



CAIRO COMMUNICATION

Press release

CAIRO COMMUNICATION: DEVELOPMENT PROSPECTIVES

Milan, 2 March 2007: For the current 2006/07 financial year, Cairo Editore is primarily focusing its business activity on the consolidation of existing titles, and specifically on the successful initiatives of the past four years, focusing on optimization of production, publishing and distribution costs, paying particular attention to distribution coverage, and on the development of advertising revenues.

The most recent circulation data for “Settimanale DIPIU”, “DIPIU’ TV” and “Diva e Donna” confirmed the outstanding success of these titles. Specifically, the four issues of “Diva e Donna” published between 24 January and 4 February 2007 sold an average of 305,000 copies, a sharp improvement over the previous months.

Group magazines in the calendar year 2006 totalled gross advertising revenues of €54.7 million, 16% above 2005 (respectively €47.1, € 28.7 and €16.4 million gross advertising sales in calendar years 2005, 2004 and 2003).

La 7 advertising revenue trend for the January to March 2007 quarter is extremely positive, and as of 28 February 2007, advertising sales order book for the quarter already totalled €31.1 million with an increase of nearly 13.7 % compared to the same quarter of the previous financial year. More specifically, the sales order backlog for March 2007 is €12.4 million, 22.8% higher than the March 2006 results.

For the 2006 calendar year, La 7 advertising revenue increased by 9.3% compared to 2005, totalling about €105 million, against TV advertising market growth of 0.8% (source: AC Nielsen). Even the Cartoon Network and Boomerang thematic channels recorded good results with 2006 advertising revenue of about €9.1 million, a 14.3% increase on the €8 million achieved in 2005.

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

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