



PRESS RELEASE

*The BoD of the Digital Bros Group approves the Year Report of FY 2010-2011*

## **DIGITAL BROS GROUP:**

**REVENUES AND MARGINS DOWN FOR FY 2010-2011  
IN LINE WITH GENERAL VIDEOGAMES' MARKET TREND**

**BACK TO PROFIT IN THE FOURTH QUARTER  
THANK TO THE INTERNATIONAL SUCCESS OF ZUMBA® FITNESS  
WHICH WILL CONFIRM RETURN TO PROFITABILITY FOR THE WHOLE FIRST QUARTER OF THE NEW  
FISCAL YEAR**

- ✓ *The Digital Bros Group ends FY 2010-2011 with Consolidated Net Revenues at € 115.6 million, down yoy by 11.5% compared to € 130.6 million of FY 2009-2010;*
- ✓ *Profitability margins down:*
  - *EBITDA at € 876 thousand, decreasing for € 3,100 thousand compared to € 3,976 thousand of previous FY;*
  - *EBIT negative for € 230 thousand, downward for € 3,486 thousand compared to the positive value of € 3,256 thousand registered in the previous FY;*
  - *EBT negative for € 4,241 thousand, decreasing for € 5,051 thousand compared to the positive value of € 810 thousand of FY 2009-2010;*
  - *Net profit negative by € 2,965 thousand, worsening of € 2,761 thousand compared to the negative value of € 204 thousand of previous FY;*
- ✓ *Steady the Financial Net Debt of the Group, from € 55.6 million at 30 June 2010 to € 55.8 million at 30 June 2011;*
- ✓ *Better the results of the Group during the fourth quarter due to the International success of Zumba® Fitness which is pushing business upswing also in the first quarter of FY 2011-2012. As of today more than € 1.5 million units sold of the videogame on European and Australian markets.*

*Milan, 13 September 2011 – The Board of Directors of the Digital Bros Group* - listed on the Star segment of the Italian Stock Exchange (IT0001469995) and active in the "digital entertainment" sector - **has approved today the Year Report of FY 2010-2011** (lasting from July the 1<sup>st</sup> 2010 to June the 30<sup>th</sup> 2011).

Here are the main results of the Group showing the Consolidated Income Statement of FY 2010-2011 compared with the previous FY.

FY 2010-2011 has been closed with consolidated Net Revenues at € 115.6 million, down yoy by 11.5% compared to € 130.6 million of previous FY, but with a positive performance during the last quarter. The success of the videogame Zumba® Fitness (multiple formats: Nintendo Wii, Microsoft Xbox and Sony PlayStation3), that as of today has exceeded 1.5 million units sold among PAL territories (Europe, Africa and Oceania), has indeed pulled a significant upswing of the Group's activities, in particular regarding the International Publishing sector. Thank to the huge success of this videogame, lasting also after the end of FY 2010-2011, the Group's performances' trend change can be confirmed also for FY 2011-2012, already starting during the first quarters of the FY.

### **More specifically, the Digital Bros Group has closed FY 2010-2011 with:**

- ✓ **Consolidated Net Revenues** at € 115.6 million showing yoy a decrease of 11.5% compared to € 130.6 million at the end of FY 2009-2010;
- ✓ **EBITDA** at € 876 thousand, down by 3,100 thousand compared to € 3,976 thousand of previous FY;
- ✓ **EBIT** negative for € 230 thousand, decreasing for € 3,486 thousand compared to the positive value of € 3,256 thousand of previous FY;
- ✓ **EBT** negative at € 4,241 thousand, downward by € 5,051 thousand compared to the positive value of € 810 thousand of FY 2009-2010;
- ✓ **Net Profit** negative for € 2,965 thousand, down by € 2,761 thousand compared to the negative value of € 204 thousand of previous FY.

The reversal of trend of the last quarter of FY is almost evident. In fact on a consolidated level the Digital Bros Group has improved **EBITDA** for € 3,229 thousand compared to 31 March 2011, despite the record of advanced advertising costs for upcoming products for € 913 thousand.

