



## PRESS RELEASE

*The BoD approves the Consolidated Quarterly Report at March 31<sup>st</sup> 2008  
(3<sup>o</sup> quarter of FY 2007-2008, lasting from July 1<sup>st</sup> 2007 to June 30<sup>th</sup> 2008)*

### **DIGITAL BROS: GROWTH OF REVENUES AND PROFITABILITY MARGINS IN THE FIRST NINE MONTHS OF FY 2007-2008**

**+34% THE REVENUES REACHING € 144.5 MILLION**

**EBITDA +27.7 %      EBIT +26.4%      +20.8% NET PROFIT**

#### **CONSOLIDATED INCOME STATEMENT – RESULTS OF THE FIRST 9 MONTHS OF FY 2007- 2008**

<i>Thousands of Euros</i>	<b>31.03.08</b>	<b>31.03.07</b>	<b>Change</b>	<b>Increase %</b>
Consolidated revenues	144,458	107,803	36,655	+34.0%
EBITDA	11,600	9,081	2,519	+27.7%
EBIT	10,475	8,286	2,189	+26.4%
EBT	7,627	6,314	1,313	+20.8%
Net profit	4,266	3,531	735	+20.8%

***Growth of 34% for the consolidated revenues of the Group rising to € 144.5 Million (compared to the € 107.8 Million yoy). The increase of the revenues is due principally to the positive contribution of the International Publishing activity which had an impact of 27%. Strong growth also for the EBITDA (+27.7%) with a value of € 11,600 Thousands and for the EBIT at € 10,475 Thousands (+26.4). Net profit and EBT growing for 20.8%.***

***The financial net position of the Group is negative for € 57.7 Million, improving for € 3.8 Million compared to the € 61.5 Million at December 31<sup>st</sup> 2007.***

***The company reviews again the forecasts for Fiscal Year 2007-2008:  
Revenues from € 150.5 to over € 170 Million (+13%)***

***Milan, May the 8th 2008 - The Board of Directors of the Digital Bros Group – listed on the Star segment of the Italian Stock Exchange and active in the "digital entertainment" field – has approved today the consolidated quarterly report at March 31<sup>st</sup> 2008 (3<sup>o</sup> quarter of FY lasting from July 1<sup>st</sup> 2007 to June 30<sup>th</sup> 2008).***

**Significant results of the Digital Bros Group regarding the Consolidated Income Statement at March 31<sup>st</sup> 2008** and comparative figures for the same period of the previous fiscal year are listed below and point out that the Digital Bros Group has closed the first 9 months of FY 2007-2008 with a good increase of the consolidated revenues (+34%) and a strong growth of all profitability margins. These results have been achieved thank to the positive and constantly rising performance of the International Publishing activity, which confirms again the validity of the strategic decisions of the management regarding the integration and geographic diversification, like the entrance in the Spanish market through the new subsidiary DB Iberia. In detail:

- **Consolidated revenues** rise to € 144.5 Million, achieving a growth of 34% compared to the € 107.8 Million yoy;
- **EBITDA** at € 11,600 Thousands, showing a growth of 27.7% compared to the values of the first nine months of FY 2006-2007 (at € 9,081 Thousands). The growth is even more significant if considering the wider advertising investments done by the Group to sustain the launch of the titles of the International Publishing;
- **EBIT** at € 10,475 Thousands, growing for 26.4% compared to the € 8,286 Thousands yoy. To remember is that since the last quarter of FY 2006-2007 the Group has adopted a new royalties' evaluation criteria, which impacts on the EBIT with an increase of € 2,809 Thousands yoy, with an effective growth of 36.6%. To underline, that this EBIT value is, in any case, relevant considering the strong investments of the Group to sustain the sales of International Publishing titles and the New Media activity;

- **EBT** at € 7,627 Thousands, showing an increase for 20.8% compared to the € 6,314 Thousands yoy, pointing out an improvement less than proportional compared to the EBIT, due to the higher impact of the financial expenses. To remember that the application of the new royalties' evaluation criteria influenced also the EBT;
- **Net profit** at € 4,266 Thousands, growing for 20.8% yoy (€ 3,531 Thousands yoy).

### RESULTS PER BUSINESS AREA

In the first nine months of FY 2007-2008 the International Publishing activity has generated revenues for € 39.4 Million with a growth of roughly 270% compared to the € 10.6 Million yoy, having an impact of 27% on the consolidated revenues of the Group. The strong increase of the revenues of the Publishing segment is the result of the acquisition of new international licenses done by the management and the positive development of the distribution network on the international markets. The EBITDA of the international Publishing is at € 6,256 Thousands, corresponding to a growth of 255% (compared to the € 1,762 Thousands yoy).

