 |
| CURRENT ASSETS | 586.123 | 616.719 |
| TOTAL ASSETS | 1.552.227 | 1.575.610 |

| LIABILITIES AND SHAREHOLDERS' EQUITY (in thousand of euro) | December, 31 2005 | June, 30 2006 |
|--|----------------------|------------------|
| Share capital | 65.072 | 65.107 |
| Reserves | 342.462 | 358.412 |
| Retained earnings (loss carry-forwards) | 26.138 | 46.789 |
| Net profit (loss) | 116.336 | 54.795 |
| Group Shareholders' Equity | 550.008 | 525.103 |
| Minority interests | 10.775 | 10.528 |
| SHAREHOLDERS' EQUITY | 560.783 | 535.631 |
| Financial debt | 432.606 | 423.255 |
| Provisions for risks and charges | 13.369 | 12.266 |
| Employee termination and other retirement benefits | 104.954 | 106.056 |
| Deferred tax liabilities | 102.556 | 105.936 |
| NON-CURRENT LIABILITIES | 653.485 | 647.513 |
| Financial debt | 25.015 | 44.505 |
| Provisions for risks and charges | 10.029 | 10.502 |
| Trade payables | 196.707 | 196.151 |
| Tax payables | 16.145 | 51.885 |
| Other payables | 90.063 | 89.423 |
| CURRENT LIABILITIES | 337.959 | 392.466 |
| TOTAL LIABILITIES | 991.444 | 1.039.979 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1.552.227 | 1.575.610 |

Gruppo Espresso

Consolidated Income Statement

| (in thousand of euro) | 1 st Half 2005 | 1 st Half 2006 |
|--|------------------------------|------------------------------|
| Revenues | 567.554 | 601.534 |
| Change in inventories | 59 | (1.826) |
| Other operating income | 12.563 | 8.189 |
| Purchases | (79.026) | (89.628) |
| Services received | (216.927) | (234.890) |
| Other operating charges | (10.079) | (9.714) |
| Investments valued at equity | 460 | 688 |
| Personnel costs | (144.906) | (148.531) |
| Depreciation, amortization and write-downs | (21.129) | (20.110) |
| Operating income | 108.569 | 105.712 |
| Financial income (expense) | (11.667) | (10.252) |
| Pre-tax profit | 96.902 | 95.460 |
| Income taxes | (41.856) | (40.474) |
| Net profit | 55.046 | 54.986 |
| Minority interests | 236 | 191 |
| GROUP NET PROFIT | 54.810 | 54.795 |
| Earnings per share, basic | 0,128 | 0,127 |
| Earnings per share, diluted | 0,124 | 0,123 |

Gruppo Espresso

Statement of Consolidated Cash Flows

| (in thousand of euro) | 1 st Half 2005 | 1 st Half 2006 |
|---|------------------------------|------------------------------|
| OPERATING ACTIVITIES | | |
| Net profit (loss), including minority interests | 55.046 | 54.986 |
| Adjustments: | | |
| - Depreciation, amortization and write-downs | 21.129 | 20.110 |
| - Accruals to provisions for stock option costs | 1.280 | 1.269 |
| - Net change in provisions for personnel costs | 4.083 | 1.102 |
| - Net change in provisions for risks and charges | 124 | (630) |
| - Losses (gains) on disposal of equity investments | 9 | - |
| - Write-down (revaluation) of equity investments | - | 543 |
| - Adjustments for investments valued at equity | (79) | 577 |
| - Dividends received | (35) | (19) |
| - Losses (gains) on disposal of assets | (70) | (51) |
| Cash flow from operating activities | 81.487 | 77.887 |
| Change in current assets and other flows | 8.203 | 23.856 |
| CASH FLOW FROM OPERATING ACTIVITIES | 89.690 | 101.743 |
| of which: | | |
| Interests received (paid) | 2.118 | 1.020 |
| Income taxes paid | (21.652) | 975 |
| INVESTING ACTIVITIES | | |
| Outlay for purchase of fixed assets | (135.624) | (18.794) |
| Received on disposal of fixed assets | 351 | 321 |
| Public grants received | 469 | - |
| Dividends received | 35 | 19 |
| CASH FLOW FROM INVESTING ACTIVITIES | (134.769) | (18.454) |
| FINANCING ACTIVITIES | | |
| Increases in capital and reserves | 2.263 | 750 |
| (Acquisition) disposal of own shares | 2.143 | (19.251) |
| Issue (repayment) of bonds | 9.020 | - |
| Issue (repayment) of other financial payables | (8.624) | (4.092) |
| Net change in marketable securities and available-for-sale assets | 10.214 | 1 |
| Dividends paid | (55.833) | (62.468) |
| Other changes | (703) | (438) |
| CASH FLOW FROM FINANCING ACTIVITIES | (41.520) | (85.498) |
| Increase (decrease) in cash and cash equivalents | (86.599) | (2.209) |
| Cash and cash equivalents at beginning of the period | 374.489 | 194.801 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 287.890 | 192.592 |