### **PERFORMANCE BY BUSINESS SEGMENT**

In FY 2010-2011, traditional business of Italian distribution of videogame recorded Net Revenues for € 73.1 million, decreasing yoy by 19.2% compared to € 90.4 million. The reduction in revenues is the result of dynamics that influenced the first nine months of FY, that is pressure on sales prices due to maturity of some consoles on the market and low consumption propensity of Italian customers, that have continued to persist also in the last part of the FY.

The International Publishing activity has generated net revenues for € 42.1 million, increasing yoy by 7.8% compared to € 39.1 million of previous FY. Regarding the International Publishing activity, the FY closed at 30 June 2011 had a contrasting course state: while the first nine months have been marked by the decision of the Group to focus sale strategies on economic products through the launch of only two new products on the International markets, the last period of FY has shown a relevant reprise of the activities through the success of the videogame ZUMBA® Fitness for Nintendo Wii. The videogame has been for a long while at the first place in European charts, especially the one of UK, continuing the sales' phase after the end of FY. At 30 June 2011 the product achieved over 800 thousand units sold, 0.5 million of those only on the English market.

The Kiosk segment has recorded in the year ended June 30th 2011 Net Revenues for 385 thousand down yoy by 37.4% compared to € 615 thousand, because of lower sales compared to previous FY. The negative sales' trend of products in editorial bundle in Italy has pushed the Group to avoid further investments in this segment.

The contribution to Revenues and Profitability Margins of the different business areas of the Digital Bros Group in the FY 2010-2011 is detailed below:

<b>Results FY 2010-2011 per business area</b>					
<i>Consolidated figures in EUR/000</i>	<b>Distribution</b>	<b>Publishing</b>	<b>Newsstand</b>	<b>Holding</b>	<b>Total</b>
GROSS REVENUES	80,838	47,303	385	0	128,526
NET REVENUES	73,092	42,150	385	0	115,627
EBITDA	2,974	(436)	(193)	(1,469)	876
EBIT	2,146	(620)	(203)	(1,553)	(230)

### **THE FINANCIAL NET POSITION**

The Total Financial Net Debt of the Digital Bros Group at 30 June 2011 is € 55.8 million, steady if compared to € 55.6 million at 30 June 2010, despite of the relevant increase in sales in the fourth quarter compared to the previous FY.

The availability of new International factoring lines to support the sales process has caused a significant change in the debt structure with a decrease of debt towards banks for roughly € 7 million and a corresponding increase of factoring lines for € 7.2 million.

### **THE PARENT COMPANY DIGITAL BROS S.p.A.**

The parent company Digital Bros S.p.A. has closed FY 2010-2011 with net Revenues for € 70.6 million, down compared to the € 88.4 million of the previous FY. L'EBITDA of the parent company has gone from € 5.9 million, of the previous FY, to a negative value for € 70 thousand; EBIT is at € 1 million, down compared to € 3.1 million of FY 2009-2010.

## **BUY BACK**

At 30 June 2011 Digital Bros S.p.A. owns 525,247 treasury shares. During FY 2010-2011 the company didn't purchase nor sell any of them.

## **CONVOCAZIONE OF THE SHAREHOLDERS' MEETING**

The Board of Directors has authorized the President to convene the Ordinary and Extraordinary Shareholders' Meeting for October 27, 2011 at 9 am (first call) and possibly in the second summons on October 29 2011, at the same time. In Ordinary meeting the Assembly will meet to approve the Budget for the year 2010-2011 and appoint the members of the Board of Directors and Board of Auditors, after determining the number of its members, the duration of the charge and the annual fee. The Shareholder's meeting must also approve the renewal of the Board of Directors to carry out before the date of approval of financial statements at June 30, 2011, purchase and sale of own shares up to a maximum of one million ordinary shares representing not more 10% of the share capital that currently exists, according to the article .144 bis of 11971/99. Any purchase, if approved, will be made at a price not exceeding 10 euros per share and not less than € 0.40 per share, in accordance with and within the limits of laws and regulations of the Italian Stock Exchange and the Community provisions. The reasons for which permission has been requested are: corporate purposes such as, for example, exchange and / or the exchange to create strategic partnerships; investment purposes such as, for example, to make trading, hedging and arbitrage act in the presence of abnormal fluctuations of the stock market or investment operations of liquidity; in the service of any stock option plans that can be resolved in the future. The Extraordinary shareholder's Meeting will deliberate on the amendment of the bylaws, in compliance with the provisions introduced by Legislative Decree No 27 of 27 January 2010, and related and subsequent resolutions.