In the same period, the traditional videogames' Distribution activity in Italy has registered an increase of the revenues that peak at € 103.4 Million, with a growth of 9% compared to the € 94.9 Million yoy, against a reduction of 13% on a yearly basis foreseen by the management at the beginning of the FY.

This result is due to a sales' rise for the videogames for new generation consoles, which represent the 92.2% of the revenues of the segment.

The contribution to the Revenues and to the Profitability Margins in the first nine months of FY 2007-2008 of the different business areas of the Digital Bros Group is listed below:

#### Results at 31<sup>st</sup> March 2008 per business area

Thousands of Euros	Distribution	Newsstands	New media	Publishing	Holding	Total
Revenues	103,425	1,272	321	39,439	0	144,458
Net revenues	91,789	1,204	321	31,210	0	124,524
Ebitda	8,285	128	(1,828)	6,256	(1,242)	11,600
Ebit	7,631	124	(2,133)	6,201	(1,348)	10,475

Significant results of the Digital Bros Group regarding the Consolidated Income Statement for the third quarter of FY 2007-2008 and comparative figures for the same period of the previous fiscal year are listed below:

- o Consolidated revenues at € 46.6 Million, with a growth of 78.5% compared to the € 26.1 Million yoy;
- o EBITDA at € 2,976 Thousands, more than doubled (+115%) if compared to the € 1,381 Thousands yoy;
- o EBIT at roughly € 2,655 Thousands, with an increase of 111.8% compared to the € 1,253 Thousands yoy;
- o EBT at € 1,600 Thousands, upward for 279% compared to the € 422 Thousands yoy;
- o Net profit at € 774 Thousands, rising for € 719 Thousands compared to the € 55 Thousands yoy.

The **Total Net Debt** of the Digital Bros Group at March 31<sup>st</sup> 2008 is negative at € 57.7 Million, showing an improvement of € 3.8 Million if compared to the € 61.5 Million registered on December 31<sup>st</sup> 2007. The Total Net Debt points out a growth of € 21 Million if compared to the € 36.7 Million registered on March 31<sup>st</sup> 2007. This increase has to be imputed principally to the larger investments in Net Circulating Capital effected by the Group to sustain the strong development of the International Publishing and the New media activity, in particular for the development and launch of the gaming portals *gametribe.com* and *fueps.com*.

### THE COMPANY DIGITAL BROS

At March 31<sup>st</sup> 2008 the company **Digital Bros S.p.A.** has registered **revenues for € 101.9 Million, growing for 6.3%** compared to the € 95.9 Million yoy. The EBITDA of the Holding has grown of 5.1%, for € 8,240 Thousands (against the € 7,842 Thousands yoy) while the EBIT is at € 8,088 Thousands with an increase of 38.8%. The EBT has grown for 48.8%, going from € 3,863 Thousands to € 5,749 Thousands at March 31<sup>st</sup> 2008. The **Holding Digital Bros closes the first nine months of FY 2007-2008 with a Net profit rising for 62.8%**, for a value of € 3,522 Thousands (against the € 2,163 Thousands yoy).

### SIGNIFICANT EVENTS OF THE THIRD QUARTER OF FY 2007-2008

- In March, the management of the Group informed about the entry in the Spanish market through the constitution of a new subsidiary, the company **DB Iberia**, which will start its activity in July. DB Iberia strenghtens the internalization's process begun by the Group in the last two years with the creation of the English subsidiary, 505 Games, and the French subsidiary, DB France, leading the Group to a direct presence in the four countries – Italy, England, France and Spain – which represent more than 70% of the European videogames' market. Digital Bros products are delivered in 20 different countries through a strong commercial network;
- During March, the management of the Group has informed to have registered a relevant performance for **Cooking Mama 2**, the videogame for console Nintendo DS™ distributed on the European market by the subsidiary 505 Games. Cooking Mama 2 is since 11 consecutive weeks at the first place in the

Italian Nintendo DS™ videogames' sales chart with roughly 70,600 units sold. Cooking Mama 2 is, furthermore, among the top 10 titles most sold in Europe and at the 4<sup>th</sup> place in the UK chart, confirming itself as the most sold title for console DS™ in Europe among those not directly delivered by Nintendo;

- Two new publishing projects for console Nintendo DS™ for the European market, "**Kira Kira Pop Princess**" and "**Stelle sul Ghiaccio**", developed by the subsidiary 505 Games.

