

CAIRO COMMUNICATION

Milan – December 2, 2004

Urbano Cairo – Chairman and C.E.O.

Uberto Fornara – Cairo Communication Managing Director

Carlo Basile – Cairo Directory Managing Director

Cairo Communication

Publishing

Advertising

Directories

Cairo Editore



Editoriale G. Mondadori



iltr@vatore



CAIRO DIRECTORY

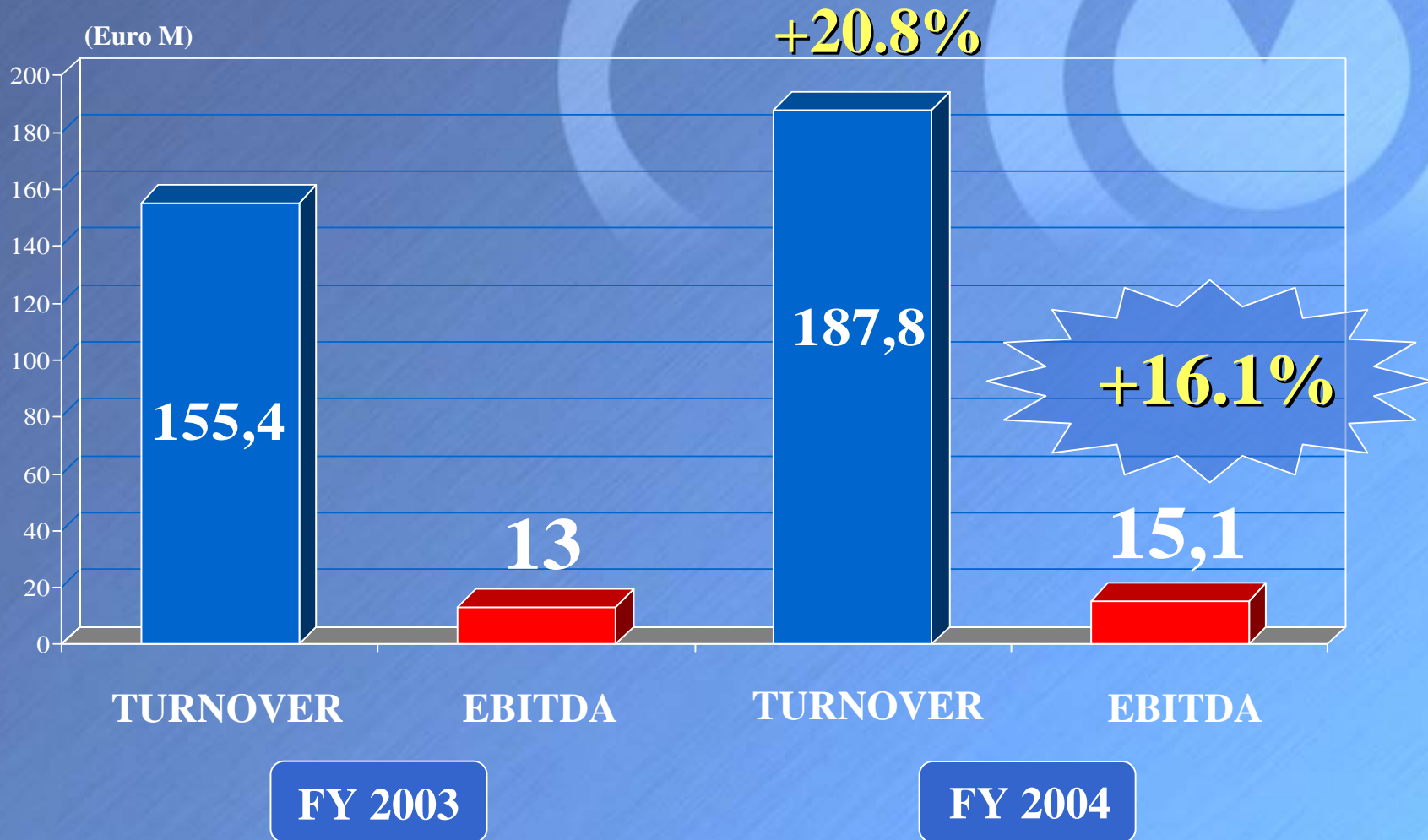
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2004 Strategic growth guidelines