## **OUTLOOK**

For the year 2011-2012, the management of the Digital Bros Group provides a confirmation of the turnaround in performance, thanks to significant recovery of activity International Publishing driven by the extraordinary success of Zumba Fitness ®, which has sold in the territories PAL (Europe, Africa and Oceania), more than 1.5 million copies in different formats (Nintendo Wii, Microsoft Xbox and Sony PlayStation 3) and is expected to exceed, by the end of the calendar year, two million copies.

In addition, the sector's operating International Publishing also is benefiting from its launch in late August, the official video game of the Rugby World Cup for the Microsoft Xbox and Sony PlayStation 3, which is placed in top three rankings of the Anglo-Saxon countries in the first week of release. In the first half of 2011-2012 will be also distributed products Supremacy MMA and Michael Phelps (of particular liking for the American market).

Due to these confounding factors, the industry expects a confirmation Publishing's operating income of positive results recorded in the fourth quarter 2010-2011, with excellent performance already evident during the first two quarters of 2011-2012.

Italy for the area of distribution, the recovery of revenues and operating margins will be rather less evident, mainly due to the economic environment is not particularly favorable. The recovery in revenues will be given not only by the new distribution agreement signed with THQ, but also the expected success of the game of soccer simulation Pro Evolution Soccer, the new chapters of the saga of Mario & Sonic at the Olympic Games in London, Final Fantasy and Resident Evil. As for the kiosk segment little activity is expected with a cancellation of the operating loss recorded during the current year. Finally, the expected costs stable for the Holding.

**In summary, on a consolidated expects a growth of international revenue percentage weight than those made in Italy and confirmation, in the first quarter of the new financial year, the return to profit in the fourth quarter of 2010-2011.**

**With regard to capital structure, finally, the Group expects to reduce net debt due to the constant decline in inventories, increased net working capital turnover and a reduction in collection times, and finally, thanks to expected profitability for the next year.**

## **ART. 154-BIS DEL T.U.F.**

*As required by paragraph 2, Art. 154-bis of the Consolidated Finance Act, the financial reporting officer of the Digital Bros Group, Stefano Salbe, declares that the information contained herein corresponds to the Group's records, ledgers and accounting entries.*

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

Listed on the Milan Stock Exchange since October 2000 and in the STAR section since April 2004, Digital Bros was founded in 1989 as a distributor of video games. Today, the Digital Bros Group is a full-fledged game entertainment corporation: the number one games distributor in Italy and one of the leading players in Europe.

A digital entertainment pioneer and a close watcher of market trends, in recent years the Digital Bros Group has diversified into two main segments:

- **Distribution of video games in Italy:** through the divisions Halifax and DTI and the subsidiaries Game Service and Game Entertainment;
- **International publishing and distribution of games:** through the subsidiary 505 Games and direct operations in the U.K., France, Spain and the USA.