## OUTLOOK

The trend of the market during the first nine months of FY 2007-2008 has pointed out a growth for the mass market titles for Nintendo DS consoles, especially female genre, that during the last year has generated a rise of the units sold for 161%. On the base of this positive trend, the **management has, again, revised upward the revenues' forecast for FY 2007-2008** stated to the market on last August, and already revised at December 2007: the **revenues rise from € 150.5 Million to over € 170 Million (+13%)**. Notwithstanding the significant revenues increase during the studied period, the management confirms the forecast for the EBIT, which remains unchanged, at € 11.1 Million, in order to reflect the losses on change rates, registered in the last quarter due to the effect of the quick and unexpected reduction of the exchange rate Euro/English Pound. Unchanged also the upward review – stated to the market on last December – of the guidance regarding the Publishing activity foreseen for FY 2007-2008 with revenues, that pass from € 41 Million to € 51 Million (+24.4%) and EBIT from € 6.4 Million to € 7.5 Million (+17.2%).

### ART. 154-BIS of T.U.F.

*As foreseen by comma 2 art. 154-bis of T.U.F., the manager in charge of the preparation of the accounting documents of the Digital Bros Group, Stefano Salbe, declares that the accounting information contained in this press release corresponds to the accounting results, accounting books and entry books.*

#### Digital Bros

Listed on the Milan Stock Exchange in October 2000 and on the STAR segment since April 2004, Digital Bros entered the videogames' distribution market in 1989. Today the Digital Bros Group is a *Game Entertainment Company*: the biggest Italian player in the domestic distribution of videogames and one of the leading distributors in the European market.

Pioneer in digital entertainment with a special eye for market trends, over the last few years the Digital Bros Group has undergone a diversification process of the activities resulting in the creation of three specific business areas:

- **Distribution of videogames in Italy:** through the divisions Halifax and DTI and the subsidiaries Game Service and Game Entertainment;
- **International publishing and distribution of videogames:** through the subsidiary 505 Games and foreign branches located in the UK and France;
- **New Media:** through the subsidiary Game Media Networks, active in the production and distribution of entertainment content for the new generation platforms (online gaming, mobile gaming, e-commerce, d-commerce and IP-TV).

[www.digital-bros.net](http://www.digital-bros.net)

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## FINANCIAL STATEMENTS

### Consolidated balance sheet at 31<sup>st</sup> March 2008

	EUR/000	31st March 2008	30th June 2007	Changes	
	Non-current assets				
1	Property, plant and equipment	3,514	3,378	136	4.0%
2	Investment property	455	455	0	0.0%
3	Intangible assets	617	517	100	19.3%
4	Equity investments	476	740	(264)	-35.7%
5	Non-current receivables and other assets	114	61	53	86.9%
6	Deferred tax assets	3,144	2,695	449	16.7%
	<b>Total non-current assets</b>	<b>8,320</b>	<b>7,846</b>	<b>474</b>	<b>6.0%</b>
	Non-current liabilities				
7	Employee benefits	(606)	(663)	57	-8.6%
8	Non-current provisions	(238)	(206)	(32)	15.5%
9	Other non-current payables and liabilities	0	0	0	0.0%
	<b>Total non-current liabilities</b>	<b>(844)</b>	<b>(869)</b>	<b>25</b>	<b>-2.9%</b>
	Net working capital				
10	Inventories	42,471	39,040	3,431	8.8%
11	Trade receivables	54,439	31,157	23,282	74.7%
12	Tax credits	1,803	2,538	(735)	-29.0%
13	Other current assets	12,729	8,412	4,317	51.3%
14	Trade payables	(17,795)	(15,570)	(2,225)	14.3%
15	Taxes payable	(5,749)	(3,533)	(2,216)	62.7%
16	Current provisions	0	0	0	20.0%
17	Other current liabilities	(2,452)	(2,689)	237	-8.8%
	<b>Total net working capital</b>	<b>85,446</b>	<b>59,355</b>	<b>26,091</b>	<b>44.0%</b>
	Capital and reserves				
18	Share capital	(5,644)	(5,644)	0	0.0%
19	Reserves	(19,443)	(19,457)	14	-0.1%
20	Treasury shares	521	204	317	155.4%
21	Profit (losses) carried forward	(10,631)	(7,493)	(3,138)	41.9%
	<b>Total capital and reserves</b>	<b>(35,197)</b>	<b>(32,390)</b>	<b>(2,807)</b>	<b>8.7%</b>
	<b>Total net assets</b>	<b>57,725</b>	<b>33,942</b>	<b>23,783</b>	<b>-100%</b>
22	Cash and cash equivalents	6,488	7,080	(592)	-8.4%
23	Short-term payables to banks	(47,556)	(32,676)	(14,880)	45.5%
24	Other current financial liabilities	(4,651)	(3,250)	(1,401)	43.1%
	<b>Current net debt</b>	<b>(45,719)</b>	<b>(28,846)</b>	<b>(16,873)</b>	<b>58.5%</b>
25	Non-current financial assets	0	0	0	0.0%
26	Non-current payables to banks	(9,939)	(2,673)	(7,266)	271.8%
27	Other non-current financial liabilities	(2,067)	(2,423)	356	-14.7%
	<b>Non-current net debt</b>	<b>(12,006)</b>	<b>(5,096)</b>	<b>(6,910)</b>	<b>135.6%</b>
	<b>Total net debt</b>	<b>(57,725)</b>	<b>(33,942)</b>	<b>(23,783)</b>	<b>70.1%</b>

