



PRESS RELEASE

DIGITAL BROS FORMS AN ALLIANCE WITH RUSSIAN LEADER 1C COMPANY AND POINTS TO EAST EUROPEAN MARKETS

Through the new brand 1C Games, Digital Bros will publish and distribute exclusively on the European market all titles of 1C Company, leader in the PC videogames' market in Russia and East Europe

Agreement value: € 15 Million

*The company positively reviews the forecasts for FY 2007-2008:
Revenues from € 140.5 to 150.5 Million, EBIT from € 10.1 to 11.1 Million*

Milan, December 13th 2007 – The internationalization's project of the **Digital Bros Group** moves forward, the Italian company, listed on the Star segment of Borsa Italiana and active in the *digital entertainment* field, **has signed today an important agreement with 1C Company**, Russian leader in Central and East Europe for the development, publishing and distribution of PC videogames.

Due to the agreement, which foresees **the launch of the new brand 1C Games**, Digital Bros will exclusively publish for Europe all the 1C Company titles already on the market, in addition to those actually in development. **Fifteen new titles branded 1C Games are expected for 2008**, among these the first released will be available on the European market as of March 2008. The subsidiary 505 Games, cooperating with the 1C Company team, will take care of the promotion of the 1C Games brand in Europe and will manage the distribution and marketing of new and most awaited titles, like: Cyrostasis, NecroVision, Death Track.

Through the alliance with 1C Company, Digital Bros moves toward the expansion in the East European markets and, at the same time, it increases significantly the range of PC videogames, strengthening its position in this business area.

The agreement with 1C Company has a value of € 15 Million considering the period lasting from today to December 2008, with an impact of € 10 Million on the revenues of FY 2007-2008.

Digital Bros management has, therefore, **positively reviewed the guidance value** of the publishing activity foreseen for FY 2007-2008 (lasting from July 1st 2007 to June 30th 2008), stated on last August: the Revenues of the publishing activity grow from € 41 to 51 Million, showing an increase of 24.4% (and a growth of 153.7% if compared with the € 20.1 Million of FY 2006-2007), while the EBIT steps from € 6.4 to 7.5 Million (+17.2%). Consequently, on a consolidated basis, the management foresees for FY 2007-2008 a revenues' growth from € 140.5 to 150.5 Million (+7.1%) and for the EBIT from € 10.1 to 11.1 Million (+9.9%). Further, the comparison of the forecasts with the results at June 30th 2007 points out an increase of the consolidated revenues of 12.3% and of the EBIT of 18%, as shown below.

Consolidated results <i>Million Euros</i>	Actual Budget 2007-2008	Previous Budget 2007-2008	Change %	Results FY at 30.06.07	Change %
Revenues	150.5	140.5	+7.1%	134	+12.3%
EBIT	11.1	10.1	+9.9%	9.4	+18%

Publishing activity <i>Million Euros</i>	Actual Budget 2007-2008	Previous Budget 2007-2008	Change %	Results FY at 30.06.07	Change %
Revenues	51	41	+24.4%	20.1	+153.7%
EBIT	7.5	6.4	+17.2%	3.7	+102.7%

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

About 1C Company

1C Company specializes in distribution, publishing and development of mass market software. Founded in 1991, 1C has become the leading publisher and distributor of computer games in Eastern and Central Europe. 1C Company is widely acknowledged as a game developer and has several internal studios. Internal developments of 1C include IL-2 Sturmovik, IL-2 Sturmovik: Forgotten Battles, Aces Expansion Pack, Pacific Fighters and Theatre of War. 1C Company works as a publisher and producer with over 30 independent development studios and has produced over 100 projects for PC and consoles.

www.1cpublishing.com

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