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## FINANCIAL STATEMENTS

### DIGITAL BROS GROUP - CONSOLIDATED BALANCE SHEET AT 30 JUNE 2011

	Eur/000	30 June 2011	30 June 2010	Change	
	<b>Non-current assets</b>				
1	Property, plant and equipment	4,104	4,146	(42)	-1.0%
2	Investment property	455	455	0	0.0%
3	Intangible assets	382	589	(207)	-35.2%
4	Equity investments	0	0	0	0.0%
5	Non-current receivables and other assets	751	774	(23)	-3.0%
6	Deferred tax assets	5,159	3,581	1,578	44.1%
	<b>Total non-current assets</b>	<b>10,851</b>	<b>9,545</b>	<b>1,306</b>	<b>13.7%</b>
	<b>Non-current liabilities</b>				
7	Employee benefits	(460)	(487)	27	-5.5%
8	Non-current provisions	(316)	(302)	(14)	4.4%
9	Other non-current payables and liabilities	0	0	0	0.0%
	<b>Total non-current liabilities</b>	<b>(776)</b>	<b>(789)</b>	<b>13</b>	<b>-1.7%</b>
	<b>Net working capital</b>				
10	Inventories	30,161	42,029	(11,868)	-28.2%
11	Trade receivables	48,624	43,421	5,203	12.0%
12	Tax credits	1,652	2,194	(542)	-24.7%
13	Other current assets	7,316	6,195	1,121	18.1%
14	Trade payables	(11,353)	(13,862)	2,509	-18.1%
15	Taxes payable	(3,478)	(1,967)	(1,511)	76.8%
16	Current provisions	0	0	0	0.0%
17	Other current liabilities	(3,076)	(4,584)	1,508	-32.9%
	<b>Total net working capital</b>	<b>69,846</b>	<b>73,426</b>	<b>(3,580)</b>	<b>-4.9%</b>
	<b>Capital and reserves</b>				
18	Share capital	(5,644)	(5,644)	0	0.0%
19	Reserves	(19,761)	(19,207)	(554)	2.9%
20	Treasury shares	1,574	1,574	0	0.0%
21	Profit (losses) carried forward	(327)	(3,292)	2,965	-90.1%
	<b>Total capital and reserves</b>	<b>(24,158)</b>	<b>(26,569)</b>	<b>2,411</b>	<b>-9.1%</b>
	<b>Total net assets</b>	<b>55,763</b>	<b>55,613</b>	<b>150</b>	<b>0.3%</b>
	<b>Current net debt</b>				
22	Cash and cash equivalents	4,750	5,015	(265)	-5.3%
23	Short-term payables to banks	(50,095)	(57,068)	6,973	-12.2%
24	Other current financial liabilities	(8,761)	(1,507)	(7,254)	n.s.
	<b>Current net debt</b>	<b>(54,106)</b>	<b>(53,560)</b>	<b>(546)</b>	<b>1.0%</b>
	<b>Non-current net debt</b>				
25	Non-current financial assets	0	0	0	0.0%
26	Non-current payables to banks	(27)	(390)	363	-93.0%
27	Other non-current financial liabilities	(1,630)	(1,663)	33	-2.0%
	<b>Non-current net debt</b>	<b>(1,657)</b>	<b>(2,053)</b>	<b>396</b>	<b>-19.3%</b>
	<b>Total net debt</b>	<b>(55,763)</b>	<b>(55,613)</b>	<b>(150)</b>	<b>0.3%</b>