Consolidated income statement at 31<sup>st</sup> March 2008

	EUR/000	31st March 2008		31st March 2007		Changes	
1	Gross revenues	144,458	116.0%	107,803	111.6%	36,655	34.0%
2	Revenue adjustments	(19,934)	-16.0%	(11,198)	-11.6%	(8,736)	78.0%
<b>3</b>	<b>Total net revenues</b>	<b>124,524</b>	<b>100.0%</b>	<b>96,605</b>	<b>100.0%</b>	<b>27,919</b>	<b>28.9%</b>
4	Purchase of goods for resale	(87,364)	-70.2%	(74,487)	-77.1%	(12,877)	17.3%
5	Purchase of services for resale	(152)	-0.1%	(737)	-0.8%	585	-79.4%
6	Royalties	(5,921)	-4.8%	(4,583)	-4.7%	(1,338)	29.2%
7	Change in inventories of finished products	3,913	3.1%	8,242	8.5%	(4,329)	-52.5%
<b>8</b>	<b>Total cost of goods sold</b>	<b>(89,524)</b>	<b>-71.9%</b>	<b>(71,565)</b>	<b>-74.1%</b>	<b>(17,959)</b>	<b>25.1%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>35,000</b>	<b>28.1%</b>	<b>25,040</b>	<b>25.9%</b>	<b>9,960</b>	<b>39.8%</b>
10	Other income	26	0.0%	96	0.1%	(70)	-72.9%
11	Cost of services	(12,907)	-10.4%	(6,497)	-6.7%	(6,410)	98.7%
12	Rent and leasing	(308)	-0.2%	(322)	-0.3%	14	-4.3%
13	Payroll costs	(8,440)	-6.8%	(7,249)	-7.5%	(1,191)	16.4%
14	Other operating expenses	(1,771)	-1.4%	(1,987)	-2.1%	216	-10.9%
<b>15</b>	<b>Total operating expenses</b>	<b>(23,426)</b>	<b>-18.8%</b>	<b>(16,055)</b>	<b>-16.6%</b>	<b>(7,371)</b>	<b>45.9%</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>11,600</b>	<b>9.3%</b>	<b>9,081</b>	<b>9.4%</b>	<b>2,519</b>	<b>27.7%</b>
17	Depreciation and amortization	(461)	-0.4%	(698)	-0.7%	237	-34.0%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(664)	-0.5%	(97)	-0.1%	(567)	n.s.
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(1,125)</b>	<b>-0.9%</b>	<b>(795)</b>	<b>-0.8%</b>	<b>(330)</b>	<b>41.5%</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>10,475</b>	<b>8.4%</b>	<b>8,286</b>	<b>8.6%</b>	<b>2,189</b>	<b>26.4%</b>
23	Interest income	100	0.1%	52	0.1%	48	92.3%
24	Interest expense	(2,948)	-2.4%	(2,024)	-2.1%	(924)	45.7%
<b>25</b>	<b>Net interest income (expense)</b>	<b>(2,848)</b>	<b>-2.3%</b>	<b>(1,972)</b>	<b>-2.0%</b>	<b>(876)</b>	<b>44.4%</b>
<b>26</b>	<b>Profit before taxes (22+25)</b>	<b>7,627</b>	<b>6.1%</b>	<b>6,314</b>	<b>6.5%</b>	<b>1,313</b>	<b>20.8%</b>
27	Current taxes	(3,761)	-3.0%	(2,783)	-2.9%	(978)	35.1%
28	Deferred taxes	400	0.3%	0	0.0%	400	100.0%
<b>29</b>	<b>Total taxes</b>	<b>(3,361)</b>	<b>-2.7%</b>	<b>(2,783)</b>	<b>-2.9%</b>	<b>(578)</b>	<b>20.8%</b>
<b>30</b>	<b>Net profit (26+29)</b>	<b>4,266</b>	<b>3.4%</b>	<b>3,531</b>	<b>3.7%</b>	<b>735</b>	<b>20.8%</b>
	<b>Earnings per share:</b>						
<b>33</b>	<b>Basic earnings per share (in EUR)</b>	<b>0,30</b>		<b>0,25</b>		<b>0,05</b>	<b>21.0%</b>
<b>34</b>	<b>Diluted earnings per share (in EUR)</b>	<b>0,30</b>		<b>0,25</b>		<b>0,05</b>	<b>21.0%</b>

