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 2009 Consolidated Financial Statements**
- **Renewal to the Board of Directors of proxy to buy own shares**
- **Launch of 2010 Stock Option Plan**

SUMMARY

2009 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 2009 Consolidated Financial Statements.

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

(€mn) Consolidated data	*Year 2008*	*Year 2009*	*Delta% 2009/2008*
Revenues of which:	1,025.5	886.6	-13.5%
•circulation	276.3	274.2	-0.8%
•advertising	608.2	496.9	-18.3%
•add-on products	114.9	100.6	-12.4%
Gross operating Profit	142.5	106.7	-25.2%
Operating Profit	95.3	63.9	-32.9%
Profit before taxes	75.7	44.3	-41.5%
Net profit	20.6	5.8	-71.8%

(€mn)	*31 december 2008*	*31 december 2009*
Net Financial Position	(278.9)	(208.2)
Shareholders' Equity including minority	489.3	495.4
•Shareholders' Equity	478.4	485.6
•Minority interests	10.8	9.8
Employees	3,344	3,116

Proposed allocation of net profit

The Shareholders' Meeting resolved not to distribute any dividend for year 2009, and to destine the net profit to the Retained Earnings Reserve.

PRESS RELEASE

Market outlook

The Espresso Group 2009 results are to be analyzed in the framework of the severe crisis that is currently weighing on the economy and the reference market.

In particular, the recession has produced a significant contraction of the advertising market: according to Nielsen Media Research data, advertising investments recorded a 13.4% decline and down-turn, though with different weights, has affected the entire media sector.

The publishing sector, with an overall 21.6% decline, has severely suffered: the paid-for dailies down-turn was somehow less severe (-16%), while down-turn of periodicals (-28.7%) and free dailies (-26.6%) was sharper.

The radio sector, with -7.7%, was the most resilient among the traditional media; the Internet sector maintained a positive trend (+5.1%), though suffering from a slowdown with respect to the previous years.

Alongside the general decline in consumption, circulation of daily newspapers and magazines has equally recorded a negative performance, with a decline of 6.6% in daily newspapers, of 7.2% in weekly magazines and of 8.4% in monthly titles (source/ December ADS).

Espresso Group 2009 Financial report

The Group's **consolidated net profit** amount to €886.6mn, with a 13,5% decline over the previous year (€1,025.5mn).

Circulation revenues, net of add-on products, amount to €274.2mn and show good resilience (-0.8% over the previous year), in a declining market framework.

In particular, circulation revenues of *la Repubblica* showed a positive evolution (+1.4%), thanks to the good trend of sales of *la Repubblica*; in this connection the data recently published by ADS show that in 2009 *la Repubblica* was the first national daily newspaper in Italy as regards newsstand sales.

Circulation revenues of local daily newspapers, as well as newsstand sales, are in line with the corresponding period of 2008, reflecting the good resilience of sales recorded by the Group's titles.

Finally, periodicals, which represent less than 10% of the Group's circulation revenues, suffered a 7.4% decline, in line with the market trend.

Advertising revenues, amounting to €496.9mn, suffered a 18.3% declined with respect to the previous year, basically reflecting the general evolution of the markets within which the Group operates.

As regards the sector of daily newspapers, in which the Group is primarily interested, advertising investments showed a decline (-14.9%) that was considerably lower than the reference market's; as regards both local daily newspapers and *la Repubblica*, the Group market shares increased, reflecting the progressively improved performance of its concessionaire. With reference to the market, one should equally notice the resilience of advertising investments on Radio Deejay (-6.7%) and their persistent growth on Repubblica.it (+9.0%).

Finally, **revenues from add-on products** decreased by 12.4% reaching €100.6mn; anyhow this is to be considered as a positive performance as it was attained in a market framework that is still keeping a significantly negative trend.

Operating costs decreased by 11.9% with respect to 2008, in fact, in 2009 savings reached €97.6mn, thanks to the current reorganization plan that - at full speed - will produce a cost reduction of €140mn. It must be noticed that the extraordinary expense linked to the implementation of the abovementioned plan was fully posted to the 2009 accounts (€31.7mn).

One must recall that the ongoing plan embraces all functions and - at full speed – is going to entail: a 22% reduction in industrial costs, tanks to the interventions implemented on pages, formats and on the reduction of promotional circulation activities, and the important rearrangement of the industrial structure with contraction of printing facilities from 15 to11; a 16% cost reduction in other sectors due to an in-depth analysis of all the cost items linked with both publishing and other operations.

These interventions were carried out without reducing the Group product portfolio and with no damage for the quality of its titles.

Consolidated gross operating profit amounts to €106,7mn, declining by 25.2% vis-à-vis €142.5mn of 2008. The impact of the drastic contraction of the advertising market was considerably counterbalanced by cost reduction.

C**onsolidated operating profit** amounts to €63.9mn (€95.3mn in 2008) and consolidated net profit, net of extraordinary provisions for taxes equal to €11.4mn, amounts to €5.8mn (€20.6mn in the previous year).

Consolidated Net financial indebtedness as of December 31, 2009 decreased to €208.2mn from €278.9mn of end 2008; the operating cash flow of 2009 reached €70.8mn, with a current cash flow of €98.1mn (vis-à-vis €117.8mn of 2008) and investments equal to €25.6mn (vis-à-vis €53mn of the previous year).

At the end of December 2009 the **Group staff** - including term contracts - totaled 3.116 persons, 228 less (-6.8%) with respect to end 2008, reflecting – even if still partially – the effects of the ongoing restructuring plans.

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Alessandro Alacevich, Central Director of Finance and Administration, *dirigente preposto alla redazione dei documenti contabili societari* (manager in charge of drafting the 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.

2009 Financial Statements of the Parent Company

The Parent Company's revenues amount to €494.2mn, that is -13.9% vis-à-vis €575.4mn of 2008. The operating profit reached €22.1mn – decreasing from €37.9mn recorded in 2008 – due to the influence of declining advertising revenues, just partly counterbalanced by the cost reduction measures adopted. Net Profit amounts to €30.4mn (€49.5mn in 2008).

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 2010 stock option plan

The Shareholder's Meeting approved for 2010 a new stock option plan 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 6,000,000 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 fulfill the plans' disclosure requirements, in compliance 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 2010 stock option plan aims 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 relationships with the Company or with its subsidiaries.

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