<u>PRESS RELEASE</u>
"Price sensitive" press release in compliance with the Finance Act and Consob Regulations

GRUPPO EDITORIALE L'ESPRESSO S.P.A.

The Board of Directors examines results as of December 31, 2010

CONSOLIDATED REVENUES STABLE AT € 885.0 MN:
NET OF ADD-ON PRODUCTS, GROWTH IS EQUAL TO 4.1%

CONSOLIDATED NET PROFIT DECISIVELY RECOVERING AT € 50.1 MN
(€ 5.8 MN IN 2009)

VERY POSITIVE CASHFLOW PERFORMANCE: NET INDEBTEDNESS REDUCED TO€ 135 MN (€ 208.2 MN AT DECEMBER 2009)

PROPOSED DISTRIBUTION OF DIVIDEND
OF €0.074 PER SHARE

ESPRESSO GROUP FINANCIAL RESULTS AS OF DECEMBER 31, 2010

Consolidated data (€mn)	*Year 2009*	*Year 2010*	*Delta % 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%
Pre-tax Profit	44.3	95.0	n.s.
Net Profit	5.8	50.1	n.s.

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

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 the aforementioned 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 newspapers, 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 November 2010, on a consistent perimeter) show in newsstands sales a decline equal to 5.7% related to daily newspapers, equal to 4% related to periodicals and equal to 10.3% 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.

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 and the number of readers.

As compared to the previous year, the number of copies sold at newsstands has declined decline by 1.2% , while the daily newspapers market (ADS November data) has decreased by 5.7%; moreover, considering a basically stable total number of readers (-0.1%), the average daily newspaper readers of *la Repubblica* have recorded an increase during the year (+2.5%): Audipress 2010/II reports 3.3 million average daily readers with a lead of more than 10% over the second ranking Italian daily newspaper.

L'Espresso circulation has recorded a 2.8% decline with respect to the previous year (ADS in November) - while the market has decreased by 3.3% - and is keeping a record of 2.5 million average weekly readers.

Finally, circulation of the Group's local daily newspapers has shown a 3% decline ascribable to the economic crisis context; decline is however sensibly lower than the market's and Audipress data confirm over 3.3 million average daily readers.

Advertising revenues, equal to €528.4mn, 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 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 shows 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*, substituting *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.

Gruppo Editoriale L'Espresso Spa

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 current 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 because of the strength of its titles but also thanks to the concessionaire's enhanced commercial dynamism.

Revenues from add-on products amount to €66.3mn, 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 maintain 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%.

All along the last two years the Group has been implementing the reorganization plan, aimed at reaching, at regular pace (in 2011), savings up to €140mn, equal to 17% of the costs paid in year 2008.

Costs recorded in 2010 show a 16.7% decrease vis-à-vis year 2008, therefore, savings have been fully realized and are going to exceed the target through the implementation of all the activities that have been set up.

This result was attained without reducing the Group's product perimeter and portfolio and with no damage for their quality.

The forthcoming years will see the Group benefit from savings deriving from the plan coming in at regular pace, and of the results of further rationalization measures already initiated, whose extraordinary charges have been already entirely charged to the 2010 accounts.

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 31 December, 2010, with a €73.2mn net cash flow over the period.

A the end of December 2010, the **Group staff** - including term contracts **-** totaled 2,789 persons, 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%.

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Alessandro Alacevich, Central Director of Finance Administration, Manager in charge of drafting corporate and accounting 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 €462.7mn, and net profit to €58,3mn. 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.

PROPOSED DISTRIBUTION OF DIVIDEND

The Board of Directors has deliberated to propose to the Shareholders' Meeting to be held on April 20, 2011, the distribution of a dividend of €0.074 per share, gross of withholding tax, corresponding to a total amount of €29.7mn. Dividend should be paid on May 26, 2011, against detachment of coupon n. 13 that should be performed on May 23, 2011.

SUBSEQUENT EVENTS AND OUTLOOK

The weak economic growth that has characterized year 2010 and the persistent poor visibility over the macro-economic perspectives is overflowing into year 2011.

In the light of the abovementioned situation, one may forecast that the current year shall propose again the same economic dynamics recorded in the publishing sector all along year 2010.

As regards circulation, the present structural erosion trend experimented in the latest years is apparently going to persist, even if mitigated by the renewed interest in publishing matters in this particular moment.