Consolidated cash flow statement for the nine months to 31<sup>st</sup> March 2008

	EUR/000	31st March 2008	31st March 2007
<b>A, Opening net debt</b>		<b>(33,942)</b>	<b>(20,741)</b>
<b>B, Cash flow from operating activities</b>			
Group's share of net profit (loss) for the year		4,266	3,530
Depreciation, amortization and provisions:			
Amortization		205	503
Depreciation		256	195
Net change in other provisions		32	62
Net change in employee benefit provisions		(57)	85
<b>TOTAL</b>		<b>4,702</b>	<b>4,375</b>
<b>C, Change in net working capital</b>			
Inventories		(3,431)	(8,227)
Trade receivables		(23,282)	(14,523)
Tax credits		735	186
Other current assets		(4,317)	(7,887)
Trade payables		2,225	9,703
Taxes payable		2,216	3,040
Current provisions		0	
Other current liabilities		(237)	(184)
<b>TOTAL</b>		<b>(26,091)</b>	<b>(17,892)</b>
<b>D, Cash flow from investing activities</b>			
Investments in intangible assets		(304)	(324)
Investments in property, plant and equipment		(392)	(301)
Investments in financial fixed assets		(239)	(1,332)
<b>TOTAL</b>		<b>(935)</b>	<b>(1,957)</b>
<b>E, Cash flow from financing activities</b>			
Capital increases		0	0
<b>TOTAL</b>		<b>0</b>	<b>0</b>
<b>F, Movements in consolidated capital and reserves</b>			
Dividends paid		(1,128)	(1,117)
Change in treasury shares held		(317)	557
Increases (decreases) in other components of capital and reserves		(14)	15
<b>TOTAL</b>		<b>(1,459)</b>	<b>(545)</b>
<b>G, Cash flow for the period (B+C+D+E+F)</b>		<b>(23,783)</b>	<b>(16,019)</b>
<b>H, Closing net debt (A+G)</b>		<b>(57,725)</b>	<b>(36,760)</b>

### Details of cash flow movements by maturity

<b>EUR/000</b>	<b>31st December 2008</b>	<b>31st December 2007</b>
Increase (decrease) in securities and cash & cash equivalents	(592)	1,376
Decrease (increase) in short-term payables to banks	(14,879)	(20,092)
Decrease (increase) in other current financial liabilities	(1,401)	(6,742)
Short-term cash flow for the period	(16,872)	(25,458)
Medium-term cash flow for the period	(6,911)	(522)
<b>Cash flow for the period</b>	<b>(23,783)</b>	<b>(25,980)</b>

