CAIROCOMMUNICATION

Quarterly Report at 30 June 2006

Cairo Communication SpA
Head office: Via Tucidide 56, Milan, Italy
Share capital: € 4,073,857

Contents

Corporate Governance

Board of Directors

Urbano Cairo*	Chairman
Uberto Fornara	CEO
Roberto Cairo	Director
Marco Janni	Director
Antonio Magnocavallo	Director
Marco Pompignoli	Director
Roberto Rezzonico	Director

Board of Auditors

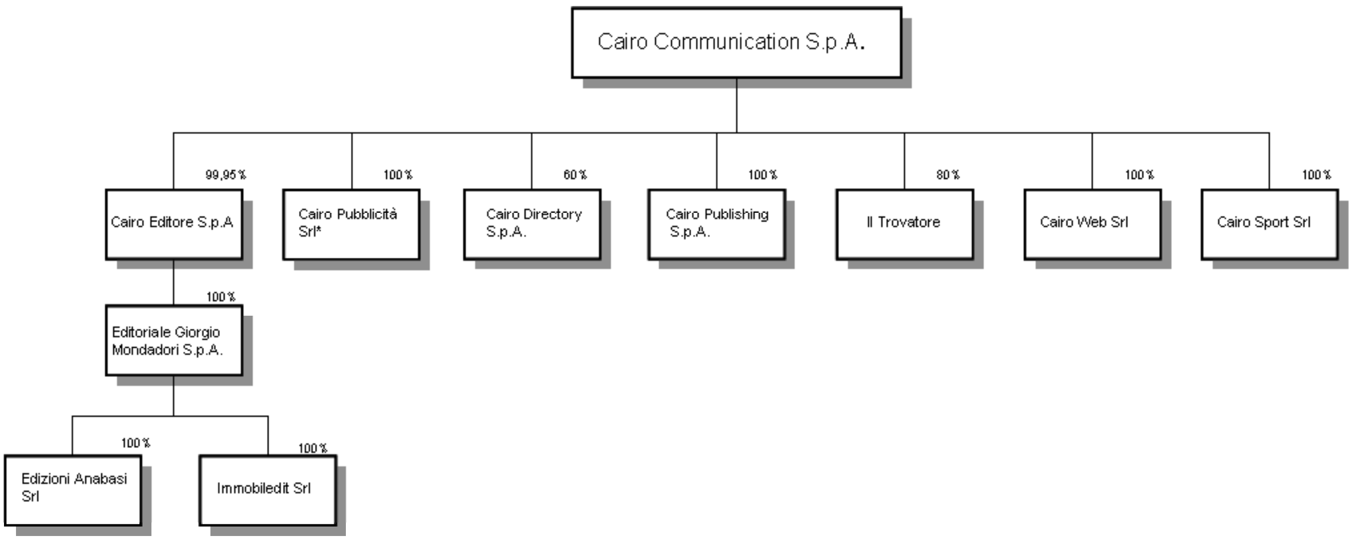
Mauro Sala	Chairman
Marco Baccani	Principal auditor
Maria Pia Maspes	Principal auditor
Mario Danti	Alternate auditor
Ferdinando Ramponi	Alternate auditor

Statutory Auditors

Deloitte & Touche S.p.A.

* Ordinary and extraordinary executive powers exercised with single signatory, as restricted by limitations set by the Board of Directors.

Cairo Communication
Group Structure



1. *Basis of preparation and valuation principles*

These financial statements have been prepared in accordance with international accounting standards, as were those at 31 December 2005 (the first financial statements issued by Cairo Communication subsequent to the expiry of the transition period introduced by Art. 82 section 2 of the Consob Regulations for Issuers) and at 31 March 2006. In accordance with Art. 82 section 2 of the financial regulations, the methods of presenting the quarterly reports have not been changed from previous quarters. The Cairo Communication Group annual financial report at 30 September 2006 will be the first to be prepared in accordance with IAS/IFRS international accounting standards.

In the sections “IAS/IFRS international accounting standards and valuation criteria” and “Application of IAS/IFRS international accounting standards and their effects” of the appendices to the quarterly report at 31 December 2005, the following are included:

1 The information required under Consob statement No. 14990 of 14 April 2005 which refers to the reconciliation of net equity at 1 October 2004 with that at 30 September 2005 and the results of the financial year ended 30 September 2005 prepared in accordance with Italian accounting standards and the IAS/IFRS international accounting standards respectively;

2 A description of the primary differences between Italian accounting standards used previously and the IAS/IFRS international accounting standards;

3 The accounting practices chosen by the Group from the options allowed under the IAS/IFRS international accounting standards;

4 The optional exemptions allowed under IFRS No. 1 used by the Group;

5 A summary of the primary accounting principles adopted;

6 A detailed account of the effect of the transition to IAS/IFRS international accounting standards on the Balance Sheet at 31 December 2004 and the Income Statement for the quarter ended 31 December 2004.

In the section “Reconciliation of net equity and the quarterly results at 30 June 2005” of the “Transition to the IAS/IFRS international accounting standards” appendix to these financial statements, there is a detailed account of the effects of the transition to IAS/IFRS international accounting standards on the Balance Sheet at 30 June 2005 and the Income Statement for the nine month period and 3rd quarter ended 30 June.

During this period, no changes have been made to the consolidation scope so it remains unchanged from that detailed in the financial statements at 30 September 2005.

The financial results presented refer to the 2005-2006 1st nine months and 3rd quarter and are presented with those for the corresponding periods of the 2004-2005 financial year, and at 30 September 2005, restated in accordance with international accounting standards, for increased transparency.

The financial statements at 30 June 2006 have been prepared on a pre-tax basis.

Parent Company financial statements have been prepared using valuation principles unchanged on those used at 30 September 2005.

Parent Company financial results for the 2005-2006 1st nine months and 3rd quarter are presented with those for the corresponding periods of the 2004-2005 financial year and the figures at 30 September 2005, restated in accordance with international accounting standards, for increased transparency.

EXECUTIVE SUMMARY

During this period, the Cairo Communication Group continued to operate as a publisher of books and magazines (Editoriale Giorgio Mondadori, Cairo Publishing and Cairo Editore publishing houses), as a multimedia advertising broker selling advertising time/space on TV networks, in print media and on Internet sites and as operator of Internet sites (Il Trovatore) and, until July 2006, a telephone directory, Cairo Directory.

Over the May 2005 – April 2006 twelve month period, “Settimanale Di Più”, the second best-selling magazine in Italy, has enjoyed average ADS sales of 806,956 copies while “Di Più TV” has enjoyed average ADS sales of 642,032 copies, further consolidating their extraordinary success to date. “Diva e Donna”, Cairo Editore’s new weekly magazine for women, edited by Silvana Giacobini, has been on sale since 16 November 2005 and has recorded average ADS sales of 253,221 copies over the November 2005 – April 2006 period. These extremely satisfying results are in line with forecasts. This new title has been supported by a € 3.5 million campaign of pre-publication and launch activities, including a TV and print media advertising campaign, plus a further € 1.9 million in advertising since then.