As regards advertising investments, the performances observed during the first two months seem to confirm a moderately positive trend.

In this framework, the Group is going on with operations aimed at contrasting the unfavorable trends of the reference sector, through interventions improving the traditional products, developing the digital area, the concessionaire's good dynamics and the uninterrupted focus on cost-saving policies.

During the first two months of 2011, a totally renewed version of *L'Espresso* was launched, starting with the local daily newspapers *Piccolo* and *Messaggero Veneto*, a vast modernization program was launched for the Group's 19 local dailies, intervening on formats, graphics and colors; finally, a new edition of *Velvet* was presented to the public.

Digital development addresses both the classic web and the new platforms; as regards the classic web a new website for each of the 19 local daily newspapers is under implementation, producing the first promising results both in terms of users and advertising investments, as well as launch of a new women's website bearing the "*D*" brand; in the course of year 2010 after making all the Group's titles available on the i-Pad, the new platforms have hosted the "*R7*" application, as an exclusively online supplement of *la Repubblica*; moreover, the new *L'Espresso* and *Velvet* applications are all set for launch with an ad hoc new format and innovative graphics.

As regards the concessionaire, besides carrying on with a positive evolution of market shares, supported by soundness and vitality of the media portfolio and effective commercial management capacity, the uninterrupted development strategy continues on third party concessionaires in view of A. Manzoni&C. consolidating position as first non-TVadvertising operator.

In the light of the foregoing, in addition to the envisaged cost reduction interventions - in the absence of context evolutions notably different from the ones hypothesized - the Group should be in a position to attain a positive performance both in revenues and results.

PROPOSAL SUBMITTED TO THE SHAREHOLDERS' MEETING TO REVOKE THE EXISTING PROXY AND AUTHORIZE A NEW PROXY FOR SHARE BUYBACK

The Board of Directors, acknowledging that as of today own shares in portfolio are n. 8,020,000 (average book value €2.67 each), equal to 1.96% of Share Capital, deliberated to propose to the Shareholders' Meeting 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 and with an aim to create value in favor of the shareholders. The requested proxy shall comply 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 of the reference price registered by ordinary shares in the regulated market trading session prior to each operation.

PROPOSAL SUBMITTED TO THE SHAREHOLDER'S MEETING TO AUTHORIZE A NEW PROXY TO THE BOARD OF DIRECTORS FOR SHARE CAPITAL INCREASE AND BOND ISSUANCE

The Board of Directors, acknowledging that the existing proxies for share capital increase and bond issuance are going to expire on April 26, 2011, has deliberated to propose to the Extraordinary Shareholders' Meeting to deliberate on the renewal of the existing proxies. The proposal consists in authorizing the Board 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.

VERIFICATION OF REQUISITES FOR INDEPENDENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

The Board of Directors has verified its members' requisites for independence and confirmed that the following members are entitled: (Ms) Agar Brugiavini, Mr. Giorgio Di Giorgio, Mr. Mario Greco, Mr. Tiziano Onesti and Mr. Luca Paravicini Crespi.
Requisite for independence and honorability were also confirmed for the members of the Board of Statutory Auditors.

AMENDMENT TO COMPANY BY-LAWS AND REGULATIONS

The Board of Directors has deliberated to submit to the Extraordinary Shareholders' Meeting a number of amendments to Company By-laws to comply with the new provisions concerning the rights of shareholders, and be coordinated 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 Board of Directors has also deliberated to submit to the Ordinary Shareholders' Meeting amendments to the Company's Regulations deriving from the By-laws amendments proposed.

2011 STOCK GRANT PLAN TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING

The Board of Directors has deliberated to submit to the Ordinary Shareholders' Meeting, as an incentive for the Group's employees, a stock grant plan for year 2011.

CALL FOR ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Ordinary and the Extraordinary Shareholders' Meeting has been called to be convened in Rome in first call on April 20, 2010 at 11:30 a.m. and, if necessary, in second call on the subsequent day, same venue and time.

In the Ordinary Meeting the shareholders besides deliberating on the approval of Financial Statements for the year ended December 31, 2010 and on the proposal for the distribution of year 2010 net profit, shall deliberate on the proposal to revoke the existing proxy and authorize a new proxy to the Board of Directors for share buyback and 2011 stock grant plan.

The Extraordinary Shareholders' Meeting shall deliberate on the proposal to authorize proxy to the Board of Directors to increase Share Capital, issue bonds and approve the abovementioned corporate By-laws amendments.