## Digital Bros Group

### Consolidated Income Statement at 30 June 2011

	EUR/000	30 June 2011		30 June 2010		Change	
1	Gross revenues	128,526	111.2%	154,570	118.3%	(26,044)	-16.8%
2	Revenue adjustments	(12,899)	-11.2%	(23,920)	-18.3%	11,021	-46.1%
<b>3</b>	<b>Total net revenues</b>	<b>115,627</b>	<b>100.0%</b>	<b>130,650</b>	<b>100.0%</b>	<b>(15,023)</b>	<b>-11.5%</b>
4	Purchase of goods for resale	(62,916)	-54.4%	(81,859)	-62.7%	18,943	-23.1%
5	Purchase of services for resale	(816)	-0.7%	(2,811)	-2.2%	1,995	-71.0%
6	Royalties	(7,538)	-6.5%	(9,186)	-7.0%	1,648	-17.9%
7	Change in inventories of finished products	(11,868)	-10.3%	(100)	-0.1%	(11,768)	n.s.
<b>8</b>	<b>Total cost of goods sold</b>	<b>(83,138)</b>	<b>-71.9%</b>	<b>(93,956)</b>	<b>-71.9%</b>	<b>10,818</b>	<b>-11.5%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>32,489</b>	<b>28.1%</b>	<b>36,694</b>	<b>28.1%</b>	<b>(4,205)</b>	<b>-11.5%</b>
10	Other income	212	0.2%	161	0.1%	51	31.9%
11	Cost of services	(16,268)	-14.1%	(16,374)	-12.5%	106	-0.6%
12	Rent and leasing	(1,161)	-1.0%	(1,027)	-0.8%	(134)	13.1%
13	Payroll costs	(12,543)	-10.8%	(13,168)	-10.1%	625	-4.7%
14	Other operating expenses	(1,853)	-1.6%	(2,310)	-1.8%	457	-19.8%
<b>15</b>	<b>Total operating expenses</b>	<b>(31,825)</b>	<b>-27.5%</b>	<b>(32,879)</b>	<b>-25.2%</b>	<b>1,054</b>	<b>-3.2%</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>876</b>	<b>0.8%</b>	<b>3,976</b>	<b>3.0%</b>	<b>(3,100)</b>	<b>-78.0%</b>
17	Depreciation and amortization	(804)	-0.7%	(854)	-0.7%	50	-5.9%
18	Provisions	0	0.0%	0	0.0%	0	0.0%
19	Asset impairment charge	(302)	-0.3%	(56)	0.0%	(246)	0.0%
20	Impairment reversal	0	0.0%	190	0.1%	(190)	0.0%
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(1,106)</b>	<b>-1.0%</b>	<b>(720)</b>	<b>-0.6%</b>	<b>(386)</b>	<b>53.5%</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>(230)</b>	<b>-0.2%</b>	<b>3,256</b>	<b>2.5%</b>	<b>(3,486)</b>	<b>n.s.</b>
23	Interest income	675	0.6%	1,551	1.2%	(876)	-56.5%
24	Interest expense	(4,686)	-4.1%	(3,997)	-3.1%	(689)	17.2%
<b>25</b>	<b>Net interest income (expense)</b>	<b>(4,011)</b>	<b>-3.5%</b>	<b>(2,446)</b>	<b>-1.9%</b>	<b>(1,565)</b>	<b>64.0%</b>
<b>26</b>	<b>Profit before taxes (22+25)</b>	<b>(4,241)</b>	<b>-3.7%</b>	<b>810</b>	<b>0.6%</b>	<b>(5,051)</b>	<b>n.s.</b>
27	Current taxes	(302)	-0.3%	(458)	-0.4%	156	-34.1%
28	Deferred taxes	1,578	1.4%	(556)	-0.4%	2,134	n.s.
<b>29</b>	<b>Total taxes</b>	<b>1,276</b>	<b>1.1%</b>	<b>(1,014)</b>	<b>-0.8%</b>	<b>2,290</b>	<b>n.s.</b>
<b>30</b>	<b>Net profit (26+29)</b>	<b>(2,965)</b>	<b>-2.6%</b>	<b>(204)</b>	<b>-0.2%</b>	<b>(2,761)</b>	<b>n.s.</b>
	<b>Earnings per share:</b>						
<b>33</b>	<b>Basic earnings per share (in EUR)</b>	<b>(0,22)</b>		<b>(0,02)</b>		<b>(0,20)</b>	<b>n.s.</b>
<b>34</b>	<b>Diluted earnings per share (in EUR)</b>	<b>(0,22)</b>		<b>(0,02)</b>		<b>(0,20)</b>	<b>n.s.</b>

## Digital Bros Group

### Consolidated Cash Flow Statement at 30 June 2011

	EUR/000	30 June 2011	30 June 2010
<b>A. Opening net debt</b>		<b>(55,613)</b>	<b>(60,013)</b>
<b>B. Cash flow from operating activities</b>			
Group's share of net profit (loss) for the year		(2,965)	(204)
Depreciation, amortization and provisions:			
Amortization		264	333
Depreciation		540	521
Net change in other provisions		(27)	18
Net change in employee benefit provisions		14	(14)
<b>TOTAL</b>		<b>(2,174)</b>	<b>654</b>
<b>C. Change in net working capital</b>			
Inventories		11,868	100
Trade receivables		(5,203)	(5,073)
Tax credits		542	322
Other current assets		(1,121)	6,891
Trade payables		(2,509)	323
Taxes payable		1,511	505
Current provisions		0	0
Other current liabilities		(1,508)	645
<b>TOTAL</b>		<b>3,580</b>	<b>3,713</b>
<b>D. Cash flow from investing activities</b>			
Investments in intangible assets		(57)	(222)
Investments in property, plant and equipment		(498)	(962)
Investments in financial fixed assets		(1,555)	1,583
<b>TOTAL</b>		<b>(2,110)</b>	<b>399</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		0	0
Change in treasury shares held		0	(85)
Increases (decreases) in other components of capital and reserves		554	(281)
<b>TOTAL</b>		<b>554</b>	<b>(366)</b>
<b>G. Cash flow for the period (B+C+D+E+F)</b>		<b>(150)</b>	<b>4,400</b>
<b>H. Final financial net position (A+G)</b>		<b>(55,763)</b>	<b>(55,613)</b>