In light of the positive response of the public and the magazine’s strong sales figures, from July 2006 the cover price of “Di Più TV” was increased to € 0.80, having been increased from € 0.50 to € 0.70 during September of last year.

Following the successful launch of two new monthly magazines, “Di Più TV Cucina” in November 2005 (average sales of 336,500 copies over the first nine issues) and “Di Più TV Stellare” in January 2006 (average sales of 269,300 copies over the first six issues), July 2006 saw the launch of “Di Più TV Giochi”, which has sold 178,500 copies of the first two issues. These titles are sold with “Di Più TV” for a total price of € 1 (increased to € 1.20 in July 2006).

Over the April – June 2006 three month period, “Settimanale Di Più”, “Di Più TV” and “Diva e Donna” generated sales at Group level of € 13.2 million, in line with those for the same period last year, € 8.1 million, up 23% on the same period last year, and € 5.5 million. Of note, advertising revenue from “Settimanale Di Più” and “Di Più TV” for this period has increased 12% on the same period last year.

Advertising sales on the La 7 TV network for the April – June 2006 period totalled € 29.3 million, an increase of 11.1% on the same period last year (against TV advertising sales market growth of 1% over the April – June 2006 period: source AC Nielsen). Over the October 2005 – June 2006 nine month period, sales grew 14.6% to € 85.9 million (against TV advertising sales market growth of 2.2% over the October 2005 – June 2006 nine month period: source AC Nielsen)

Restyling of the magazine “In Viaggio” has been very successful, with the support of a € 0.3 million advertising campaign and a “price cut” from € 3.90 to € 2.50 for the first four issues. Newsstand sales have more than tripled, reaching 35,000 copies.

From February 2006, Cairo Publishing began to publish the first titles from their initial catalogue of books, and at 30 June 2006 has published 32 books, the result of contracts with authors and foreign publishers.

Subsequent to 30 June 2006, Cairo Communication Group decided to leave the telephone directory market, having established its first initiative in this business sector during the summer of 2004. This decision was influenced primarily by the general economic situation and the high level of complexity and competitiveness of this market. These conditions combined to lengthen the development phase of the company, which led to a revision of the initial business plan. Close monitoring of the realisation of the business plan, the development of the order portfolio, recruitment and sales force training timescales, deferment of publication dates and the ongoing expert assessment following the legal proceedings undertaken by Seat Pagine Gialle SpA, showed that the timescales involved needed further revision, which would have further delayed the company achieving breakeven.

On 10 July 2006, the Extraordinary Shareholders’ Meeting of Cairo Directory, of which Cairo Communication owned 60%, decided to put the company into liquidation, while simultaneously changing the company name to Diellesei in liquidation SpA.

CAIRO COMMUNICATION GROUP - FINANCIAL RESULTS

Cairo Communication Group Consolidated Income Statement

(€ thousands)	30 June 2006 (9 months)	30 June 2006 (Q3)	30 June 2005 (9 months)	30 June 2005 (Q3)
Sales	191,923	67,930	153,547	56,571
Advertising agency discounts	(18,943)	(6,777)	(15,793)	(5,874)
Inventory movements	422	38	(151)	(26)
Other operating revenues	1,994	715	1,689	556
Operating revenues	**175,396**	**61,906**	**139,292**	**51,227**
Cost of sales	(151,682)	(53,273)	(121,080)	(43,222)
Personnel costs	(16,261)	(5,321)	(12,328)	(4,556)
Gross operating profit (EBITDA)	**7,453**	**3,312**	**5,884**	**3,449**
Depreciation and provision charges	(3,028)	(950)	(2,744)	(1,089)
Write-off of assets of Diellesei subsidiary (formerly Cairo Directory)	(2,246)	0	0	0
Operating profit (EBIT)	**2,179**	**2,362**	**3,140**	**2,360**
Net finance income	1,418	495	1,579	524
Minority interest	2,076	13	2,159	1,007
Profit before tax	**5,673**	**2,870**	**6,878**	**3,891**

An analysis of the effect of the application of the IAS/IFRS international accounting standards on net equity and the financial statements at 30 June 2005 is presented in the second section "Reconciliation of net equity and financial results at 30 June 2005" of the appendix "Transition to IAS/IFRS international accounting standards".

The excellent sales performance of Group publications and the strong growth recorded in advertising sales relating to the La 7 TV network have allowed gross operating revenues for the Cairo Communication Group to grow from € 57.1 million last year to € 68.6 million, comprising sales of € 67.9 million and other income of € 0.7 million, an increase of 20%. Of note, income at Group level from the publishing sector has grown 24.8% from € 28.2 million to € 35.2 million.

Gross operating profit (EBITDA) was € 3.3 million (against € 3.4 million for the same period last year, restated in accordance with IAS/IFRS international accounting standards) while the operating profit (EBIT) for this quarter was unchanged at € 2.4 million.

The financial results for this period include operating losses incurred, primarily personnel costs and general expenses, by the Diellesei subsidiary in liquidation, € 1.6 million at operating margin level.

Heavy expenditure on advertising the new editorial initiatives continued during this period, with a total investment of € 1.5 million in support of the new monthly magazines "Di Più TV Cucina", "Di Più TV Stellare", "Di Più TV Giochi" and "Diva e Donna".

During the first nine months of the 2005-2006 financial year, gross operating revenues totalled € 193.9 million (€ 155.2 million during the same period last year), including sales of € 191.9 million and other revenues of € 2 million, up 24.9% on the same period last year.

Gross operating profit (EBITDA) for this nine month period was € 7.5 million (€ 5.9 million for the same period last year, restated in accordance with IAS/IFRS international accounting standards) and operating profit (EBIT) totalled € 2.2 million (€ 3.1 million for 2004-2005, restated in accordance with IAS/IFRS international accounting standards).

2005-2006 1st nine months results were negatively affected by the Diellesei subsidiary (formerly Cairo Directory) going into liquidation on 10 July 2006. This liquidation of this company meant that assets of this company had to be written down to their recoverable value by an additional € 2.2 million, listed as intangible assets (€ 1.5 million) and current assets (€ 0.7 million), principally accruals and deferrals. The financial results for this period include operating losses incurred by the Diellesei in liquidation SpA subsidiary, primarily personnel costs and general expenses, € 6 million at operating margin level (€ 4.6 million for the first nine months of last year).

