

PRESS RELEASE

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GRUPPO EDITORIALE L'ESPRESSO S.P.A.

Shareholders' Meeting

**APPROVAL OF 2010 CONSOLIDATED FINANCIAL STATEMENTS:
DIVIDEND AMOUNTING TO €0,074 PER SHARE**

**RENEWAL TO THE BOARD OF DIRECTORS OF PROXIES FOR SHARE BUYBACK,
SHARE CAPITAL INCREASE, AND BONDS ISSUANCE**

**APPROVAL OF AMENDMENTS TO COMPANY BY-LAWS AND
RULES FOR SHAREHOLDERS' MEETINGS**

LAUNCH OF 2011 STOCK GRANT PLAN

ESPRESSO GROUP: ECONOMIC-FINANCIAL RESULTS AS OF DECEMBER 31, 2010

(€mn) Consolidated data	<i>Year</i> 2009	<i>Year</i> 2010	<i>Delta%</i> 2010/2009
Revenues, of which:	886.6	885.0	-0.2%
• circulation	274.2	267.9	-2.3%
• advertising	496.9	528.4	+6.3%
• add-on products	100.6	66.3	-34.0%
Gross operating Profit	106.7	147.2	+38.0%
Operating Profit	63.9	109.1	+70.6%
Profit before taxes	44.3	95.0	n.s.
Net profit	5.8	50.1	n.s.

(€mn)	<i>December 31</i> 2009	<i>December 31</i> 2010
Net Financial Position	(208.2)	(135.0)
Shareholders' Equity including minority	495.4	543.3
• Shareholders' Equity	485.6	539.4
• Minority Interests	9.8	3.9
Employees	3,116	2,789

April 20, 2011- The ordinary and extraordinary Shareholders' Meeting of Gruppo Editoriale L'Espresso S.p.A. convened today in Rome under the chairmanship of Mr. Carlo De Benedetti.

MARKET OUTLOOK

Year 2010 was characterized by a weak recovery of the Italian economy (GDP has recorded a 1.3% increase, following the 4.9% decrease of 2009) and a lasting uncertainty over both the international and the national perspectives.

In this framework, also the advertising market has shown a moderately positive increase equal to 3.8% vis-à-vis year 2009, and just a modest recovery on the 15.2% contraction reflected in the 2008-2009 period (Nielsen Media Research).

The performance resulted quite uneven in the various economic sectors: for some of these (Foods, Cosmetics, Fashion and Commerce, in particular) advertising has shown a sensible recovery, while in other sectors (TLC, Finance and Media, in particular) investments have kept stable or even under further contraction.

As regards the Group's media, the most innovative ones have proven to be the most dynamic ones, with +28.8% for satellite television and +20.1% for the Internet (excluding "search").

As regards the traditional media, radio and TV recorded positive performances, anyhow: +7.7% and +4.5% respectively.

In contrast, the publishing sector is still suffering a decline (-4.3%), as regards both daily newspapers and periodicals. Decline in daily newspaper sales, in particular, is mainly due to the negative performance of local and classified advertising (-5.7%), directly ascribable to the persistent economic difficulties that have affected the world of small enterprises and activities, while national advertising has stabilized on values analogous to the previous year's.

As regards circulation, the overall framework is still critical: ADS data (moving average of last 12 months up to December 2010, on a consistent perimeter) show in newsstands sales a decline equal to 5.4% related to daily newspapers, equal to 3.9% related to periodicals and equal to 9% related to monthly magazines.

ESPRESSO GROUP 2010 FINANCIAL REPORT

The Group's **consolidated revenues** amount to €885mn, in line with the previous year (€886.6mn). Net of add-on products, increase in revenues has reached 4.1%.

Circulation revenues amount to €267.9mn, as compared to €274.2mn of the previous year (-2.3%); one should notice that these did not benefit from any increase in newsstands sale prices, neither for daily newspapers nor for periodicals.

All the Group's main titles have shown notably improving trends vis-à-vis the respective reference markets.



In particular, based on the latest ADS and Audipress data, *la Repubblica* confirms its position as first Italian daily newspaper, as regards both the number of copies sold at newsstands - emphasizing the lead established over its direct competitors - and the number of readers.

Advertising revenues, equal to €28.4mn, have increased by 6.3% with respect to year 2009.

The Internet advertising sector has attained the most positive evolution (+21.8%); this trend is ascribable - besides the sector performance (+20.1%) - to the development of websites and their related users.

The success of *Repubblica.it* website is sensibly growing - with an average number of 1.6mn daily unique users it is recording further important expansion (+24.2%) - with respect to the previous year, thus confirming its position as first Italian information website.

After the total renewal implemented in the course of the year, the Group's local daily newspapers websites also show promise, together with websites of *L'Espresso* and *National Geographic*, the last one launched in 2010.

Advertising of the Group's Radio stations has increased by 8.4%, supported by both the recovery of the specific market (+7.7%) and the good results attained by the Group broadcasters, which confirm *Radio DeeJay*'s first rank in listenership, and the success of the interventions made on *Radio Capital* programming.

Moreover, *DeeJayTv*, which has substituted *All Music* radio station at the end of year 2009, has attained a sensible increase in advertising (+60%), thus confirming the success of this initiative.