## SEGMENT REPORTING

### CONSOLIDATED BALANCE SHEET AT 30 JUNE 2011

	Consolidated figures in EUR/000	Distribution Italy	Kiosk	New media	International Publishing	Holding	Non allocated elements	Consolidated
	<b>Non-current assets</b>							
1	Property, plant and equipment	1,027	0	0	228	2,849	0	4,104
2	Investment property	0	0	0	0	455	0	455
3	Intangible assets	330	0	0	42	10	0	382
4	Equity investments	0	0	0	0	0	0	0
5	Non-current receivables and other assets	644	0	0	107	0	0	751
6	Deferred tax assets	0	0	0	0	0	5,159	5,159
	<b>Total non-current assets</b>	<b>2,001</b>	<b>0</b>	<b>0</b>	<b>377</b>	<b>3,314</b>	<b>5,159</b>	<b>10,851</b>
	<b>Non-current liabilities</b>							
7	Employee benefits	(460)	0	0	0	0	0	(460)
8	Non-current provisions	(316)	0	0	0	0	0	(316)
9	Other non-current payables and liabilities	0	0	0	0	0	0	0
	<b>Total non-current liabilities</b>	<b>(776)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(776)</b>
	<b>Net working capital</b>							
10	Inventories	23,954	245	0	5,962	0	0	30,161
11	Trade receivables	12,555	19	0	36,050	0	0	48,624
12	Tax credits	0	0	0	0	0	1,652	1,652
13	Other current assets	1,621	3	0	5,692	0	0	7,316
14	Trade payables	(3,708)	(104)	0	(7,541)	0	0	(11,353)
15	Taxes payable	0	0	0	0	0	(3,478)	(3,478)
16	Current provisions	0	0	0	0	0	0	0
17	Other current liabilities	(1,854)	(1)	0	(1,221)	0	0	(3,076)
	<b>Total net working capital</b>	<b>32,568</b>	<b>162</b>	<b>0</b>	<b>38,942</b>	<b>0</b>	<b>(1,826)</b>	<b>69,846</b>
	<b>Total</b>	<b>33,793</b>	<b>162</b>	<b>0</b>	<b>39,319</b>	<b>3,314</b>	<b>3,333</b>	<b>79,921</b>

## SEGMENT REPORTING

### CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2011

	Consolidated figures in EUR/000	Distribution Italy	Kiosk	New media	International Publishing	Holding	Total
1	Gross revenues	80,838	385	0	47,303	0	128,526
2	Revenue adjustments	(7,746)	0	0	(5,153)	0	(12,899)
<b>3</b>	<b>Total net revenues</b>	<b>73,092</b>	<b>385</b>	<b>0</b>	<b>42,150</b>	<b>0</b>	<b>115,627</b>
4	Purchase of goods for resale	(46,284)	(205)	0	(16,427)	0	(62,916)
5	Purchase of services for resale	0	(43)	0	(773)	0	(816)
6	Royalties	(121)	0	0	(7,417)	0	(7,538)
7	Change in inventories of finished products	(8,600)	(276)	0	(2,992)	0	(11,868)
<b>8</b>	<b>Total cost of goods sold</b>	<b>(55,005)</b>	<b>(524)</b>	<b>0</b>	<b>(27,609)</b>	<b>0</b>	<b>(83,138)</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>18,087</b>	<b>(139)</b>	<b>0</b>	<b>14,541</b>	<b>0</b>	<b>32,489</b>
10	Other income	101	0	0	111	0	212
11	Cost of services	(7,619)	(54)	0	(8,400)	(195)	(16,268)
12	Rent and leasing	(779)	0	0	(380)	(2)	(1,161)
13	Payroll costs	(5,791)	0	0	(5,683)	(1,069)	(12,543)
14	Other operating expenses	(1,025)	0	0	(625)	(203)	(1,853)
<b>15</b>	<b>Total operating expenses</b>	<b>(15,214)</b>	<b>(54)</b>	<b>0</b>	<b>(15,088)</b>	<b>(1,469)</b>	<b>(31,825)</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>2,974</b>	<b>(193)</b>	<b>0</b>	<b>(436)</b>	<b>(1,469)</b>	<b>876</b>
17	Depreciation and amortization	(536)	0	0	(184)	(84)	(804)
18	Provisions	0	0	0	0	0	0
19	Asset impairment charge	(292)	(10)	0	0	0	(302)
20	Impairment reversal	0	0	0	0	0	0
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>(828)</b>	<b>(10)</b>	<b>0</b>	<b>(184)</b>	<b>(84)</b>	<b>(1,106)</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>2,146</b>	<b>(203)</b>	<b>0</b>	<b>(620)</b>	<b>(1,553)</b>	<b>(230)</b>

