

**CAIRO COMMUNICATION**PRESS RELEASE**CAIRO COMMUNICATION: strong increase in TV revenues (+15%) and confirmation of the EBITDA margin compared to the same quarter of the previous fiscal year**

The Board of Directors has approved the quarterly results for the period October – December 2001:

There has been a strong increase in TV revenues with a growth of 15% from about 14.4m Euro in 2000/2001 to about 16.6m Euro in Q1 2001/2002, compared to a decrease in the TV advertising market equal to about 11.3% (Nielsen estimates).

On the consolidated level the Group has realised in Q1 total revenues of approximately 43.5m Euro compared to approximately 48.5m Euro realised in the same quarter of the last fiscal year, confirming substantially the EBITDA margin, 7.1% compared to 7.2%, in an advertising market scenario decreasing by 10.6% (source: AC Nielsen).

Milan, February 13, 2002 – The Board of Directors of CAIRO COMMUNICATION Group called today has reviewed and approved the Q1 2001/2002 results.

The consolidated EBITDA was equal to about 3.1m Euro, with a total impact on revenues equal to 7.1% which substantially confirms the EBITDA margin of the same quarter in the previous fiscal year (equal to about 3.5 Euro with a margin of 7.2%) despite the general decrease of the advertising market (-10.6% Nielsen data).

Particularly, despite a decrease in revenues of approximately 620 thousand Euro, the publishing sector with Giorgio Mondadori has improved the profitability compared to the same period of the previous fiscal year thanks to the further rationalization of the cost structure and the growth in efficiency resulting from the work done during the fiscal year 2000/2001 and continued during the first quarter.

On December 31, 2001 the consolidated net financial position, equal to about 98m Euro, including – as on September 30, 2001 – a sum of about 5.2m Euro conferred to Cairo Communication S.p.A. by Immobiliedit S.r.l., a company controlled by 100% but not consolidated, has grown by about 0.9m Euro compared to September 30, 2001. This result is much more positive considering the general slow-down of the economic situation because of which clients tend to postpone payments with respect to the agreed due dates. On December 31, 2001 Immobiliedit S.r.l. had about further 1.8m Euro in liquidity invested in repurchase agreement operations.

Urbano Cairo, President and CEO of Cairo Communication has stated: "In the framework of a market which during the last months has registered a general decrease in revenue volumes, as I remember has not been occurring for over ten years, our Group has confirmed its EBITDA margin increasing its market share in the TV sector where there are still large growth margins. With reference to the publishing sector, the positions already acquired have been confirmed further improving Giorgio Mondadori's profitability. The rationalization of the cost structure realised since the beginning of 2001 and a team highly motivated to achieve ambitious objectives will allow us to take the opportunities of a market which is expected to improve in the second semester 2002."

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 and approaching to pay and digital TV, Internet and advertising in stadiums.

For further information:

Cairo Communication

Mario Cargnelutti

Investor Relations

tel. +39 02 748.11.11

m.cargnelutti@cairocommunication.it

Consolidated profit and loss account figures

The main consolidated **profit and loss account figures** in Q1 2001/2002 can be compared as follows with pro-forma values of the same quarter of the previous fiscal year.

(K Euro)	31/12/2001 (Quarter)	31/12/2000 (Quarter)
Revenues from sales and services	41.606	47.647
Agency discounts	(5.425)	(5.737)
Change in stocks	(283)	(15)
Other revenues	1.882	899
Total value of production	37.780	42.794
Cost of production	(32.677)	(37.271)
Cost of personnel	(2.002)	(2.008)
EBITDA	3.101	3.515
Amortization, depreciation and provisions	(1.208)	(1.191)
EBIT	1.893	2.324
Total financial income and expenses	646	1.098
Profit before extraordinary items	2.539	3.422
Extraordinary financial income and expenses	(2)	297
Profit before taxation	2.537	3.719

Trend in revenues

The composition of the revenues from sales and services, subdivided between the two main activity sectors (advertising and publishing) can be analysed as follows:

Revenues from sales and services (K Euro)	Q1 on 31/12/2001 (three months)			Q1 on 31/12/2000 (three months)		
	Advertising	Publishing	TOTAL	Advertising	Publishing	TOTAL
TV advertising	16.607		16.607	14.438		14.438
Press advertising	17.889		17.889	23.758		23.758
Stadium poster designing	895		895	1.952		1.952
ADV on Internet	344		344	844		844
EGM Advertising		3.182	3.182		3.706	3.706
Publication sales		1.391	1.391		1.684	1.684
Subscriptions		813	813		801	801
Audiovisual and others		49	49		119	119
Books and catalogues		530	530		454	454
V.A.T. performed by the editor		(94)	(94)		(114)	(114)
Services					5	5
Total	35.735	5.871	41.606	40.992	6.655	47.647
Other revenues	1.433	449	1.882	600	299	899
TOTAL	37.168	6.320	43.488	41.592	6.954	48.546

Consolidated Balance Sheet figures

The main consolidated Balance Sheet figures of the quarter ended December 31, 2001 can be compared as follows to the Financial Statement figures on September 30, 2001:

(K Euro)	31/12/2001	30/09/2001
Balance sheet figures		
Net tangible assets	2.980	2.986
Net intangible assets	20.148	21.038
Investments in financial assets	233	221
Financial assets not representing fixed assets	4.908	4.908
Working capital	13.612	14.168
Net invested capital	41.881	43.321
Long-term liabilities and funds	3.569	3.535
Net (Financial Position)/indebtedness	(98.030)	(97.119)
Debts towards controlled companies	5.165	5.165
Shareholder's equity *	131.156	131.719
MINORITIES	21	21
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	41.881	43.321

* Shareholder equity on December 31, 2001 is indicated including taxation of fiscal effects in the quarter.

Variation of the consolidated Net Financial Position

The consolidated Net Financial Position on December 31, 2001, compared to the consolidated Financial Statement figures on September 30, 2001 has been summarized in the following table:

(K Euro)	Total 31/12/01	Total 30/09/01	Variations
Liquidity	101.095	101.282	(187)
Financial assets not representing fixed assets	90	90	
Debts towards banks and other backers	(573)	(1.671)	1.098
Interbanca short-term financing	(1.033)	(1.033)	-
Interbanca long-term financing	(1.549)	(1.549)	-
Total	98.030	97.119	911
Debts towards Immobiledit	(5.165)	(5.165)	-
TOTAL	92.865	91.954	911