The financial results for the 1st nine months of the 2005-2006 financial year were also negatively affected by the expensing of pre-publication and launch costs relating to "Diva e Donna" (€ 3.5 million), which in accordance with Italian accounting standards used in previous years would have been spread over the first twelve months of the magazine's publication, as would the launch costs relating to the monthly titles, "Di Più TV Cucina", "Di Più TV Stellare", "Di Più TV Giochi" and "In Viaggio" (€ 1.6 million) and the weekly magazine "Diva e Donna" (€ 1.9 million). Together these represent a total investment of almost € 7 million in new editorial projects. The 2004-2005 1st nine months results included launch costs relating to "Di Più TV" of € 4.2 million and a further € 0.5 million advertising investment relating to that publication.

In accordance with the applicable CONSOB regulation, Cairo Communication Group financial statements for the 2005-2006 3rd quarter and 1st nine months ending 30 June 2006 have been prepared on a pre-tax basis, consistent with the financial statements prepared for the same period of the previous financial year.

Cairo Communication Group
Consolidated Balance Sheet
at 30 June 2006

(€ thousands)	30 June 2006	30 Sept. 2005
ASSETS		
Property, plant and equipment	3,427	3,765
Intangible assets	12,187	11,483
Investments	5,805	6,013
Net current assets	(4,013)	(7,320)
Total Assets	**17,406**	**13,941**
EQUITY AND LIABILITIES		
Non-current borrowings and provisions	5,716	5,298
Net financial assets	(84,393)	(107,519)
Shareholders' equity	98,252	117,986
Minority interest	(2,169)	(1,824)
Total Equity and Liabilities	**17,406**	**13,941**

** Figures at 30 June 2006 are expressed on a pre-tax basis*

The meeting of Cairo Communication Group shareholders of 30 January 2006 decided to distribute a total of € 23.5 million in dividends, at € 3 per share, before withholding tax. At 30 June 2006, € 19.8 million had been distributed.

Cairo Communication Group

Consolidated Net Financial Position Statement

at 30 June 2006

(€ thousands)	30 June 2006	30 Sept. 2005	Change
Bank and cash	84,217	100,376	(16,159)
Surety deposit	7,163	7,092	71
Short term investments:			
- Other securities	161	82	79
- Insurance financial income receivable	6,000	6,000	0
Bank loans	(13,148)	(6,031)	(7,117)
Total	**84,393**	**107,519**	**(23,126)**

Investments include a current bank account registered in the name of both Cairo Communication SpA and Telepiù SpA of € 6,995 thousand (€7,163 thousand including accrued interest). This deposit was made as a result of a settlement agreement reached by the parties during appeal proceedings for a precautionary seizure requested by the Company before the Court at Milan, as a guarantee on the Company's right to damages from Tele+ SpA. Cairo Communication has lodged the requisite funds in accordance with Tele+ accounts from 2004, awaiting the arbitrators' decision.

The Group manages its cash and bank assets very prudently, investing for the most part in interbank deposits.

The Group has subscribed to a € 6 million insurance financial product, Elios Coupon, offered by Antonveneta Vita. This insurance policy provides a minimum annual return of 3% net of management fees.

Analysis of Quarterly Group Sales and Other Operating Revenues by Business Segment

	3rd quarter ending 30 June 2006			**3rd quarter ending 30 June 2005**		
(€ thousands)	**Publishing**	**Advertising**	**Total**	**Publishing**	**Advertising**	**Total**
TV advertising time sales	-	31,956	**31,956**	-	27,899	**27,899**
Print media advertising space sales	11,881	5,312	**17,193**	9,455	4,396	**13,851**
Electronic billboard and stadium signs ad space sales	-	279	**279**	-	-	-
Internet advertising time sales	-	(2)	**(2)**	-	4	**4**
Magazine over-the-counter sales	17,698	0	**17,698**	14,214	-	**14,214**
Magazine subscription sales	830	-	**830**	874	-	**874**
Audiovisual and other sales	(6)	54	**48**	(7)	-	**(7)**
Books and catalogues	310	-	**310**	49	-	**49**
VAT relating to publications	(381)	-	**(381)**	(313)	-	**(313)**
Total - Sales	30,332	37,599	**67,931**	24,272	32,299	**56,571**
Other operating revenues	129	586	**715**	125	431	**556**
Total - Gross Operating Revenues	30,461	38,185	**68,646**	24,397	32,730	**57,127**

No analysis by geographic region is provided, as all sales are generated in Italy.

The excellent performance of "Settimanale Di Più", "Di Più TV" and the launch of the new magazine "Diva e Donna" have led to a sharp increase in publishing income.

Group advertising sales, inclusive of intra-Group sales of € 11.5 million, amount to € 49.7 million, up 18.6% on last year (€ 41.9 million inclusive of intra-Group sales of € 9.2 million), due to advertising income from new publishing initiatives and the strong growth in advertising time sales on the La 7 TV network.

Analysis of 1st Half-Year Consolidated Income Statement Results by Business Segment

	1st nine months ending 30 June 2006			**1st half- ending 30 June 2005**		
(€ thousands)	**Publishing**	**Advertising**	**Total**	**Publishing**	***Advertising***	***Total***
TV advertising time sales	-	93,721	**93,721**	-	81,536	**81,536**
Print media advertising space sales	29,335	14,198	**43,533**	22,191	10,588	**32,779**
Electronic billboard and stadium signs ad space sales	-	1,823	**1,823**	-	-	-
Internet advertising time sales	-	16	**16**	-	27	**27**
Magazine over-the-counter sales	50,234	-	**50,234**	36,775	-	**36,775**
Magazine subscription sales	2,523	-	**2,523**	2,544	-	**2,544**
Audiovisual and other sales	-	113	**113**	60	-	**60**
Books and catalogues	952	-	**952**	586	-	**586**
VAT relating to publications	(992)	-	**(992)**	(760)	-	**(760)**
Total - Sales	**82,052**	**109,871**	**191,923**	61,396	92,151	**153,547**
Other operating revenues	823	1,171	**1,994**	702	987	**1,689**
Total - Gross Operating Revenues	82,875	111,042	**193,917**	62,098	93,138	**155,236**

CAIRO COMMUNICATION GROUP OPERATING RESULTS

PUBLISHING BUSINESS

CAIRO EDITORE SPA - EDITORIALE GIORGIO MONDADORI SPA (EGM) – CAIRO PUBLISHING SRL

Revenues from the Group publishing business increased sharply during this period, up 25% to € 30.5 million. When advertising agency revenue of € 4.7 million is included, this figure at Group level reaches € 35.2 million (€ 28.2 million last year, including € 3.8 million in advertising agency revenue). This considerable increase is largely due to the excellent performance of “Settimanale Di Più”, “Di Più TV” and the new magazine “Diva e Donna”.