- 1) Strong development of the publishing area with the launch of *Settimanale Dipiù*. (2° BEST SELLER in circulation in Italy)
- 2) Increase of advertising collection (La7, Cartoon Network, Boomerang)
- 3) Start up in the directories business with Cairo Directory

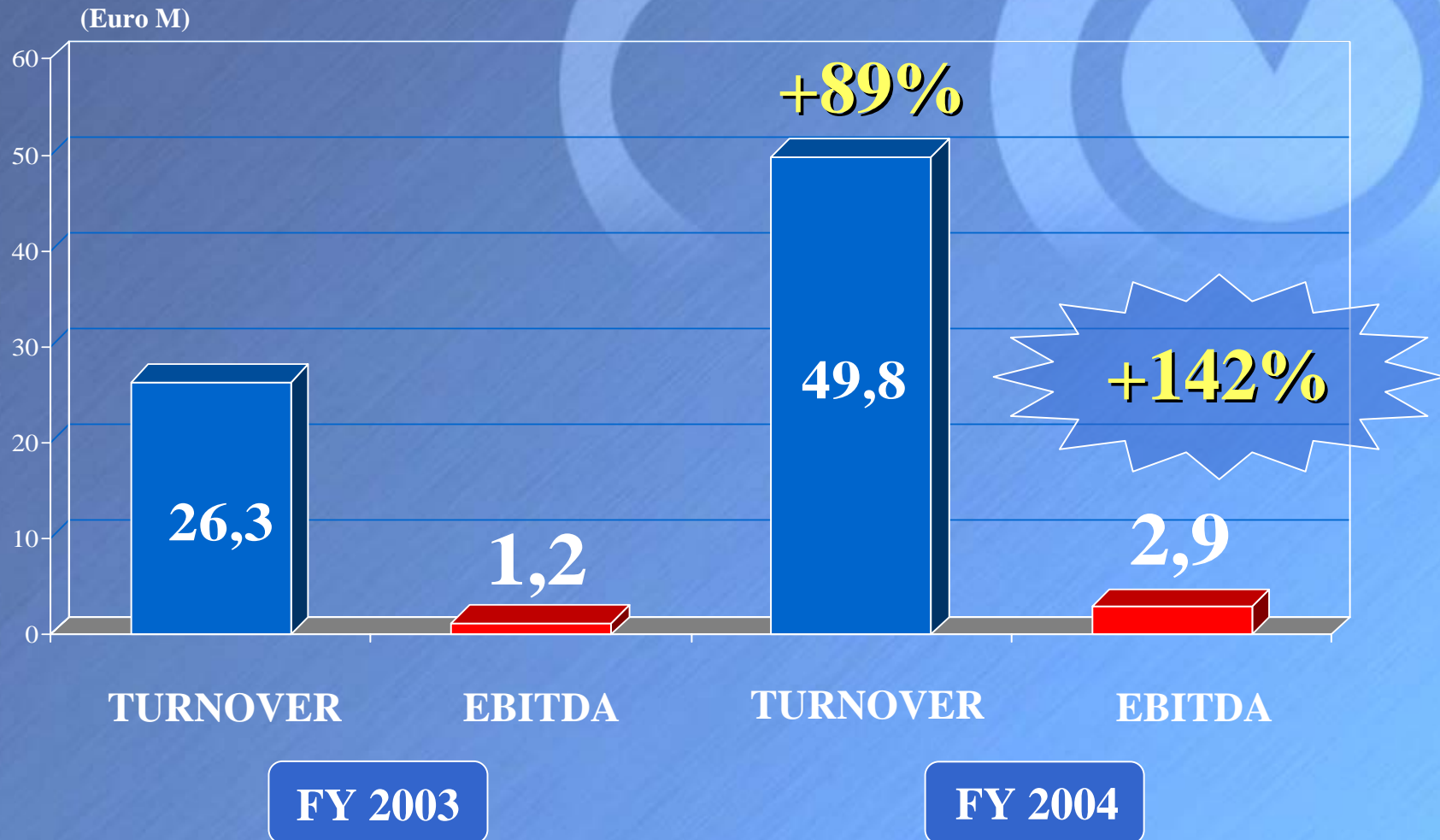
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Growth of Turnover and Margins



