



CAIROCOMMUNICATION

Press release

Cairo Communication leaves the directory market

Milan, 10th July 2006: The Extraordinary Shareholders' Meeting of Cairo Directory, 60% owned by Cairo Communication SpA, has approved the voluntary liquidation of the company and changed the company name into "*Diellesei SpA in liquidazione*". Mr. Marco Pompignoli as legal representative, Mr. Giuseppe Ferrauto, Mr. Ezio Micheli and Mr. Alberto Predieri have been appointed as liquidators of the company. The Group has chosen to leave the directory market, where it has entered in the summer 2004, mainly because of the critical economic scenario and of the highly competitiveness and complexity of the directory industry. Such a situation had already generated the lengthening of the development phase and the subsequent revision of the initial business plan.

According to the revised business plan for the directory business, the Group had foreseen to generate revenues of €15.1 million in the first sales cycle, rising to €28.0 million in the second and to €46.2 million in the third, with a planned gross operating margin after fixed and personnel costs being negative by 10,5 million in the first cycle, negative by 4.9 million in the second and positive by 3.0 million in the third.

From the monitoring of the carrying out of the business plan, it would have been necessary a further review of the business plan, resulting in a delay of the achievement of the break-even. Such an evaluation has been based on the level of the backlog, on the delay in recruiting and training of the sale force, together with the delay in revenue generation due to the postponement of the issue of the directory books, the latter being linked also to an ongoing expert assessment arisen from the judicial proceedings promoted by Seat Pagine Gialle SpA.

Cairo Communication Group is a leading Italian publisher for weekly magazine and advertising sales Group, recognised as one of the first to have developed a multimedia sales approach, beginning with print media and expanding later into TV and the Internet.

For more information, please contact:

Cairo Communication Investor Relations

Mario Cargnelutti

Phone: +39 02 7481-3240

e-mail: m.cargnelutti@cairocommunication.it