Gruppo Editoriale L'Espresso SpA

Balance Sheet

| ASSETS (in thousand of euro) | December, 31 2005 | June, 30 2006 |
|--|----------------------|------------------|
| Intangible assets with an indefinite useful life | 220.661 | 220.661 |
| Other intangible assets | 3.369 | 2.820 |
| Intangible assets | 224.030 | 223.481 |
| Property, plant and equipment | 74.133 | 70.297 |
| Investments | 379.552 | 379.552 |
| Non-current receivables | 727 | 536 |
| Deferred tax assets | 16.668 | 16.633 |
| NON-CURRENT ASSETS | 695.110 | 690.499 |
| Inventories | 27.791 | 26.993 |
| Trade receivables | 118.861 | 115.790 |
| Current financial receivables | 39.354 | 59.308 |
| Tax receivables | 38.766 | 40.364 |
| Other receivables | 9.894 | 10.629 |
| Cash and cash equivalents | 190.739 | 201.308 |
| CURRENT ASSETS | 425.405 | 454.392 |
| TOTAL ASSETS | 1.120.515 | 1.144.891 |

| LIABILITIES AND SHAREHOLDERS' EQUITY (in thousand of euro) | December, 31 2005 | June, 30 2006 |
|--|----------------------|------------------|
| Share capital | 65.072 | 65.107 |
| Reserves | 163.350 | 146.088 |
| Retained earnings (loss carry-forwards) | 26.133 | 46.789 |
| Net profit (loss) | 83.129 | 84.811 |
| SHAREHOLDERS' EQUITY | 337.684 | 342.795 |
| Financial debt | 345.250 | 341.811 |
| Provisions for risks and charges | 7.582 | 6.727 |
| Employee termination and other retirement benefits | 45.556 | 46.127 |
| Deferred tax liabilities | 35.117 | 37.740 |
| NON-CURRENT LIABILITIES | 433.505 | 432.405 |
| Financial debt | 168.377 | 156.300 |
| Provisions for risks and charges | 2.993 | 4.330 |
| Trade payables | 132.589 | 138.497 |
| Tax payables | 6.803 | 31.027 |
| Other payables | 38.564 | 39.537 |
| CURRENT LIABILITIES | 349.326 | 369.691 |
| TOTAL LIABILITIES | 782.831 | 802.096 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1.120.515 | 1.144.891 |

Gruppo Editoriale L'Espresso SpA

Income Statement

| (in thousand of euro) | 1 st Half 2005 | 1 st Half 2006 |
|--|------------------------------|------------------------------|
| Revenues | 350.927 | 376.637 |
| Change in inventories | 59 | (2.494) |
| Other operating income | 8.020 | 2.517 |
| Purchases | (58.611) | (66.316) |
| Services received | (167.372) | (180.780) |
| Other operating charges | (5.082) | (3.968) |
| Personnel costs | (58.107) | (58.673) |
| Depreciation, amortization and write-downs | (6.495) | (6.441) |
| Operating income | 63.339 | 60.482 |
| Financial income (expense) | (9.925) | (7.444) |
| Dividends | 47.176 | 56.320 |
| Pre-tax profit | 100.590 | 109.358 |
| Income taxes | (22.048) | (24.547) |
| NET PROFIT | 78.542 | 84.811 |
| Earnings per share, basic | 0,183 | 0,197 |
| Earnings per share, diluted | 0,178 | 0,191 |

Gruppo Editoriale L'Espresso SpA

Statement of Cash Flows

| (in thousand of euro) | 1 st Half 2005 | 1 st Half 2006 |
|---|------------------------------|------------------------------|
| OPERATING ACTIVITIES | | |
| Net profit (loss), including minority interests | 78.542 | 84.811 |
| Adjustments: | | |
| - Depreciation, amortization and write-downs | 6.495 | 6.441 |
| - Accruals to provisions for stock option costs | 1.280 | 1.269 |
| - Net change in provisions for personnel costs | 2.174 | 571 |
| - Net change in provisions for risks and charges | 990 | 482 |
| - Dividends received | (47.176) | (56.320) |
| - Losses (gains) on disposal of assets | 1 | 1 |
| Cash flow from operating activities | 42.306 | 37.255 |
| Change in current assets and other flows | 16.382 | 43.523 |
| CASH FLOW FROM OPERATING ACTIVITIES | 58.688 | 80.778 |
| of which: | | |
| Interests received (paid) | 2.271 | 2.127 |
| Income taxes paid | (4.370) | 1.213 |
| INVESTING ACTIVITIES | | |
| Outlay for purchase of fixed assets | (129.214) | (3.244) |
| Received on disposal of fixed assets | (18) | 86 |
| Dividends received | 47.176 | 56.320 |
| CASH FLOW FROM INVESTING ACTIVITIES | (82.056) | 53.162 |
| FINANCING ACTIVITIES | | |
| Increases in capital and reserves | 2.263 | 750 |
| (Acquisition) disposal of own shares | 2.143 | (19.251) |
| Issue (repayment) of bonds | 9.020 | - |
| Issue (repayment) of other financial payables | (4.012) | (1.209) |
| Net change in Group current account | (19.920) | (40.065) |
| Net change in marketable securities and available-for-sale assets | 10.214 | - |
| Dividends paid | (55.833) | (62.468) |
| CASH FLOW FROM FINANCING ACTIVITIES | (56.125) | (122.243) |
| Increase (decrease) in cash and cash equivalents | (79.493) | 11.697 |
| Cash and cash equivalents at beginning of the period | 371.094 | 189.288 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 291.601 | 200.985 |