Rome, March 8, 2011

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Gruppo Espresso
Consolidated Income Statement

(€ thousand)	Year 2009	Year 2010
Revenues	886.649	885.036
Change in inventories	(771)	(1.351)
Other operating income	19.829	14.000
Purchases	(120.165)	(90.758)
Services received	(340.818)	(346.572)
Other operating charges	(23.056)	(25.406)
Investments valued at equity	1.013	1.027
Personnel costs	(316.018)	(288.731)
Depreciation, amortization and write-downs	(42.728)	(38.158)
Operating profit	**63.935**	**109.087**
Financial income (expense)	(19.621)	(14.054)
Pre-tax profit	**44.314**	**95.033**
Income taxes	(38.826)	(44.794)
Net profit	**5.488**	**50.239**
Minority interests	337	(116)
GROUP NET PROFIT	**5.825**	**50.123**
Earnings per share, basic	0,015	0,125
Earnings per share, diluted	0,014	0,117

Not completely audited data

Gruppo Espresso
Consolidated Balance Sheet

ASSETS (€ thousand)	31 December 2009	31 December 2010
Intangible assets with an indefinite useful life	656.419	656.419
Other intangible assets	3.119	2.230
Intangible assets	659.538	658.649
Property, plant and equipment	203.617	181.730
Investments valued at equity	28.334	28.602
Other investments	2.486	2.530
Non-current receivables	1.272	1.286
Deferred tax assets	48.561	33.884
NON-CURRENT ASSETS	**943.808**	**906.681**
Inventories	23.243	17.044
Trade receivables	229.945	234.738
Marketable securities and other financial assets	25.179	60.390
Tax receivables	20.630	10.898
Other receivables	17.368	18.771
Cash and cash equivalents	135.012	134.957
CURRENT ASSETS	**451.377**	**476.798**
TOTAL ASSETS	**1.395.185**	**1.383.479**

LIABILITIES AND SHAREHOLDERS' EQUITY (€ thousand)	31 December 2009	31 December 2010
Share capital	61.439	61.463
Reserves	217.096	196.118
Retained earnings (loss carry-forwards)	201.245	231.705
Net profit (loss) for the period	5.825	50.123
Group Shareholders' Equity	**485.605**	**539.409**
Minority interests	9.824	3.906
SHAREHOLDERS' EQUITY	**495.429**	**543.315**
Financial debt	348.582	313.339
Provisions for risks and charges	40.407	40.117
Employee termination indemnity and other retirement benefits	83.907	71.957
Deferred tax liabilities	110.999	114.362
NON-CURRENT LIABILITIES	**583.895**	**539.775**
Financial debt	19.804	17.013
Provisions for risks and charges	48.844	35.555
Trade payables	147.553	143.856
Tax payables	12.735	22.058
Other payables	86.925	81.907
CURRENT LIABILITIES	**315.861**	**300.389**
TOTAL LIABILITIES	**899.756**	**840.164**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.395.185**	**1.383.479**

Not completely audited data

Gruppo Espresso

Changes in the Consolidated Net Financial Position

(€ thousand)	Year 2009	Year 2010
SOURCES OF FUNDS		
Net profit (loss) for the period, including minority interests	5.488	50.239
Depreciation, amortization and write-downs	42.728	38.158
Accruals to provisions for stock option costs	1.998	2.720
Net change in provisions for personnel costs	(7.039)	(11.950)
Net change in provisions for risks and charges	30.188	(13.678)
Losses (gains) on disposal of fixed assets	(325)	(2.200)
Losses (gains) on disposal of equity investments	360	(3.499)
Write-down (revaluation) of investments	629	6
Adjustments for investments valued at equity	(564)	(288)
Cash flow from operating activities	**73.463**	**59.508**
Decrease (Increase) in non-current receivables	214	(14)
Increase in liabilities/Decrease in deferred tax assets	2.039	18.040
Increase in payables/Decrease in tax receivables	(6.310)	19.055
Decrease (Increase) in inventories	4.460	6.199
Decrease (Increase) in trade and other receivables	34.503	(6.196)
Increase (Decrease) in trade and other payables	(10.709)	(11.020)
Change in current assets	**24.197**	**26.064**
CASH FLOW FROM OPERATING ACTIVITIES	**97.660**	**85.572**
Deconsolidation of assets of sold subsidiaries	-	14.233
Net disinvestments in equity investments	-	3.499
Increases in share capital and reserves	434	189
Other changes	-	113
TOTAL SOURCES OF FUNDS	**98.094**	**103.606**
USES OF FUNDS		
Net investment in fixed assets	(24.866)	(25.110)
Net equity investments	(726)	(4.793)
(Acquisition) sale of treasury stocks	(1.086)	(91)
Dividends paid	-	-
Other changes	(663)	(422)
TOTAL USES OF FUNDS	**(27.341)**	**(30.416)**
Financial surplus (deficit)	**70.753**	**73.190**
BEGINNIG NET FINANCIAL POSITION	**(278.948)**	**(208.195)**
ENDING NET FINANCIAL POSITION	**(208.195)**	**(135.005)**