# Digital Bros S.p.A.

## Balance Sheet at 30 June 2011

	EUR/000	30 June 2011	30 June 2010	Change	
<b>Non-current assets</b>					
1	Property, plant and equipment	3,869	3,782	87	2.3%
2	Investment property	455	455	0	0.0%
3	Intangible assets	338	514	(176)	-34.3%
4	Equity investments	12,235	2,235	10,000	n.s.
5	Non-current receivables and other assets	644	637	7	1.1%
6	Deferred tax assets	1,401	705	696	98.8%
	<b>Total non-current assets</b>	<b>18,942</b>	<b>8,328</b>	<b>10,614</b>	<b>n.s.</b>
<b>Non-current liabilities</b>					
7	Employee benefits	(452)	(480)	28	-5.9%
8	Non-current provisions	(316)	(302)	(14)	4.7%
9	Other non-current payables and liabilities	0	0	0	0.0%
	<b>Total non-current liabilities</b>	<b>(768)</b>	<b>(782)</b>	<b>14</b>	<b>-1.8%</b>
<b>Net working capital</b>					
10	Inventories	24,602	31,957	(7,355)	-23.0%
11	Trade receivables	11,576	13,139	(1,563)	-11.9%
12	Due from subsidiaries	23,513	28,306	(4,793)	-16.9%
13	Tax credits	775	1,120	(345)	-30.8%
14	Other current assets	1,621	2,431	(810)	-33.3%
15	Trade payables	(3,672)	(5,097)	1,425	-28.0%
16	Due to subsidiaries	(2,516)	(2,543)	27	-1.1%
17	Taxes payable	(1,859)	(1,230)	(629)	51.1%
18	Current provisions	(1,589)	(1,589)	0	0.0%
19	Other current liabilities	(1,699)	(1,406)	(293)	20.8%
	<b>Total net working capital</b>	<b>50,752</b>	<b>65,088</b>	<b>(14,336)</b>	<b>-22.0%</b>
<b>Capital and reserves</b>					
20	Share capital	(5,644)	(5,644)	0	0.0%
21	Reserves	(17,962)	(17,962)	0	0.0%
22	Treasury shares	1,574	1,574	0	0.0%
23	Profit (losses) carried forward	(3,567)	(5,211)	1,644	-31.5%
	<b>Total capital and reserves</b>	<b>(25,599)</b>	<b>(27,243)</b>	<b>1,644</b>	<b>-6.0%</b>
	<b>Total net assets</b>	<b>43,327</b>	<b>45,391</b>	<b>(2,064)</b>	<b>-4.5%</b>
<b>Current net debt</b>					
24	Cash and cash equivalents	2,863	3,640	(777)	-21.4%
25	Short-term payables to banks	(43,023)	(45,800)	2,777	-6.1%
26	Other current financial liabilities	(1,510)	(1,507)	(3)	0.2%
	<b>Current net debt</b>	<b>(41,670)</b>	<b>(43,667)</b>	<b>1,997</b>	<b>-4.6%</b>
<b>Non-current net debt</b>					
27	Non-current financial assets	0	0	0	0.0%
28	Non-current payables to banks	(27)	(61)	34	-55.1%
29	Other non-current financial liabilities	(1,630)	(1,663)	33	-2.0%
	<b>Non-current net debt</b>	<b>(1,657)</b>	<b>(1,724)</b>	<b>67</b>	<b>-3.9%</b>
	<b>Total net debt</b>	<b>(43,327)</b>	<b>(45,391)</b>	<b>2,064</b>	<b>-4.5%</b>

