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 2008 Consolidated Financial Statements
- Appointment of 2009-2011 Board of Directors and Board of Statutory Auditors
- Renewal to the Board of Directors of proxy to buy own shares
- Launch of 2009 Stock Option Plans

SUMMARY

2008 Consolidated Financial Statements

The Shareholders' Meeting of Gruppo Editoriale L'Espresso S.p.A. convened today in Rome under the chairmanship of Mr. Carlo De Benedetti and approved the 2008 Consolidated Financial Statements.

The most important consolidated results, compared with the previous year, are summarized here below.

(€mln) consolidated data	2007	2008	∆ %
Revenues	1,098.2	1,025.5	-6.6%
Of which:			
• circulation	277.2	276.3	-0.3%
• advertising	657.1	608.2	-7.4%
• optional products	127.9	114.9	-10.2%
Gross Operating Profit	223.4	142.5	-36.2%
Operating Profit	180.6	95.3	-47.2%
Financial Income/(Expense)	(17.6)	(19.6)	
Profit before taxes	163.0	75.7	
Net profit	95.6	20.6	
Shareholders' Equity	535.4	478.4	
Net Financial Position	(264.9)	(278.9)	
Employees	3,414	3,344	

Proposed allocation of net profit

The Shareholders' Meeting resolved not to distribute any dividend for the year 2008, and to destine the net profit to the Retained Earnings Reserve.

PRESS RELEASE

Comments on the Financial Statements

The Espresso Group 2008 results have to be considered within the very critical framework affecting the world economies in general and the reference market in particular.

The publishing sector, that was already critical over the first half-year, suffered from a deeply negative evolution over the second half-year as a consequence of the drastic decline in advertising investments related to the worsening of the worldwide scenario of economic recession.

According to Nielsen Media Research data, the entire advertising market has recorded in 2008 a down-turn of 2.8% over the previous year (-7.1% in the press sector). Over the fourth quarter the reduction has been of 9.5% and of 13.4% in the press sector).

The above trends have affected the Espresso Group results, which have suffered a significant contraction in the advertising revenues.
In order to face both the situation and the market trends, the Group has adopted cost improvement measures addressed to the product promotion and labor cost areas and the set up of reorganization plans.
Savings derived from the abovementioned measures are expected to reach €47mln on a yearly basis, entailing extraordinary expense equal to €25.6mln (€22.1mln in terms of Ebitda); year 2008 bears the entire burden of the extraordinary expense and only partially the expected cost reduction (€15.7mln).

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The Group **consolidated total revenues** as of 31 December 2008 amounted to €1,025.5mln, declining by 6.6% over the previous year (€1,098.2mln).

The Group **advertising revenues**, equal to €608.2mln, showed a decline of 7.4%, which was particularly due to the downturn of *la Repubblica* and the magazines as well as the radio/TV sector. Advertising in local daily newspapers was quite resilient and in the Internet it kept showing a significant growth.

Circulation revenues, excluding optional products, totaled €276.3mln, in line with 2007. Circulation of *la Repubblica* and *L'espresso* have recorded a remarkable drop over the previous year; this mainly occurred as a number of promotional initiatives, with a marginal impact on revenues, were either eliminated or reduced.

Revenues from optional products have decreased by 10.2% to €114.9mln, which has to be considered very positive as it was attained in a severely contracted market.

Consolidated gross operating profit was equal to €142.5mln against €223.4mln in 2007, declining by 36.2%. This evolution reflects the decline of the advertising market and the €22.1mln of extraordinary expense related to reorganization, only partially counterbalanced by the savings realized over the year through the first impacts of the cost reduction measures adopted. The decline involved all the operations as it was produced by a drop in advertising revenues which affected all the Group's media.

The Group's consolidated net profit, net of extraordinary provisions for taxes equal to €13.3mln, amounts to €20.6mln (€95.6mln in 2007).