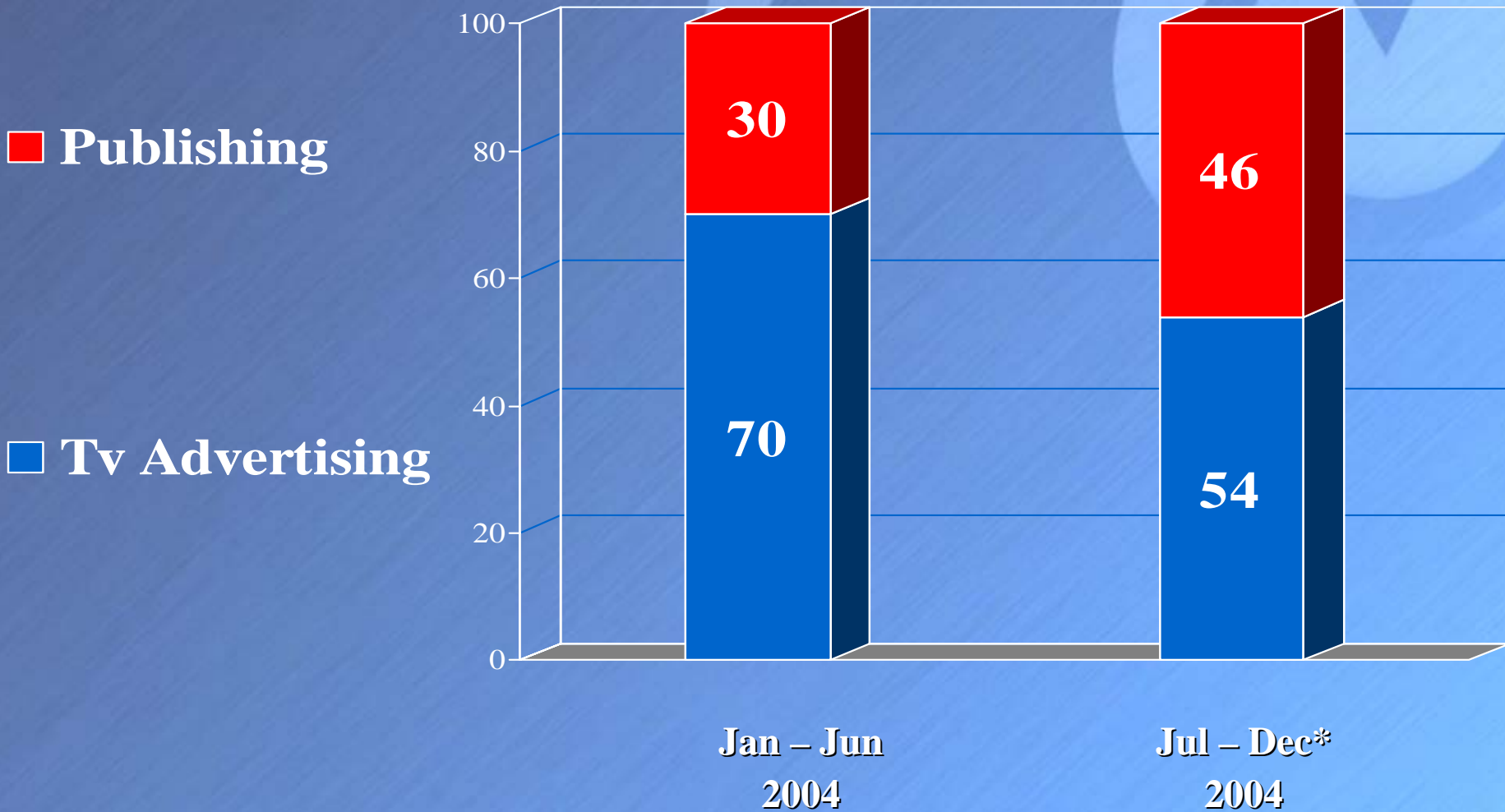
PUBLISHING

CAIRO **EDITORE** – EDITORIALE G. MONDADORI



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Turnover breakdown



*Expected value

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Group net financial position



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Dividend policy

(Euro per share)