Not completely audited data

Gruppo Espresso

Statement of Consolidated Cash Flows

(€ thousand)	Year 2009	Year 2010
OPERATING ACTIVITIES		
Net profit (loss) for the period, including minority interests	5.488	50.239
Adjustments:		
- Depreciation, amortization and write-downs	42.728	38.158
- Accruals to provisions for stock option costs	1.998	2.720
- Net change in provisions for personnel costs	(7.039)	(10.683)
- Net change in provisions for risks and charges	30.188	(13.678)
- Losses (gains) on disposal of fixed assets	(325)	(2.200)
- Losses (gains) on disposal of equity investments and marketable securities	(2.278)	(3.764)
- Adjustments in value of financial assets	629	6
- Adjustments for investments valued at equity	(564)	(288)
- (Dividends received)	(24)	-
Cash flow from operating activities	**70.801**	**60.510**
Change in current assets and other flows	**17.912**	**29.767**
CASH FLOW FROM OPERATING ACTIVITIES	**88.713**	**90.277**
of which:		
Interest received (paid) through banks	(17.337)	(13.972)
Received (outlay) for income taxes	(32.997)	(11.527)
INVESTING ACTIVITIES		
Outlay for purchase of fixed assets	(26.934)	(27.549)
Outlay for purchase of equity investments	(2.708)	(4.793)
Received on disposals of fixed assets	2.273	4.413
Public grants received	5.188	-
(Acquisition) sale of marketable securities and available-for-sale assets	(24.835)	(35.724)
Dividends received	24	-
Other changes	1.777	-
CASH FLOW FROM INVESTING ACTIVITIES	**(45.215)**	**(63.653)**
FINANCIAL ACTIVITIES		
Increases in capital and reserves	434	189
(Acquisition) sale of treasury stocks	(1.086)	(91)
Issue (repayment) of bond	(12.060)	(12.524)
Issue (repayment) of other financial debt	(16.393)	(14.148)
Dividends (paid)	-	-
Other changes	(663)	-
CASH FLOW FROM FINANCING ACTIVITIES	**(29.768)**	**(26.574)**
Increase (decrease) in cash and cash equivalents	**13.730**	**50**
Cash and cash equivalents at beginning of the period	**120.670**	**134.400**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**134.400**	**134.450**

Not completely audited data

Gruppo Editoriale L'Espresso SpA

Income Statement

(€ thousand)	Year 2009	Year 2009 *pro-forma*	Year 2010
Revenues	494.150	494.259	462.715
Change in inventories	(652)	(652)	(1.352)
Other operating income	9.953	10.456	5.441
Purchases	(79.773)	(79.958)	(60.330)
Services received	(248.335)	(243.197)	(213.432)
Other operating charges	(9.248)	(9.288)	(12.128)
Personnel costs	(129.927)	(133.189)	(120.244)
Depreciation, amortization and write-downs	(14.027)	(14.079)	(12.357)
Operating profit	**22.141**	**24.352**	**48.313**
Financial income (expense)	(12.772)	(12.783)	(2.517)
Dividends	41.983	41.983	31.514
Pre-tax profit	**51.352**	**53.552**	**77.310**
Income taxes	(20.965)	(21.781)	(19.044)
NET PROFIT	**30.387**	**31.771**	**58.266**