Segment reporting - Consolidated income statement at 31<sup>st</sup> March 2008

	Consolidated figures in EUR/000	Distribution	Newsstands	New Media	Publishing	Holding	Total
1	Gross revenues	103,425	1,272	321	39,439	0	144,458
2	Revenue adjustments	(11,637)	(68)	0	(8,229)	0	(19,934)
<b>3</b>	<b>Total net revenues</b>	<b>91,789</b>	<b>1,204</b>	<b>321</b>	<b>31,210</b>	<b>0</b>	<b>124,524</b>
4	Purchase of goods for resale	(71,248)	(1,108)	(25)	(14,982)	0	(87,363)
5	Purchase of services for resale	0	(152)	0	0	0	(152)
6	Royalties	(192)	(312)	(43)	(5,375)	0	(5,922)
7	Change in inventories of finished products	414	946	0	2,553	0	3,913
<b>8</b>	<b>Total cost of goods sold</b>	<b>(71,025)</b>	<b>(627)</b>	<b>(68)</b>	<b>(17,804)</b>	<b>0</b>	<b>(89,524)</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>20,763</b>	<b>577</b>	<b>253</b>	<b>13,406</b>	<b>0</b>	<b>35,000</b>
10	Other income	25	1	0	1	0	26
11	Cost of services	(5,654)	(448)	(1,263)	(5,460)	(83)	(12,907)
12	Rent and leasing	(221)	0	(18)	(68)	0	(308)
13	Payroll costs	(5,331)	0	(763)	(1,435)	(911)	(8,440)
14	Other operating expenses	(1,298)	(2)	(37)	(187)	(247)	(1,771)
<b>15</b>	<b>Total operating expenses</b>	<b>(12,503)</b>	<b>(450)</b>	<b>(2,081)</b>	<b>(7,150)</b>	<b>(1,242)</b>	<b>(23,426)</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>8,285</b>	<b>128</b>	<b>(1,828)</b>	<b>6,256</b>	<b>(1,242)</b>	<b>11,600</b>
17	Depreciation and amortization	(255)	(4)	(41)	(56)	(106)	(461)
18	Provisions	0	0	0	0	0	0
19	Asset impairment charge	(400)	0	(264)	0	0	(664)
20	Impairment reversal	0	0	0	0	0	0
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(655)</b>	<b>(4)</b>	<b>(305)</b>	<b>(56)</b>	<b>(106)</b>	<b>(1,125)</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>7,631</b>	<b>124</b>	<b>(2,133)</b>	<b>6,201</b>	<b>(1,348)</b>	<b>10,475</b>

Consolidated income statement of the third quarter of FY 2007-2008

	EUR/000	3° quarter 2007/2008		3° quarter 2006/2007		Changes	
1	Gross revenues	46,635	126.0%	26,119	122.0%	20,516	78.5%
2	Revenue adjustments	(9,615)	-26.0%	(4,704)	-22.0%	(4,911)	n.s.
<b>3</b>	<b>Total net revenues</b>	<b>37,020</b>	<b>100.0%</b>	<b>21,415</b>	<b>100.0%</b>	<b>15,605</b>	<b>72.9%</b>
4	Purchase of goods for resale	(26,671)	-72.0%	(16,764)	-78.3%	(9,907)	59.1%
5	Purchase of services for resale	(26)	-0.1%	(323)	-1.5%	297	-92.0%
6	Royalties	(2,602)	-7.0%	(2,385)	-11.1%	(217)	9.1%
7	Change in inventories of finished products	3,793	10.2%	4,637	21.7%	(844)	-18.2%
<b>8</b>	<b>Total cost of goods sold</b>	<b>(25,506)</b>	<b>-68.9%</b>	<b>(14,835)</b>	<b>-69.3%</b>	<b>(10,671)</b>	<b>71.9%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>11,514</b>	<b>31.1%</b>	<b>6,580</b>	<b>30.7%</b>	<b>4,934</b>	<b>75.0%</b>
10	Other income	23	0.1%	85	0.4%	(62)	-72.9%
11	Cost of services	(5,032)	-13.6%	(1,844)	-8.6%	(3,188)	n.s.
12	Rent and leasing	(113)	-0.3%	(127)	-0.6%	14	-11.0%
13	Payroll costs	(2,875)	-7.8%	(2,569)	-12.0%	(306)	11.9%
14	Other operating expenses	(541)	-1.5%	(744)	-3.5%	203	-27.3%
<b>15</b>	<b>Total operating expenses</b>	<b>(8,561)</b>	<b>-23.1%</b>	<b>(5,284)</b>	<b>-24.7%</b>	<b>(3,277)</b>	<b>62.0%</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>2,976</b>	<b>8.0%</b>	<b>1,381</b>	<b>6.4%</b>	<b>1,595</b>	<b>n.s.</b>
17	Depreciation and amortization	(171)	-0.5%	(128)	-0.6%	(43)	33.6%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(150)	-0.4%	0	0.0%	(150)	n.s.
20	Impairment reversal	0	0.0%	0	0.0%	0	0.0%
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(321)</b>	<b>-0.9%</b>	<b>(128)</b>	<b>-0.6%</b>	<b>(193)</b>	<b>n.s.</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>2,655</b>	<b>7.2%</b>	<b>1,253</b>	<b>5.9%</b>	<b>1,402</b>	<b>n.s.</b>
23	Interest income	39	0.1%	45	0.2%	(6)	-13.3%
24	Interest expense	(1,094)	-3.0%	(876)	-4.1%	(218)	24.9%
<b>25</b>	<b>Net interest income (expense)</b>	<b>(1,055)</b>	<b>-2.8%</b>	<b>(831)</b>	<b>-3.9%</b>	<b>(224)</b>	<b>27.0%</b>
<b>26</b>	<b>Profit before taxes (22+25)</b>	<b>1,600</b>	<b>4.3%</b>	<b>422</b>	<b>2.0%</b>	<b>1,178</b>	<b>n.s.</b>
27	Current taxes	(1,284)	-3.5%	(367)	-1.7%	(917)	n.s.
28	Deferred taxes	458	1.2%	0	0.0%	458	100.0%
<b>29</b>	<b>Total taxes</b>	<b>(826)</b>	<b>-2.2%</b>	<b>(367)</b>	<b>-1.7%</b>	<b>(459)</b>	<b>n.s.</b>
<b>30</b>	<b>Net profit (26+29)</b>	<b>774</b>	<b>2.1%</b>	<b>55</b>	<b>0.3%</b>	<b>719</b>	<b>n.s.</b>
	<b>Earnings per share:</b>						
<b>33</b>	<b>Basic earnings per share (in EUR)</b>	<b>0,06</b>		<b>0,004</b>		<b>0,05</b>	
<b>34</b>	<b>Diluted earnings per share (in EUR)</b>	<b>0,06</b>		<b>0,004</b>		<b>0,05</b>	