These figures have led the Group to forecast a strong positive impact on Group profitability margins by both titles, particularly as the cover price for “Di Più TV” was increased from € 0.70 to € 0.80 in July 2006.

Following the successful launch of two new monthly magazines, “Di Più TV Cucina” in November 2005 (average sales of 336,500 copies over the first nine issues) and “Di Più TV Stellare” in January 2006 (average sales of 269,300 copies over the first six issues), July 2006 saw the launch of “Di Più TV Giochi”, which sold 178,500 copies of the first two issues. These titles are sold with “Di Più TV” for a total price of € 1 (increased to € 1.20 in July 2006).

With “Diva e Donna” consolidating the success enjoyed by “Settimanale Di Più” (average sales of 806,956 copies) and “Di Più TV” (average sales 642,032 copies over the May 2005 – April 2006 period), Cairo Editore has continued its aggressive development strategy in the weekly magazine market. If magazines sold with daily newspapers are excluded, this total of 1,750,000 copies sold per week places Cairo Editore as the second best-selling publisher of weekly magazines in Italy.

The launch of the monthly publications sold with “Di Più TV” and the new magazine for women “Diva e Donna” following the success of the four titles “For Men Magazine” (2003), “Natural Style” (2003), “Settimanale Di Più” (2004) and “Di Più TV” (2005), will allow for further streamlining of existing structures, as EGM has made its company organisation available to Cairo Editore, providing assistance with management, administration, financial controls, subscription management, production, sales, marketing, distribution, premises and related services. During this period, Editoriale Giorgio Mondadori continued to focus its activities on the magazines “Bell’Italia”, “Bell’Europa”, “In Viaggio”, “Airone”, “Gardenia”, “Arte” and “Antiquariato”.

During March 2006, Editoriale Giorgio Mondadori completed the re-styling of “In Viaggio”, supported by a € 0.3 million advertising campaign and a “price cut” from € 3.90 to € 2.50 for the first four issues. This move has proved popular with readers and sales figures have more than tripled to 35,000 copies.

February 2006 saw Cairo Publishing begin to publish the first of its initial catalogue of books, the results of some large contracts with authors and foreign publishers. At 30 June 2006 the company had published 32 books and plans to publish 59 books during the 2006 calendar year.

ADVERTISING BUSINESS

A) TELEVISION

During this financial period, advertising sales continued on La 7 and the specialty channels Cartoon Network and Boomerang, Bloomberg and CNN.

Sales of advertising time on the La 7 broadcaster for the April-June 2006 period totalled € 29.3 million, up 11.1% on the same period last year (against TV advertising sales market growth of 1% over the April – June 2006 period: source AC Nielsen). Sales on the La 7 broadcaster for the October 2005 – June 2006 period grew by 14.6% to € 85.9 million (against TV advertising sales market growth of 2.2% over the October 2005 – June 2006 period: source AC Nielsen).

The arbitration between Cairo TV and Telepiù SpA is ongoing (chairman Prof. Raffaele Nobili) in which both parties have requested the resolution of the contract and an award of damages, and is currently in the preliminary stages. The Board of Arbitration is made up of Prof Raffaele Nobili, chairman, Prof Guido Rossi, nominated by Cairo TV and Vittorio Colesanti, nominated by Telepiù SpA. Following the exchange of testimonies and cross-examination of the parties, the deposition of technical reports has taken place, with Dr. Alberto Giussani nominated as expert witness. The Directors are of the opinion that the Tele+ challenges, raised for the first time 6 years after the contract was signed, close to the exclusion of Cairo from the contract and the suspension of advertising sales activities on 31 July 2003 by Sky (when they should have continued to June 30, 2004) are unjustified. However, the challenges of Cairo TV, based on the violation of a ten-year contractual obligation and of the cessation of this contract, give basis to the claims of the company, even in the case of change of ownership.

As part of these arbitration proceedings, Cairo has requested large damages from Telepiù for lost profits, consequential damages and for damage to the company’s reputation.

PRINT MEDIA DIVISION

Cairo Communication SpA continued with its sale of advertising space for:

- “For Men Magazine”, “Natural Style”, “Settimanale Di Più”, ““Di Più TV” and “Diva e Donna”, published by Cairo Editore;
- “Bell’Italia”, “Bell’Europa”, “In Viaggio”, “Airone”, “Gardenia”, “Arte” and “Antiquariato”, published by Editoriale Giorgio Mondadori;
- “Prima Comunicazione”.

During this period, print media income grew from € 13.8 million (before intra-Group sales of € 9.2 million) to € 17.2 million (before intra-Group sales of € 11.7 million), largely due to the success of “Settimanale Di Più”, “Di Più TV” and “Diva e Donna”.

INTERNET DIVISION – IL TROVATORE

During this year, development of the search engine Il Trovatore has continued, as it enjoyed high numbers of pages viewed, hits and service subscriber numbers, totalling 10 million, 22 million and 415,000 respectively at 30 June 2006. Development activities have focussed on the search for sources of income complementary to those from advertising space sales, and the provision of technology services.

DIRECTORY DIVISION – CAIRO DIRECTORY

During this period, the Diellesei subsidiary (formerly Cairo Directory), established in April 2004 to bring Cairo Communication into the telephone directory market, incurred losses of € 1.6 million at operating margin level. As discussed above, subsequent to 30 June 2006, the Group put this company into liquidation, choosing to leave the telephone directory market. This decision was influenced primarily by the general economic situation and the high level of complexity and competitiveness of this market. These conditions combined to lengthen the development phase of the company, which led to a revision of the initial business plan. Close monitoring of the realisation of the business plan, the development of the order portfolio, recruitment and sales force training timescales, deferment of publication dates and the ongoing expert assessment following the legal proceedings undertaken by Seat Pagine Gialle SpA, showed that the timescales involved needed further revision, which would have further delayed the company achieving breakeven.

On 10 July 2006, the Extraordinary General Meeting of Cairo Directory, of which Cairo Communication owned 60%, decided to put the company into liquidation, while simultaneously changing the company name to Diellesei in liquidation SpA.

GROUP INVESTMENTS

The following table lists the Group’s investments in non-current assets.