Not completely audited data

Gruppo Editoriale L'Espresso SpA

Balance Sheet

ASSETS (€ thousand)	31 December 2009	31 December 2009 *pro-forma*	31 December 2010
Intangible assets with an indefinite useful life	220.661	220.661	220.661
Other intangible assets	1.759	1.761	1.355
Intangible assets	222.420	222.422	222.016
Property, plant and equipment	50.966	51.085	38.053
Investments	408.444	407.213	408.103
Non-current receivables	425	425	456
Deferred tax assets	21.515	21.712	15.370
NON-CURRENT ASSETS	**703.770**	**702.857**	**683.998**
Inventories	19.225	19.225	13.877
Trade receivables	101.320	100.748	100.854
Marketable securities and other financial assets	25.127	25.127	60.339
Tax receivables	14.703	14.457	9.519
Other receivables	9.776	10.394	9.888
Cash and cash equivalents	182.438	182.529	176.605
CURRENT ASSETS	**352.589**	**352.480**	**371.082**
TOTAL ASSETS	**1.056.359**	**1.055.337**	**1.055.080**

LIABILITIES AND SHAREHOLDERS' EQUITY (€ thousand)	31 December 2009	31 December 2009 *pro-forma*	31 December 2010
Share capital	61.439	61.439	61.463
Reserves	86.854	87.071	90.769
Retained earnings (loss carry-forwards)	201.245	201.245	231.705
Net profit (loss) for the period	30.387	31.771	58.266
SHAREHOLDERS' EQUITY	**379.925**	**381.526**	**442.203**
Financial debt	307.332	307.332	288.319
Provisions for risks and charges	34.452	34.452	34.153
Employee termination indemnity and other retirement benefits	36.592	36.751	28.966
Deferred tax liabilities	45.601	45.609	48.767
NON-CURRENT LIABILITIES	**423.977**	**424.144**	**400.205**
Financial debt	86.140	85.076	72.499
Provisions for risks and charges	25.994	25.994	11.721
Trade payables	91.486	88.948	78.843
Tax payables	7.317	7.446	10.714
Other payables	41.520	42.203	38.895
CURRENT LIABILITIES	**252.457**	**249.667**	**212.672**
TOTAL LIABILITIES	**676.434**	**673.811**	**612.877**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1.056.359**	**1.055.337**	**1.055.080**

Not completely audited data

Gruppo Editoriale L'Espresso SpA

Statement of Cash Flows

(€ thousand)	Year 2009	Year 2010
OPERATING ACTIVITIES		
Net profit (loss) for the period	30.387	58.266
Adjustments:		
- Depreciation, amortization and write-downs	14.027	12.357
- Accruals to provisions for stock option costs	1.998	2.720
- Net change in provisions for personnel costs	(4.031)	(7.626)
- Net change in provisions for risks and charges	30.268	(14.572)
- Losses (gains) on disposal of fixed assets	(6)	(28)
- Losses (gains) on disposal of equity investments and marketable securities	(2.638)	(10.161)
- Adjustments to the value of financial assets	(56)	6
- Dividends (received)	(41.983)	(31.514)
Cash flow from operating activities	**27.966**	**9.448**
Change in current assets and other flows	**(9.040)**	**8.767**
CASH FLOW FROM OPERATING ACTIVITIES	**18.926**	**18.215**
of which:		
Interest received (paid) through banks	(14.182)	(11.544)
Received (outlay) for income taxes	(14.240)	(3.576)
INVESTING ACTIVITIES		
Outlay for purchase of fixed assets	(5.054)	(3.269)
Outlay for purchase of equity investments	(10.578)	(6.000)
Received on disposals of fixed assets	209	19.191
Public grants received	1.904	-
(Acquisition) sale of marketable securities and available-for-sale assets	(24.833)	(35.725)
Dividends received	41.983	31.514
CASH FLOW FROM INVESTING ACTIVITIES	**3.631**	**5.711**
FINANCING ACTIVITIES		
Increases in capital and reserves	434	189
(Acquisition) sale of treasury stocks	(1.086)	(91)
Issue (repayment) of bond	(12.060)	(12.524)
Issue (repayment) of other financial debt	(5.243)	(5.281)
Dividends (paid)	-	-
Other changes	(11)	1.616
CASH FLOW FROM FINANCING ACTIVITIES	**(17.966)**	**(16.091)**
Increase (decrease) in cash and cash equivalents	**4.591**	**7.835**
Cash and cash equivalents at beginning of the year	**97.238**	**104.869**
Merger contribution	**3.040**	**-**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**104.869**	**112.704**

Not completely audited data