



## CAIRO COMMUNICATION

### PRESS RELEASE

#### **CAIRO COMMUNICATION: Net consolidated profit over 5,7 million Euro, double dividend per share at 0,8 Euro**

**Net Consolidated Profit over 5.7 million Euro and parent Company Cairo Communication Net Profit of 8.1 million Euro allow to propose to the General Shareholder Meeting to double the 2001 dividend distribution to an amount of 0.8 Euro per share (detachment date of coupon February 10<sup>th</sup>, 2003).**

**Consolidated EBITDA amounts to about 9.1 million Euro.**

**Growing margins for the publishing sector (Editoriale Giorgio Mondadori) that is going to launch two new magazines at the beginning of 2003.**

*Milan, November 29, 2002* – The Board of Directors of CAIRO COMMUNICATION Group, called today, has examined and approved the Draft Financial Statement for the fiscal year ended September 30<sup>th</sup>, 2002.

The Net Consolidated Profit of about 5.7 million Euro (6.5 million Euro in fiscal year 2000/2001) and the parent Company's Net Profit of about 8.1 million Euro (6.1 million Euro in fiscal year 2000/2001) allow to double the 2001 dividend distribution to 0,8 Euro per share. The Board of Directors will propose to the General Shareholder Meeting to distribute a dividend of 0.8 Euro per share with detachment date of coupon February 10<sup>th</sup>, 2003.

Gross Consolidated Revenues were equal to 145.6 million Euro (159.2 in fiscal year 2000/2001), with an EBITDA of about 9.1 million Euro (11 million Euro in fiscal year 2000/2001).

The subsidiary Giorgio Mondadori, publishing the magazines Bell'Italia, Bell'Europa, In Viaggio, Airone, Gardenia, Arte and Antiquariato, shows increasing margins in comparison with the previous fiscal year and in particular an EBITDA of 2.2 million Euro compared to 1.4 million Euro of the fiscal year 2000/2001.

The consolidated Net Financial Position was positive for about 100 million.

**Urbano Cairo President and CEO of Cairo Communication** declares: "The Draft Financial Statements just approved by the Board of Directors confirms the capability of Cairo Group to obtain more than satisfactory economic results even with the slow down of economic and advertising markets. Thus we maintained our promises of doubling our dividend. This comes after a month characterised by strong activity both with the signature of the advertising concession contract of La7, a broadcast network with a significant growing audience and potential advertising upside, addressing a really qualified target, together with the starting of a new Giorgio Mondadori's publishing project that will take to the launch of two monthly magazines at the beginning of 2003, with the very talented Director Andrea Biavardi.

*Cairo Communication Group is a leading publishing and advertising collection company which was among the first companies to develop a multimedia sales approach starting from the periodical press to pay TV, Internet and commercial TV.*

#### **For further information:**

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## Cairo Communication Group – Consolidated data

The main consolidated **profit and loss account figures** in the fiscal year ended September 30, 2002 can be compared as follows with the results of the previous fiscal year.

(K Euro )	September 30, 2002	September 30, 2001
Revenues from sales and services	141,114	154,792
Agency discounts	(17,764)	(19,095)
Change in stocks	(421)	90
Other revenues	4,467	4,452
<b>Total value of production</b>	<b>127,396</b>	<b>140,059</b>
Cost of production	(109,941)	(121,336)
Cost of personnel	(8,353)	(7,699)
<b>EBITDA</b>	<b>9,102</b>	<b>11,024</b>
Amortization, depreciation and provisions	(5,700)	(5,274)
<b>EBIT</b>	<b>3,402</b>	<b>5,750</b>
Total financial income and expenses	4,319	4,367
<b>Profit before extraordinary items</b>	<b>7,721</b>	<b>10,117</b>
Extraordinary financial income and expenses	(254)	272
<b>Profit before taxation</b>	<b>7,467</b>	<b>10,389</b>
Taxation	(1,736)	(3,838)
Third-party Stake	15	-
<b>Net Profit</b>	<b>5,746</b>	<b>6,551</b>

The main consolidated **profit and loss account figures by activity sector** in the fiscal year ended September 30, 2002 can be compared as follows with the results of the previous fiscal year.