(€ thousands)	30 June 2006 (Q3)	30 June 2006 (9 months)	30 June 2005 (Q3)	30 June 2005 (9 months)
TV ad time sales rights & computer software	161	888	462	1.360
Publications development	(37)	84	0	0
Current costs and down payments	0	0	0	0
Consolidation differences	0	0	0	0
Magazine titles	0	0	67	91
Other	**124**	**972**	**529**	**1.451**
Total investments in intangible assets	161	888	462	1.360
Land and buildings	0	0	0	0
Machinery	0	0	0	0
Other	28	287	146	665
Assets under construction	0	0	0	0
Total investments in property, furniture and equipment	**28**	**287**	**146**	**665**
Investments	0	0	0	0
Financial receivables from associates	0	0	92	83
Total investments in non-current financial assets	**0**	**0**	**92**	**83**
Total	**152**	**1,259**	**767**	**2,199**

CAIRO COMMUNICATION SPA – FINANCIAL RESULTS

Parent Company Income Statement

(€ thousands)	30 June 2006 (Q3)	30 June 2006 (9 months)	30 June 2005 (Q3)	30 June 2005 (9 months)
Sales	128,098	45,542	114,897	42,126
Less: advertising agency discounts	(13,458)	(4,539)	(15,792)	(5,873)
Other operating revenue	694	171	1,287	507
Operating revenues	**115,334**	**41,174**	**100,392**	**36,760**
Cost of sales	(108,056)	(38,708)	(89,923)	(33,132)
Personnel costs	(1,744)	(567)	(3,229)	(899)
Gross operating profit (EBITDA)	**5,534**	**1,899**	**7,240**	**2,729**
Depreciation, amortisation and provision charges	(1,587)	(521)	(4,408)	(1,551)
Operating profit (EBIT)	**3,947**	**1,378**	**2,832**	**1,178**
Net finance income	1,791	634	1,381	442
Investments writedowns	(8,296)	(1,200)	0	0
Profit on ordinary activities	**(2,558)**	**812**	**4,213**	**1,620**
Exceptional expenses	0	0	(647)	(11)
Profit before tax	**(2,558)**	**812**	**3,566**	**1,609**

The financial statements for Cairo Communication for the 3rd quarter and first nine months of the 2005-2006 financial year are not completely comparable with those for the same period last year as in June 2005 Cairo Communication SpA transferred to its subsidiary, Cairo Pubblicità Srl, its own company operations, comprising the sales network relating to the sale of advertising time. As a result of this, the structure of the Parent Company's Income Statement has been partly modified, as Cairo Pubblicità operates:

- As a sub-agent of Cairo Communication for print media advertising sales (Cairo Editore, Editoriale Giorgio Mondadori and Editoriale Genensis magazines), remitting to Cairo Communication a percentage of revenue generated.
- With two different contractual roles, one of agent, receiving commission and another as commercial services provider, earning a percentage of revenues generated, for television advertising sales (La 7, Cartoon Network, Boomerang, CNN and Bloomberg).

Since June 2005, Cairo Pubblicità has been responsible for all costs related to this company operations and its staff.

Cairo Communication SpA gross operating revenues for this quarter totalled € 128.7 million. The gross operating profit (EBITDA) totalled € 5.5 million, down from € 7.2 million in the previous financial year. The operating profit (EBIT), totalling € 3.9 million, up from € 2.8 million last year. During the April - June 2005 period, Cairo Pubblicità Srl was not yet in operation. When the results of this company are taken into consideration, since June the two companies together generated gross operating revenues of € 139.8 million, EBITDA of € 10.7 million and EBIT of € 7.6 million, against € 116 million, € 7.3 million and € 2.8 million.

The considerable improvements in the financial results reflect the increase in advertising sales relating to new publications and TV advertising time sales contracts, particularly La 7 and the Cartoon Network.

Investment writedowns refer to the writedown of the value of the share in Diellesei in liquidation SpA (€ 3,796 thousand), which went into liquidation at the Shareholders Meeting of 10 July 2006, and the establishment of a provision of € 4,500 in relation to this liquidation.

Cairo Communication SpA Parent Company Balance Sheet

(€ thousands)	30 June 2006	30 September 2005
<u>Assets</u>		
Property, furniture and equipment	340	386
Intangible assets	2,534	3,366
Investments	14,155	16,121
Treasury shares	2,186	86
Other net current assets	25,759	23,323
Total Assets	**44,974**	**43,282**
Equity and Liabilities		
Non-current borrowings and provisions for liabilities	4,955	387
Net financial assets	(77,112)	(100,165)
Borrowings from unconsolidated subsidiary	4,885	4,885
Shareholders’ equity	112,246	138,175
Total Equity and Liabilities	**44,974**	**43,282**

**Figures at 30 June 2006 are expressed on a pre-tax basis*

The movement in financial assets and borrowings and provisions relates to the writedown applied to the investment in Diellesei in liquidation SpA discussed above.

Current assets include € 15.9 million generated by the sale of the share in Editoriale Giorgio Mondadori to the Cairo Editore subsidiary. The contract provided for the payment for the sale of € 5 million by 5 August 2005 and the remainder by 29 September 2005, without interest, or else five consecutive annual instalments of equal value, with interest, from 1 October 2005, with no early exit option. A further payment of € 5 million was made during March 2006.

As discussed above, the meeting of Cairo Communication Group shareholders of 30 January 2006 decided to distribute a total of € 23.5 million in dividends, at € 3 per share. At 30 June 2006, € 19.8 million had been distributed.

During the first nine months of the 2005-2006 financial year, 46,601 treasury shares were acquired. Cairo Communication currently holds 49,193 treasury shares, at an average value of € 44.4.

Cairo Communication SpA - Parent Company Statement of Net Financial Position

Cairo Communication SpA	30 June 2006	30 Sept. 2005	Change
Bank and cash	63,788	87,019	(23,231)
Surety deposit	7,163	7,092	71
Insurance financial products	6,000	6,000	0
Marketable securities	161	82	79
Bank loans	0	(28)	28
Net financial assets	**77,112**	**100,165**	**(23,053)**
Immobiledit borrowings	(4,885)	(4,885)	0
Net financial position	**72,227**	**95,280**	**(23,053)**

As discussed above, financial assets include a surety deposit of € 6,995 thousand (€7,163 thousand including accrued interest).

OUTLOOK

Cairo Communication Group will focus on developing its core businesses during the 2005-2006 financial year. It will focus on the development of its Publishing business operated by its Cairo Editore SpA and Editoriale Giorgio Mondadori (EGM), and Cairo Publishing subsidiaries, as well as its Advertising business, in particular the sale of advertising space in its own magazines including the newest addition to the range, “Diva e Donna”, and the sale of advertising time on the La 7 TV network and selected analogue and digital pay TV specialty channels.

Since July 2006 Cairo Communication Group no longer operates in the telephone directory market. At 30 June 2006, current assets included items totalling € 3.5 million, principally prepayments recognised in respect of sales and deferred production costs, considered to be non-recoverable since the company went into liquidation which will then be taken to the Income Statement for this year, from the date of the liquidation. At today’s date, there are not sufficient elements for an estimate of the further costs of the liquidation, net of possible recoveries, as this estimate would require valuations, events and agreements yet to be made.