Digital Bros S.p.A. - Balance sheet at 31<sup>st</sup> March 2008

	EUR/000	31st March 008	30th June 2007	Changes	
<b>Non-current assets</b>					
1	Property, plant and equipment	3,282	3,253	29	0.9%
2	Investment property	455	456	(1)	-0.2%
3	Intangible assets	520	466	54	11.6%
4	Equity investments	2,204	1,355	849	62.7%
5	Non-current receivables and other assets	4	4	0	0.0%
6	Deferred tax assets	1,027	1,027	0	0.0%
	<b>Total non-current assets</b>	<b>7,492</b>	<b>6,561</b>	<b>931</b>	<b>14.2%</b>
<b>Non-current liabilities</b>					
7	Employee benefits	(584)	(653)	69	-10.6%
8	Non-current provisions	(238)	(206)	(32)	15.5%
9	Other non-current payables and liabilities	0	0	0	0.0%
	<b>Total non-current liabilities</b>	<b>(822)</b>	<b>(859)</b>	<b>37</b>	<b>-4.3%</b>
<b>Net working capital</b>					
10	Inventories	35,042	34,298	744	2.2%
11	Trade receivables	32,059	18,758	13,301	70.9%
12	Due from subsidiaries	15,816	10,626	5,190	48.8%
13	Tax credits	351	1,694	(1,343)	-79.3%
14	Other current assets	3,694	3,558	136	3.8%
15	Trade payables	(8,317)	(8,739)	422	-4.8%
16	Due to subsidiaries	(1,300)	(1,801)	501	-27.8%
17	Taxes payable	(3,212)	(1,746)	(1,466)	84.0%
18	Current provisions	0	0	0	0.0%
19	Other current liabilities	(2,261)	(2,180)	(81)	3.7%
	<b>Total net working capital</b>	<b>71,243</b>	<b>54,468</b>	<b>16,775</b>	<b>30.8%</b>
<b>Capital and reserves</b>					
20	Share capital	(5,644)	(5,644)	0	0.0%
21	Reserves	(17,965)	(17,965)	0	0.0%
22	Treasury shares	521	204	317	155.4%
23	Profit (losses) carried forward	(8,097)	(5,704)	(2,393)	42.0%
	<b>Total capital and reserves</b>	<b>(31,185)</b>	<b>(29,109)</b>	<b>(2,076)</b>	<b>7.1%</b>
	<b>Total net assets</b>	<b>46,728</b>	<b>31,061</b>	<b>15,667</b>	<b>50.4%</b>
24	Cash and cash equivalents	4,089	6,739	(2,650)	-39.3%
25	Short-term payables to banks	(41,930)	(31,007)	(10,923)	35.2%
26	Other current financial liabilities	(3,146)	(3,250)	104	-3.2%
	<b>Current net debt</b>	<b>(40,987)</b>	<b>(27,518)</b>	<b>(13,469)</b>	<b>48.9%</b>
27	Non-current financial assets	0	0	0	0.0%
28	Non-current payables to banks	(3,674)	(1,120)	(2,554)	n.s
29	Other non-current financial liabilities	(2,067)	(2,423)	356	-14.7%
	<b>Non-current net debt</b>	<b>(5,741)</b>	<b>(3,543)</b>	<b>(2,198)</b>	<b>62.0%</b>
	<b>Total net debt</b>	<b>(46,728)</b>	<b>(31,061)</b>	<b>(15,667)</b>	<b>50.4%</b>