## Digital Bros S.p.A.

### Income Statement at 30 June 2011

	EUR/000	30 June 2011		30 June 2010		Change	
1	Gross revenues	78.184	110,7%	99.545	112,6%	(21.361)	-21,5%
2	Revenue adjustments	(7.529)	-10,7%	(11.143)	-12,6%	3.614	-32,4%
<b>3</b>	<b>Total net revenues</b>	<b>70.655</b>	<b>100,0%</b>	<b>88.402</b>	<b>100,0%</b>	<b>(17.747)</b>	<b>-20,1%</b>
4	Purchase of goods for resale	(47.170)	-66,8%	(65.058)	-73,6%	17.888	-27,5%
5	Purchase of services for resale	0	0,0%	0	0,0%	0	0,0%
6	Royalties	(120)	-0,2%	(291)	-0,3%	171	-58,9%
7	Change in inventories of finished products	(7.355)	-10,4%	(161)	-0,2%	(7.194)	n.s.
<b>8</b>	<b>Total cost of goods sold</b>	<b>(54.645)</b>	<b>-77,3%</b>	<b>(65.510)</b>	<b>-74,1%</b>	<b>10.865</b>	<b>-16,6%</b>
<b>9</b>	<b>Gross profit (3+8)</b>	<b>16.010</b>	<b>22,7%</b>	<b>22.892</b>	<b>25,9%</b>	<b>(6.882)</b>	<b>-30,1%</b>
10	Other income	718	1,0%	647	0,7%	71	10,9%
11	Cost of services	(7.713)	-10,9%	(7.762)	-8,8%	49	-0,6%
12	Rent and leasing	(781)	-1,1%	(638)	-0,7%	(143)	22,5%
13	Payroll costs	(7.090)	-10,0%	(7.506)	-8,5%	416	-5,5%
14	Other operating expenses	(1.214)	-1,7%	(1.707)	-1,9%	493	-28,9%
<b>15</b>	<b>Total operating expenses</b>	<b>(16.798)</b>	<b>-23,8%</b>	<b>(17.613)</b>	<b>-19,9%</b>	<b>815</b>	<b>-4,6%</b>
<b>16</b>	<b>EBITDA (9+10+15)</b>	<b>(70)</b>	<b>-0,1%</b>	<b>5.926</b>	<b>6,7%</b>	<b>(5.996)</b>	<b>n.s.</b>
17	Depreciation and amortization	(608)	-0,9%	(641)	-0,7%	33	-5,1%
18	Provisions	0	0,0%	0	0,0%	0	0,0%
19	Asset impairment charge	(293)	-0,4%	(2.195)	-2,5%	1.902	-86,6%
20	Impairment reversal	2.000	2,8%	0	0,0%	2.000	0,0%
<b>21</b>	<b>Total depreciation, amortization and impairment</b>	<b>1.099</b>	<b>1,6%</b>	<b>(2.836)</b>	<b>-3,2%</b>	<b>3.935</b>	<b>n.s.</b>
<b>22</b>	<b>EBIT (16+21)</b>	<b>1.029</b>	<b>1,5%</b>	<b>3.090</b>	<b>3,5%</b>	<b>(2.061)</b>	<b>-66,7%</b>
23	Interest income	152	0,2%	1.172	1,3%	(1.020)	-87,0%
24	Interest expense	(3.791)	-5,4%	(2.714)	-3,1%	(1.077)	39,7%
<b>25</b>	<b>Net interest income (expense)</b>	<b>(3.639)</b>	<b>-5,2%</b>	<b>(1.542)</b>	<b>-1,7%</b>	<b>(2.097)</b>	<b>n.s.</b>
<b>26</b>	<b>Profit before taxes (22+25)</b>	<b>(2.610)</b>	<b>-3,7%</b>	<b>1.548</b>	<b>1,8%</b>	<b>(4.158)</b>	<b>n.s.</b>
27	Current taxes	270	0,4%	(1.665)	-1,9%	1.936	n.s.
28	Deferred taxes	696	1,0%	(112)	-0,1%	809	n.s.
<b>29</b>	<b>Total taxes</b>	<b>966</b>	<b>1,4%</b>	<b>(1.777)</b>	<b>-2,0%</b>	<b>2.743</b>	<b>n.s.</b>
<b>30</b>	<b>Net profit (26+29)</b>	<b>(1.644)</b>	<b>-2,3%</b>	<b>(229)</b>	<b>-0,3%</b>	<b>(1.415)</b>	<b>n.s.</b>