Finally, advertising in the publishing sector suffered a decline (-1.8%) more limited than the one recorded by the market (-4.3%), with a positive trend of periodicals, including *la Repubblica* supplements, which have shown a 1.8% increase at the end of the year.

In all its sectors of activity (Internet, radio and publishing sector), the Group has increased its market shares: this result could be attained not only thanks to the strength of its titles but also thanks to the concessionaire's enhanced commercial dynamism.

Revenues from add-on products amount to €6.3mn, showing a 34% decline with respect to year 2009. In a market framework definitely suffering from severe contraction, the Group decided to focus on a reduced number of initiatives and has, anyhow, maintained the sector's high profitability, in line with the previous years.

Total operating costs were cut by 6.7% with respect to year 2009 and, net of extraordinary charges, recurrent costs were cut by 5.2%.

As a result of the reorganization plan implemented over the latest two years, in year 2010 the Group has realized savings, with respect to year 2008, amounting to €142mn, equal to -17%. This result was attained without reducing the Group's activity perimeter and product portfolio, with no damage for their quality.

The **consolidated Gross Operating Profit** amounts to €147.2mn, increasing by 38% vis-à-vis €106.7mn of year 2009.

The **consolidated Operating Profit** amounts to €109.1mn, increasing by 70.6% with respect to €63.9mn of year 2009, with profitability heavily increasing with respect to the previous two years.

All the Group's main activities have recorded a remarkable profitability improvement ascribable to - as far as daily newspapers are concerned - a drastic cost reduction related to the reorganization plans and, as regards radio and the Internet, a remarkable increase in revenues.

The **consolidated Net Profit** amounts to €50.1mn, as compared to €5.8mn of year 2009.

The consolidated financial position shows further considerable improvement, from -€208.2mn at the end of 2009, to -€135mn as of December 31, 2010, with a €73.2mn net cash flow over the period.

At the end of December 2010, the **Group staff** - including term contracts - totaled 2,789 people, that is 327 less with respect to the end of year 2009. In the course of the latest three years, the Group staff has decreased by 662 people, equal to nearly 20%.

Alessandro Alacevich, Central Director of Finance Administration, *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 delle Finanze (Finance Act), states that the accounting information included in this press release corresponds to the documented results, the books and the accounting records.

2010 FINANCIAL STATEMENTS OF THE PARENT COMPANY

The Parent Company revenues amounted to €162.7mn, and net profit to €8.3mn. On April 22, 2010, the merger through incorporation of Editoriale Metropoli S.p.A. into Gruppo Editoriale L'Espresso S.p.A. was implemented; the accounting and fiscal effects of this merger have come into force on January 1st, 2010 and the whole operation has determined a merger surplus of €0.6mn.



DISTRIBUTION OF DIVIDEND

The Shareholders' Meeting has deliberated to distribute a dividend of €0.074 per share, gross of withholding tax, corresponding to a total amount of €9.7mn. Dividend shall be paid on May 26, 2011, against detachment of coupon n. 13 that shall be performed on May 23, 2011.

REVOCATION OF THE EXISTING PROXY AND AUTHORIZATION TO THE BOARD OF DIRECTORS OF A NEW PROXY FOR SHARE BUYBACK

The ordinary Shareholders' Meeting deliberated 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 be used in the service of the employee compensation plans, with an aim to create value in favor of the shareholders. The proxy complies 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 4.88% of Share Capital; c) the price of each share buyback must 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.

AUTHORIZATION OF A NEW PROXY TO THE BOARD OF DIRECTORS FOR SHARE CAPITAL INCREASE AND BOND ISSUANCE

The extraordinary Shareholders' Meeting, having acknowledged that the existing proxies for share capital increase and bond issuance are going to expire on April 26, 2011, has approved renewal of the existing proxies. The Board is thereof authorized, for a period of five years from the date of the meeting: 1) to increase Share Capital up to a maximum amount of €300mn of nominal value; 2) to increase Share Capital up to a maximum amount of €10mn to be reserved as warrant to the Company's employees, its subsidiaries and parent companies, pursuant to art. 2441, paragraph 8 of the Italian Civil Code; 3) to issue bonds, even convertible bonds or warrants, up to an amount not exceeding the limits fixed by the Law.

AMENDMENT TO COMPANY BY-LAWS AND SHAREHOLDERS' MEETING RULES

The extraordinary Shareholders' Meeting has, moreover, approved a number of amendments to Company By-laws to comply with the new provisions concerning the rights of shareholders, and coordinate with the regulations established for the operations with the related parties.



The main amendments establish that: 1) the Ordinary Shareholders' Meeting is entitled to approve the deliberations required by the regulations on operations with related parties; 2) meeting attendance and electronic voting is allowed, provided that relevant requirements are satisfied according to the call for the Shareholders' Meeting; 3) when the Board of Directors deem it appropriate, the Shareholders' Meeting can be held on "single call".

The ordinary Shareholders' Meeting has also deliberated upon the amendments to the Company's Regulations deriving from the By-laws amendments approved.

2011 STOCK GRANT PLAN

With a view to introduce an incentive for the Group's employees, the ordinary Shareholders' Meeting has deliberated a stock grant plan for year 2011.

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