The consolidated Net financial indebtedness as of December 31, 2008 amounts to €278.9mln, increased by €14.1mln vis-à-vis €264.9mln of end 2007. The operating cash flow of €111.4mln has been more than absorbed by the financial expenditure related to the payment of dividends (€68.8mln), investments (€47.2mln) and purchase of 4,385,000 own shares (€9.1mln).

At the end of December the **Group staff** totaled 3,344 employees, with a reduction of 70 employees with respect to 3,414 staff at the end of 2007, thus showing the first effects of the current reorganization plans.

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Alessandro Alacevich, Central Director of Finance Administration, appointed today *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.

2008 Financial Statements of the Parent Company

The Parent Company revenues reached €573.7mln, -7.3% vis-à-vis € 618.8mln of 2007.

The operating profit, amounting to € 36.5mln, in decline vis-à-vis € 70mln of 2007, has been affected by the downturn of the advertising revenues, only partially counterbalanced by the cost improvement actions adopted.

The net profit, due to lower dividends received by subsidiaries - which have declined from €135.5mln to €55.3mln - and to €13.3mln of extraordinary provisions for taxes, amounted to €49.7mln (€166.2mln in 2007).

Appointment of the Board of Directors

The Shareholders' Meeting decided that the Board of Directors be composed of 11 members. The new Directors are: Agar Brugiavini (independent), Carlo De Benedetti, Rodolfo De Benedetti, Giorgio Di Giorgio (independent), Francesco Dini, Sergio Erede, Mario Greco (independent), Maurizio Martinetti, Monica Mondardini, Tiziano Onesti (independent) and Luca Paravicini Crespi (independent).

The new Board shall hold office till the approval of the Financial Statements as of December 31, 2011.

Resumes of the new Directors are available on the Company's website.

At the end of the Meeting, the Board of Directors shall convene for the member's official appointment and conferral of the related powers.

Appointment of the Board of Statutory Auditors

The Shareholders' Meeting has also appointed the new Board of Statutory Auditors that shall hold office till the approval of the Financial Statements as of December 31, 2011. The new Acting Statutory Auditors are: Giovanni Barbara (chairman), Enrico Laghi and Luigi Macchiorlatti Vignat. The new Alternate Statutory Auditors are: Mauro Ianiro, Riccardo Zingales and Silvano Cipolla.

The resumes of the new Auditors are available on the Company's website.

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

The Shareholders' Meeting, acknowledging that the *buyback* - considering also the capital structure of the Group - could be a good lever to create value in favor of the Shareholders, has revoked for the time left and for the non-utilized part, the existing proxy for share buyback simultaneously conferring a new proxy with the following requirements: 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 4.9% of Share Capital; c) the price of each share buyback must neither be 10% higher nor 10% lower than the reference price recorded by ordinary shares in the regulated market trading session prior to each operation.

Approval of 2009 stock option plans

Considering the recent modifications in tax regulations as regards the incentive plans in favor of employees, the Board of Directors has approved to transform the existing 2007 and 2008 phantom stock option plans into a "2009 extraordinary stock option plan" by assigning a maximum number of 6.790.000 shares and approving a new stock option plan for 2009 destined to the Company's Managing Director and General Manager and to employees of the Company and of its subsidiaries, by assigning a maximum number of 5.000.000 options. The Shareholders' Meeting has delegated the Board of Directors, and on its behalf the Remuneration Committee, to identify the beneficiaries, draft the relevant documents and regulations and meet the plans' disclosure requirements, to comply with the terms, conditions and implementation regulations indicated in the Information Document issued pursuant to legislative decree n° 58/99, and already published according to the law.

The approved stock option plans aim at cultivating the loyalty of the key people dedicated to the Group's management and provide an incentive to enhance their commitment to improve corporate performances. Exercise of options – which are assigned for free – does not require the attainment of any particular economic or financial result, but it requests, as an essential requirement, the permanence of employment or directorship relationships with the Company and with its subsidiaries.

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