The latest sales figures for the May 2005 – April 2006 twelve month period for “Settimanale Di Più”, the second best-selling magazine in Italy, show average ADS sales of 806,959 copies. ADS average sales of “Di Più TV” over that twelve month period averaged 642,032 copies, while ADS average sales for “Diva e Donna” reached 253,221 over the November 2005 – April 2006 period, further consolidating their extraordinary success to date.

During the first nine months of this financial year, new monthly magazines were launched, “Di Più TV Cucina” in November 2005, “Di Più TV Stellare” in January 2006 and “Di Più TV Giochi” in July 2006. These magazines have been very well received by the public, with sales of “Di Più TV Cucina” for the first nine issues averaging 336,500 copies, “Di Più TV Stellare” average sales of 269,300 copies for the first six issues and the first two issues of “Di Più TV Giochi” selling and average of 178,500 copes each. These titles are sold with “Di Più TV” for a total price of € 1, increased to € 1.20 during July 2006)

With “Diva e Donna” consolidating the success enjoyed by “Settimanale Di Più” and “Di Più TV”, Cairo Editore has continued its aggressive development strategy in the weekly magazine market. If magazines sold with daily newspapers are excluded, this total of 1,750,000 copies sold per week places Cairo Editore as the second best-selling publisher of weekly magazines in Italy.

The success of the initiatives undertaken in less than three years (“Settimanale Di Più”, “Diva e Donna”, “Di Più TV”, “Di Più TV Cucina”, “Di Più TV Stellare”, “Di Più TV Giochi”, “For Men Magazine” and “Natural Style”) has further increased the dynamism of the Cairo Communication Group. Further new publishing projects are currently under consideration.

Chairman of the Board of Directors

Urbano R. Cairo

CAIRO COMMUNICATION

Transition to IAS/IFRS international accounting standards

Reconciliation of net equity and financial statements at 30 June 2005

Reconciliation of net equity and financial statements at 30 June 2005

The reconciliation of net equity and the nine month financial statements at 30 June 2005, calculated in accordance with Italian accounting principles, and then restated with IAS/IFRS international accounting standards, can be analysed as follows:

	1 Oct 2004	Distribution of dividends	Other net equity movements	Group results	30 June 2005
Equity calculated using Italian accounting standards	**129,742**	**(12,531)**	**0**	**7,909**	**125,120**
IAS/IFRS Variations:					
- Transfer/ Write off of incorporation and listing costs	(8)	0	0	(16)	(24)
- Transfer/ Write off of start up costs relating to Cairo Directory	(977)	0	0	(4,615)	(5,592)
- Transfer/ Write off of amortisation relating to consolidation difference	0	0	0	450	450
- Transfer/ Write off of accumulated amortisation relating to real estate which has been built upon	62	0	0	10	72
- Reclassification of treasury shares	(765)	0	728	(14)	(86)
- Benefits to management	0	0	85	(135)	0
- Transfer/ Write off of prepublication and launch costs relating to new publications	(1,613)	0	0	(858)	(2,471)
- Different treatment of corresponding entries to advertising income	(3,687)	0	0	2,301	(1,386)
Related fiscal effect	2,277	0	0	0	2,277
Total IAS/IFRS variations	(4,711)	0	813	(2,877)	(6,760)
Minority interest on IAS/IFRS variations	262	0	0	1,846	2,108
Group net equity calculated in accordance with IAS/IFRS international accounting standards	**125,293**	**(12,531)**	**813**	**6,878**	**120,468**

With regard to the application of the valuation principles in IAS No. 19 to the provision for retirement benefits and the staff severance provision, (projected unit credit method), the actuarial value at 30 September 2004 and 30 September 2005 has been obtained, which does not show significant effect on the items involved or the net equity and the financial results for the year. As a result, the figures obtained with the application of Italian accounting principles have not been adjusted.

Notes to the reconciliation of net equity at 1 October 2005 and at 30 June 2005 and the financial statements for the 1st nine months ended 30 June 2005

Intangible assets

The application of IAS/IFRS international accounting standards has meant that the capitalisation of certain costs as intangible assets is no longer permitted (IAS No. 38). In accordance with IAS No. 38, adjustments have been made to the value of intangible assets relating to incorporation and listing costs, and Diellesei in liquidation (formerly Cairo Directory SpA) start up costs.

As a result, the reconciliation of net equity at 1 October 2004 and at 30 June 2005, and the nine month results at 30 June 2005, when restated in accordance with the IAS/IFRS international accounting standards, show the following:

- At 1 October 2004: Intangible assets fell by € 8 thousand and € 977 thousand respectively, due to the transfer/ write off of net residual value of incorporation and listing costs and Diellesei in liquidation SpA start up costs, with a corresponding debit to the “IAS/IFRS international accounting standards first time adoption reserve” of € 985 thousand,
- At 30 June 2005: A reduction in the amortisation of intangible assets of € 6 thousand, linked to the transfer/ write off of net residual value of incorporation and expansion costs, and an increase in start up costs relating to Diellesei in liquidation SpA for € 4,615 thousand, plus an increase in capitalised incorporation and expansion costs of € 22 thousand. As a result, net equity at 30 June 2005 shows a decrease, corresponding to the reduction in value of intangible assets, of € 24 thousand and € 5,592 thousand respectively. This reflects the writing down to zero of the net residual value at that date of incorporation and expansion costs and intangible assets in progress relating to Diellesei in liquidation SpA start up costs.

Start up costs:

Start up costs are no longer amortised systematically, rather they are now valued in order to identify eventual losses in value.

As a result, the reconciliation of net equity at 1 October 2004 and at 30 June 2005, and the nine month results at 30 June 2005, when restated in accordance with the IAS/IFRS international accounting standards, show the following:

- At 1 October 2004: There was no impact at this time as the Group decided to avail of the optional exemption allowed under IFRS No. 1, and not to apply IFRS No. 3 retrospectively, regarding business combinations, for operations which took place prior to the date of transition to IAS/IFRS international accounting standards. Furthermore, no adjustment to the value of the consolidation differences recorded using Italian accounting principles was deemed necessary by the test carried out to verify conditions for capitalisation.
- At 30 June 2005: A reduction in amortisation for this nine month period and an increase in intangible assets of € 450 thousand

Property, furniture and equipment

In relation to real estate, international accounting principles require that these are recorded in a separate class of asset and not depreciated. Land, which has been built on, previously depreciated with the buildings on the site, must now be identified separately and the related accumulated depreciation must be cancelled.