Cairo Editore

3 Steps strategy



- 1) 2003: Cairo Editore's birth
March 2003: launch of For Men Magazine
June 2003: launch of Natural Style
- 2) April 2004: launch and development of Settimanale Dipiù
- 3) 1Q 2005: Launch of a new Tv weekly magazine edited by Sandro Mayer

Settimanale Dipiù

An extraordinary case history

1.025.000
Copies

770.000
Copies

480.000
Copies



N°1

April 19, '04



N°10

June 21, '04



N°16-19

August Average '04

The average circulation april-november '04 is about 810.000 copies

Settimanale Dipiù

THE SECOND BEST SELLER MAGAZINE IN ITALY



ADS average rolling year September '03-August '04

1	SORRISI E CANZONI	1.354.671
2	SETTIMANALE DIPIU'	780.545
3	FAM. CRISTIANA	757.741
4	FOCUS	748.276
5	AL VOLANTE	736.012
6	OGGI	650.082
7	MESS. S. ANTONIO	617.308
8	VENERDI DI REPUBB.	615.388
9	TELESETTE	577.159
10	COR. SERA MAGAZ.	569.781

Settimanale Dipiù



QUALITY TARGET*

	%	I.C.	READERS **
WOMEN	76%	146	3.097.000
AGE 14-24	20%	139	815.000
AGE 14-44	55%	110	2.241.000
HIGH SOCIAL LEVEL	18%	119	693.000
HIGH SCHOOL/DEGREE	35%	111	1.426.000