Digital Bros S.p.A. - Income statement at 31<sup>st</sup> March 2008

	EUR/000	31st March 2008		31st March 2007		Changes	
1	Gross revenues	101,870	110.6%	95,877	108.7%	5,993	6.3%
2	Revenue adjustments	(9,727)	-10.6%	(7,691)	-8.7%	(2,036)	26.5%
<b>3</b>	<b>Total net revenues</b>	<b>92,143</b>	<b>100.0%</b>	<b>88,186</b>	<b>100.0%</b>	<b>3,957</b>	<b>4.5%</b>
4	Purchase of goods for resale	(70,900)	-76.9%	(70,890)	-80.4%	(10)	0.01%
5	Purchase of services for resale	0	0.0%	0	0.0%	0	0.0%
6	Royalties	(514)	-0.6%	(2,378)	-2.7%	1,864	-78.4%
7	Change in inventories of finished products	744	0.8%	5,205	5.9%	(4,461)	-85.7%
<b>8</b>	<b>Total cost of goods sold</b>	<b>(70,670)</b>	<b>-76.7%</b>	<b>(68,063)</b>	<b>-77.2%</b>	<b>(2,607)</b>	<b>3.8%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>21,473</b>	<b>23.3%</b>	<b>20,123</b>	<b>22.8%</b>	<b>1,350</b>	<b>6.7%</b>
10	Other income	1,172	1.3%	2,802	3.2%	(1,630)	-58.2%
11	Cost of services	(6,018)	-6.5%	(7,282)	-8.3%	1,264	-17.4%
12	Rent and leasing	(221)	-0.2%	(250)	-0.3%	29	-11.6%
13	Payroll costs	(6,618)	-7.2%	(6,032)	-6.8%	(586)	9.7%
14	Other operating expenses	(1,548)	-1.7%	(1,519)	-1.7%	(29)	1.9%
<b>15</b>	<b>Total operating expenses</b>	<b>(14,405)</b>	<b>-15.6%</b>	<b>(15,083)</b>	<b>-17.1%</b>	<b>678</b>	<b>-4.5%</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>8,240</b>	<b>8.9%</b>	<b>7,842</b>	<b>8.9%</b>	<b>398</b>	<b>5.1%</b>
17	Depreciation and amortization	(352)	-0.4%	(650)	-0.7%	298	-45.8%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(400)	-0.4%	(1,366)	-1.5%	966	-70.7%
20	Impairment reversal	600	0.7%	0	0.0%	600	0.0%
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(152)</b>	<b>-0.2%</b>	<b>(2,016)</b>	<b>-2.3%</b>	<b>1,864</b>	<b>-92.5%</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>8,088</b>	<b>8.8%</b>	<b>5,826</b>	<b>6.6%</b>	<b>2,262</b>	<b>38.8%</b>
23	Interest income	92	0.1%	50	0.1%	42	84.0%
24	Interest expense	(2,431)	-2.6%	(2,013)	-2.3%	(418)	20.8%
<b>25</b>	<b>Net interest income (expense)</b>	<b>(2,339)</b>	<b>-2.5%</b>	<b>(1,963)</b>	<b>-2.2%</b>	<b>(376)</b>	<b>19.2%</b>
<b>26</b>	<b>Profit before taxes (22+25)</b>	<b>5,749</b>	<b>6.2%</b>	<b>3,863</b>	<b>4.4%</b>	<b>1,886</b>	<b>48.8%</b>
27	Current taxes	(2,227)	-2.4%	(1,700)	-1.9%	(527)	31.0%
28	Deferred taxes	0	0.0%	0	0.0%	0	0.0%
<b>29</b>	<b>Total taxes</b>	<b>(2,227)</b>	<b>-2.4%</b>	<b>(1,700)</b>	<b>-1.9%</b>	<b>(527)</b>	<b>31.0%</b>
<b>30</b>	<b>Net profit (26+29)</b>	<b>3,522</b>	<b>3.8%</b>	<b>2,163</b>	<b>2.5%</b>	<b>1,359</b>	<b>62.8%</b>