(K Euro)	Sept 30, 2002	Sept 30,2001	Sept 30, 2002	Sept 30,2001	Sept 30, 2002	Sept 30,2001
	Advertising		Il Trovatore		Publishing	
Revenues from sales and services	119,337	130,311	61	357	21,717	24,124
Agency discounts	(17,764)	(19,095)	0	0	0	0
Change in stocks	0	0	0	0	(422)	0
Other revenues	3,517	2,608	11	5	939	1,840
<b>Total value of production</b>	<b>105,090</b>	<b>113,824</b>	<b>72</b>	<b>362</b>	<b>22,234</b>	<b>25,873</b>
Cost of production	(94,466)	(101,105)	(270)	(557)	(15,205)	(19,655)
Cost of personnel	(3,496)	(2,867)	0	0	(4,857)	(4,832)
<b>EBITDA</b>	<b>7,128</b>	<b>9,852</b>	<b>(198)</b>	<b>(195)</b>	<b>2,172</b>	<b>1,386</b>
Amortization, depreciation and provisions	(4,160)	(3,803)	(19)	(20)	(1,521)	(1,470)
<b>EBIT</b>	<b>2,968</b>	<b>6,049</b>	<b>(217)</b>	<b>(215)</b>	<b>651</b>	<b>(85)</b>
Total financial income and expenses	4,318	4,401	(1)	2	2	36
<b>Profit before extraordinary items</b>	<b>7,286</b>	<b>10,450</b>	<b>(218)</b>	<b>(213)</b>	<b>653</b>	<b>(121)</b>
Extraordinary financial income and expenses	0	35	0	0	(254)	238
<b>Profit before taxation</b>	<b>7,286</b>	<b>10,485</b>	<b>(218)</b>	<b>(213)</b>	<b>399</b>	<b>117</b>
Taxation	(1,857)	(3,524)	0	0	121	(313)
Third-party Stake	15	0	0	0	0	0
<b>Net Profit</b>	<b>5,444</b>	<b>6,961</b>	<b>(218)</b>	<b>(213)</b>	<b>520</b>	<b>(196)</b>

The main consolidated **Balance Sheet figures** of the fiscal year ended September 30, 2002 can be compared as follows with the consolidated results on September 30, 2001:

(K Euro)	September 30, 2002	September 30, 2001
<b>Balance sheet figures</b>		
Net tangible assets	2,977	2,986
Net intangible assets	17,432	21,038
Investments in financial assets	218	221
	328	0
Financial assets not representing fixed assets	4,908	4,908
Working capital	19,243	14,168
<b>Net invested capital</b>	<b>45,106</b>	<b>43,321</b>
Long-term liabilities and funds	3,914	3,535
Net (Financial Position)/indebtedness	(98,357)	(97,119)
Debts towards controlled companies	5,165	5,165
Shareholder's equity	134,365	131,719
MINORITIES	19	21
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>45,106</b>	<b>43,321</b>

**The consolidated Net Financial Position** on September 30, 2002, compared to the consolidated Financial Statement figures on September 30, 2002, has been summarized in the following table:

(K Euro)	September 30, 2002	September 30, 2001	Difference
Liquidity	98,266	101,282	(3,016)
Financial assets not representing fixed assets	90	90	0
Debts towards banks and other backers	0	(1,671)	1,671
Interbanca short-term financing	0	(1,033)	1,033
Interbanca long-term financing	0	(1,549)	1,549
<b>Total</b>	<b>98,356</b>	<b>97,119</b>	<b>1,237</b>
Debts towards Immobiliedit	(5,165)	(5,165)	0
<b>TOTAL</b>	<b>93,191</b>	<b>91,954</b>	<b>1,237</b>

The **Revenues breakdown by sector** in the **fiscal years 2001/2002**, for the two main activity sectors (advertising and publishing), can be analysed as follows:

	<b>Consolidated Financial Statement September 30, 2002</b>			<b>Consolidated Financial Statement September 30, 2001</b>		
(K Euro)	<b>Advertising</b>	<b>Publishing</b>	<b>TOTAL</b>	<b>Advertising</b>	<b>Publishing</b>	<b>TOTAL</b>
TV advertising	53,189	0	<b>53,189</b>	52,807	0	<b>52,807</b>
Press advertising	63,189	11,718	<b>74,907</b>	69,001	13,085	<b>82,086</b>
Stadium poster designing and Maxi-screen	2,458	0	<b>2,458</b>	6,447	0	<b>6,447</b>
ADV on Internet	562	0	<b>562</b>	2,413	0	<b>2,413</b>
Publication sales	0	6,159	<b>6,159</b>	0	6,507	<b>6,507</b>
Subscriptions	0	3,051	<b>3,051</b>	0	3,145	<b>3,145</b>
Audiovisual and others	0	85	<b>85</b>	0	369	<b>369</b>
Books and catalogues	0	966	<b>966</b>	0	1,399	<b>1,399</b>
V.A.T. performed by the editor	0	(263)	<b>(263)</b>	0	(381)	<b>(381)</b>
<b>Total</b>	<b>119,398</b>	<b>21,716</b>	<b>141,114</b>	<b>130,668</b>	<b>24,124</b>	<b>154,792</b>
Other revenues	3,528	939	<b>4,467</b>	2,613	1,840	<b>4,453</b>
<b>TOTAL</b>	<b>122,926</b>	<b>22,655</b>	<b>145,581</b>	<b>133,281</b>	<b>25,964</b>	<b>159,245</b>