As a result, the reconciliation of net equity at 1 October 2004 and at 30 June 2005, and the nine month results at 30 June 2005, when restated in accordance with the IAS/IFRS international accounting standards, show the following:

- At 1 October 2004: An increase of € 62 thousand in property, furniture and equipment, reflecting the transfer/ write off of accumulated depreciation at that date on the part of the value of the asset attributable to the built-up land, with a corresponding debit to the net equity "IAS/IFRS international accounting standards first time adoption reserve"
- At 30 June 2005: A decrease of € 10 thousand in depreciation to property, furniture and equipment for the half year. As a result, at the same date, property, furniture and equipment increased by € 72 thousand.

Treasury shares:

The value of treasury shares is reclassified, reducing the share capital. Dealing in treasury shares brings to bear no economic effect, either income or expense, rather it constitutes a variation in consolidated net equity. The treasury share reserve, classified separately in the consolidated financial statements prepared in accordance with Italian accounting standards, is now reclassified in accordance with the IAS/IFRS international accounting standards under “Income from previous financial years”, from which it was derived.

As a result, the reconciliation of net equity at 1 October 2004 and at 30 June 2005, and the nine month results at 30 June 2005, when restated in accordance with the IAS/IFRS international accounting standards, show the following:

- 1 October 2004: A decrease of € 765 thousand reflecting the reclassification of treasury shares with a reduction in the value of net equity and reclassification of the treasury share reserve to “Profit carried forward”.
- At 30 June 2005: An increase of € 693 thousand in net equity corresponding to the realised value of treasury shares sold during the year. A € 14 thousand decrease in finance income during the half year corresponding to the capital gains realised from the sale of the treasury shares. As a result, the value of treasury shares at that date was € 86 thousand, corresponding to their net residual value.

Stock options:

Under Italian accounting standards, relating to share based payments, no expense was taken to the income statement. Rather, these were disclosed in the notes to the financial statements for information. With the application of the IAS/IFRS international accounting standards, stock options are treated as follows:

3 for equity settled stock option plans, the fair value of the option, set at the moment of its assignment, is reported among personnel costs while the stock option plan matures, with a corresponding entry to the relative net equity reserve;

At 30 June 2005: An increase in operating costs for the quarter of € 135 thousand, the result of the application of IFRS No. 2 to the equity settled stock option plan which a subsidiary company established in relation to its shares and one of its managers, during October 2004

Pre-publication and launch costs relating to new publications

In accordance with IAS/IFRS international accounting standards, these costs must be expensed to the income statement for the financial year in which they are incurred.

As a result, the reconciliation of net equity at 1 October 2004 and at 30 June 2005, and the nine month results at 30 June 2005, when restated in accordance with the IAS/IFRS international accounting standards, show the following:

- 1 October 2004: A reduction in prepaid expenses of € 1,613 thousand due to the transfer/ write off of pre-publication and launch costs relating to “Settimanale Di Più”, deferred at the end of year 30 September 2005, unlike the treatment required under IFRS principles with a corresponding debit to the net equity “IAS/IFRS international accounting standards first time adoption reserve”
- At 30 June 2005: An increase of € 858 thousand in operating expenses, reflecting the combined effect of the debit of costs relating to “Di Più TV”, deferred in accordance with Italian accounting standards to subsequent years (€ 2,471 thousand) and the credit of costs subject to the adjustment mentioned previously (€ 1,613 thousand). As a result, deferrals at 30 June 2005 are reduced by € 2,471 thousand.

<u>Advertising sales</u>

As part of the contract established with La 7 Televisioni SpA, a payment was made to that company for the 2003-2005 period which was not allocated across the duration of the contract. While the consolidated financial statements prepared in accordance with Italian accounting standards reflected the annual cost derived from this cost, on the basis of the amounts defined annually by the contract, in accordance with the IAS/IFRS international accounting standards the sum must be allocated evenly across the relevant years, independently of the methods allowed for in the contract.

As a result, the reconciliation of net equity at 1 October 2004 and at 30 June 2005, and the nine month results at 30 June 2005, when restated in accordance with the IAS/IFRS international accounting standards, show the following:

- 1 October 2004: An increase in other payables of € 3,687 thousand, in recognition of the part of the cost of advertising sales relating to the first two years of the contract, determined when the sum is allocated evenly across the three years of the contract’s duration.
- 30 June 2005: A decrease in operating expenses for the quarter of € 2,301 thousand and, as a result, an increase in trade payables at that date of € 1,386 thousand.

Of note, in view of the reconciliation of the net equity and the financial results at 31 December 2004 , prepared in accordance with Italian accounting standards, and these same results restated in accordance with the IAS/IFRS international accounting standards shown in the appendix “Transition to the IAS/IFRS international accounting standards” to the financial statements at 31

December 2005, the reconciliation of the net equity and the financial results at 31 March 2005 can be analysed as follows:

	01 January 2005	Distribution of dividends	Other net equity movements	Group financial results	31 March 2005
Equity calculated using Italian accounting standards	**121,860**	**0**	**0**	**3,260**	**125,120**
IAS/IFRS Variations:					
Transfer/ Write off of incorporation and listing costs	(16)	0	0	(8)	(24)
- Transfer/ Write off of start up costs relating to Cairo Directory	(3,439)	0	0	(2,153)	(5,592)
- Transfer/ Write off of amortisation relating to consolidation difference	300	0	0	150	450
- Transfer/ Write off of accumulated amortisation relating to real estate which has been built upon	69	0	0	3	72
- Reclassification of treasury shares	(51)	0	(35)	0	(86)
- Benefits to management	0	0	50	(50)	0
- Transfer/ Write off of prepublication and launch costs relating to new publications	(3,530)	0	0	1,059	(2,471)
- Different treatment of advertising income	(2,155)	0	0	769	(1,386)
Related fiscal effect	2,277	0	0	0	2,277
Total IAS/IFRS variations	(6,545)	0	15	(230)	(6,760)
Minority interest on IAS/IFRS variations	1,247	0	0	861	2,108
Group net equity calculated in accordance with IAS/IFRS international accounting standards	**116,562**	**0**	**15**	**3,891**	**120,468**

Reconciliation of income statement at 30 June 2005

Financial results at 30 June 2005 (9 months)				
	Italian accounting standards	**IAS/IFRS adjustments**	**IAS/IFRS reclassifications**	**IAS/IFRS international accounting standards**
Sales	153,547	0	0	153,547
Advertising agency discounts	(15,793)	0	0	(15,793)
Inventory movements	(151)	0	0	(151)
Other operating revenues	3,300	0	(1,611)	1,689
Operating revenues	**140,903**	**0**	**(1,611)**	**139,292**
Cost of sales	(118,983)	(1,170)	(927)	(121,080)
Personnel costs	(10,171)	(2,157)	0	(12,328)
Gross operating profit (EBITDA)	**11,749**	**(3,327)**	**(2,538)**	**5,884**
Depreciation and provision charges	(5,083)	464	1,875	(2,744)
Operating profit (EBIT)	**6,666**	**(2,863)**	**(663)**	**3,140**
Net finance income	1,593	(14)	0	1,579
Profit from ordinary activities	**8,259**	**(2,877)**	**(663)**	**4,719**
Exceptional expenses	(663)	0	663	0
Minority interest	313	1,846	0	2,159
Profit / (Loss) before tax	**7,909**	**(1,031)**	**0**	**6,878**

Details of the financial statements relating to the effect of the adoption of IAS/IFRS international accounting standards on the income statement for the half-year ended 30 June 2005

<u>*Other operating revenues*</u>

Reclassifications: These refer to the reclassification of revenues from the rebilling of operating expenses and contributions to the trade account against operating expenses.