EDITORIALE GIORGIO MONDADORI VS TOURISM COMPETITORS

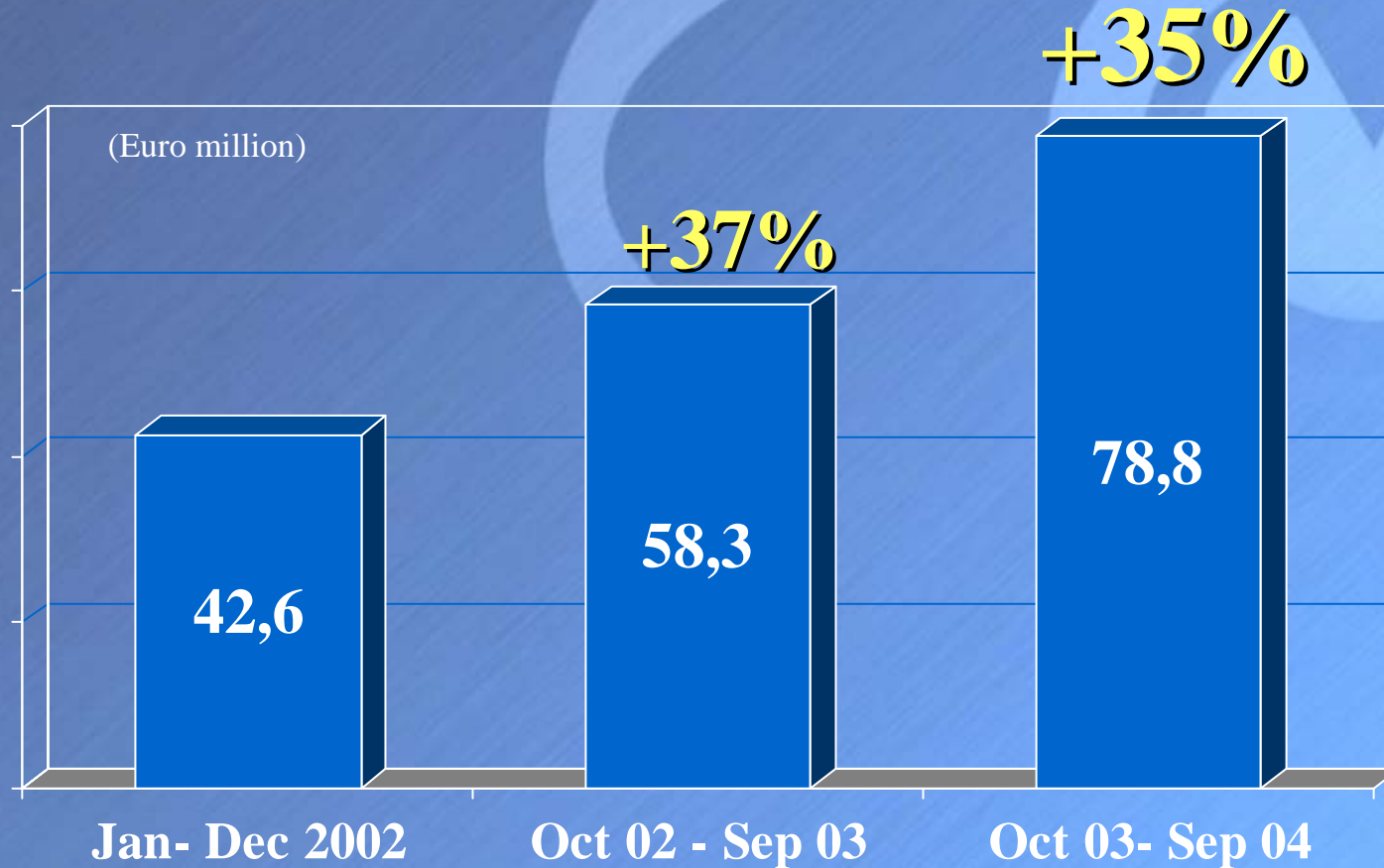
NEWS-STAND CIRCULATION

TITLES	1999*	SEPT'03-AUG'04*	
BELL'ITALIA	49.000	43.532	
BELL'EUROPA	31.625	29.276	
IN VIAGGIO	16.250	23.520	
TOTAL EGM	96. 875	96.328	=
COMPETITORS	355.581	179.788	-49%
(Dove, Gente Viaggi, Gulliver, Meridiani, Panorama Travel, Traveller, Tuttoturismo)			

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La7: strong turnover growth



The advertising Tv market (AcNielsen) is up 13.1% Oct –Sept 04 vs '03;

Oct –Sept 03 vs '02 +1,8%

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La7 2005: 3 drivers of growth

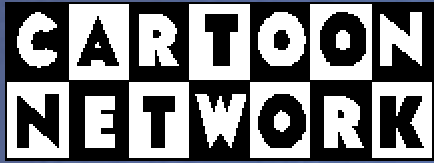
1) Increase of the advertising audience share:

- increase the audience share: from 2,33 (average '04) to 2,70 (target 2005) + 16%
- reduce the advertising audience drop: -35% La7 vs -21% Italia 1, -15% Canale5, -20% Rete4, -14% Rai 1, -22 Rai 2 and - 8% Rai 3*

2) Prices' increase:

- top quality target for La7: 4,01% audience share in high social and economic level (New Auditel clusters, nov.'04)*
- reduce price gap vs Mediaset: today's gap -20%, FY '04 cpg increase +15%*

3) Total selling of advertising spaces in day time and in jan-feb-jul-aug. The average advertising percentage of La7 is 12.6%* (max daily allowed 15%)



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Cairo Directory

A NEW GENERATION OF DIRECTORIES

1) Market segmentation by client: B2B, B2C

- ✓ 2 different communication needs, 2 different product ranges

2) For B2C, market differentiation: Metropolitan and Extra Metropolitan

- ✓ 2 different markets, 2 different products

3) Media integration (paper, on line, ecc) in order to diversify clients

communication according to time and contents:

- ✓ different messages for different occasions

EACH CUSTOMER IS IN THE CENTER OF HIS MARKET

MORE CHOICES FOR USERS WHEN NEEDED

Cairo Directory

BUSINESS PLAN

	1° Sales Campaign	2° Sales Campaign	3° Sales Campaign
ISSUES	57%	79%	100%
N° CLIENTS	86.000	150.000	215.000
N° AGENTS	350	570	740
REVENUES	43,5	80,0	120,0
DIRECT COST	48,0	66,0	88,0
OPERATING MARGIN	-4,5	14,0	32,0
MARGIN ON SALES	-10,3%	17,5%	26,7%

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2005 STRATEGY

PUBLISHING:

- Further development of Settimanale Dipiù and other magazines
- Launch of a new Tv weekly magazine in 1Q 2005

ADVERTISING:

- Further growth to exploit the advertising potential of La7 and thematic channels

DIRECTORIES:

- Start of the first selling campaign of Cairo Directory