<u>*Operating expenses*</u>

Reclassifications	30 June 2005
Reclassification of income relating to rebilling of costs and contributions to the trading account	1,611
Reclassification of costs relating to La 7 entrance fee	(1,875)
Reclassification of exceptional expenses	(663)
Total reclassifications	**(927)**

These comprise:

- the reclassification of the amortisation of costs relating to the once off entrance fee paid in January 2003 to La 7 Televisioni SpA (€ 1,875 thousand) which had been recorded under amortisation
- the reclassification of other income of € 1,611 thousand
- the reclassification of exceptional expenses (€ 663 thousand)

Adjustments	**30 June 2005**
Transfer / write off of Diellesei in liquidation SpA start up costs	(2,591)
Pre-publication and launch costs	(858)
Advertising sales	2,301
Transfer / write off of capitalisation of incorporation and listing costs	(22)
Total adjustments	**(1,170)**

These have been discussed in the notes to the reconciliation of the financial results at 30 June 2005 and comprise:

- the reclassification of Diellesei in liquidation SpA start up costs, equivalent to € 4,615 thousand, comprising operating costs of € 2,591 thousand and personnel costs of € 2,024 thousand.
- the reclassification of the debit of prepublication and launch costs relating to "Di Più TV" (€ 2,471 thousand) incurred during the previous year and the credit of costs (€ 1,613 thousand) incurred during the previous year in relation to "Settimanale Di Più" which had been deferred under Italian accounting standards.

Personnel costs

Adjustments: The cost of stock option plans for management (€ 135 thousand) and the relative adjustment to Diellesei in liquidation SpA start up costs (€ 2,204 thousand of which were personnel costs).

Depreciation, provisions and writedowns

Reclassifications: These refer to the reclassification (€ 1,875 thousand) of a once off amount paid during January 2003 to La 7 Televisioni SpA, which was recorded under amortisation in accordance with Italian accounting standards.

Adjustments: Recognition of the transfer / write off of amortisation relating to start ups (€ 450 thousand) and land which has been built upon (€ 10 thousand) and incorporation and expansion costs (€ 6 thousand).

Net finance income

Adjustments: Transfer / write off of € 14 thousand in capital gains realised from the sale of treasury shares.

Minority interest

Adjustments: This refers to the share held by minority shareholders, in relation to the IAS/IFRS international accounting standards adjustments

Details of the financial statements relating to the effect of the adoption of IAS/IFRS international accounting standards on the income statement for the 3rd quarter ended 30 June 2005.

	3rd quarter ended 30 June 2005 (3 months)			
	Italian accounting standards	**IAS/IFRS adjustments**	**IAS/IFRS reclassifications**	**IAS/IFRS international accounting standards**
Sales	56,571	0	0	56,571
Advertising agency discounts	(5,874)	0	0	(5,874)
Inventory movements	(26)	0	0	(26)
Other operating revenues	656	0	(100)	556
Operating revenues	**51,327**	**0**	**(100)**	**51,227**
Cost of sales	(43,150)	464	(536)	(43,222)
Personnel costs	(3,707)	(849)	0	(4,556)
Gross operating profit (EBITDA)	**4,470**	**(385)**	**(636)**	**3,449**
Depreciation and provision charges	(1,869)	155	625	(1,089)
Operating profit (EBIT)	**2,601**	**(230)**	**(11)**	**2,360**
Net finance income	524			524
Profit from ordinary activities	**3,125**	**(230)**	**0**	**2,884**
Net exceptional expenses	(11)	0	11	0
Minority interest	146	861	0	1,007
Profit before tax	**3,260**	**631**	**0**	**3,891**

Details of the financial statements relating to the effect of the adoption of IAS/IFRS international accounting standards on the income statement for the 3rd quarter ended 30 June 2005.

Other income

Reclassifications: These refer to the reclassification of income relating to the rebilling of operating expenses and contributions to the trading account against operating expenses.

Operating expenses

Reclassifications	30 June 2005
Reclassification of income relating to rebilling of costs and contributions to the trading account	100
Reclassification of costs relating to La 7 entrance fee	(625)
Reclassification of exceptional expenses	(11)
Total reclassifications	**(536)**

These comprise

- the reclassification of the amortisation of costs relating to the once off entrance fee paid in January 2003 to La 7 Televisioni SpA (€ 625 thousand) which had been recorded under amortisation
- the reclassification of other income of € 100 thousand
- the reclassification of exceptional expenses (€ 11 thousand)

Adjustments	**30/06/2005**
Transfer / write off of Diellesei in liquidation SpA start up costs	(1,353)
Pre-publication and launch costs	1,059
Advertising sales	769
Transfer / write off of capitalisation of incorporation and listing costs	(11)
Total adjustments	**464**

These adjustments have been discussed in detail in the notes referring to the reconciliation of the half-yearly results at 30 June 2005. The adjustment relating to Cairo Directory start up costs, equivalent to € 2,153 thousand, comprises operating expenses of € 1,353 thousand and personnel costs of € 800 thousand. Of note, the adjustment relating to pre-publication and launch costs relates to the credit of costs (€ 1,059 thousand) incurred during the previous year for "Di Più TV", which had been deferred in accordance with Italian accounting standards.

Personnel costs

Adjustments: The cost of stock option plans for management (€ 50 thousand) and the relative adjustment to Cairo Directory start up costs (€ 800 thousand of which were personnel costs)

Depreciation, provisions and writedowns

Reclassifications: These refer to the reclassification (€ 625 thousand) of a once off amount paid during January 2003 to La 7 Televisioni SpA, which was recorded under amortisation in accordance with Italian accounting standards.

Adjustments: Recognition of the transfer / write off of amortisation relating to start ups (€ 150 thousand) and land which has been built upon (€ 3 thousand) and incorporation costs (€ 2 thousand).

Minority Interest

Adjustments: This refers to the share held by minority shareholders, in relation to the IAS/IFRS international accounting standards adjustments

Chairman of the Board of Directors

Urbano R. Cairo

CAIROCOMMUNICATION