



PRESS RELEASE

## DIGITAL BROS GROUP: THE SHAREHOLDERS' MEETING APPROVES THE FY 2011 ANNUAL REPORT

- ✓ *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, 27 October 2011 - The **Shareholders' Meeting of the Digital Bros Group** – listed on the Star segment of the Italian Stock Exchange (IT0001469995) and active in the “digital entertainment” sector – held today in first convocation, **has approved the consolidated annual report of FY 2010-2011** (1° July 2010 - 30 June 2011).

### **CONSOLIDATED RESULTS AT JUNE 30th 2011**

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.

### **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. The 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.

### **FURTHER RESOLUTIONS OF THE SHAREHOLDERS' MEETING**

#### **BOARD OF DIRECTORS' MEMBERS APPOINTMENT AND ANNUAL PRICING**

The Shareholders' Meeting has deliberated:

- to charge the Company's management for three years 2011-2014, meaning till the approval of the annual report of Fiscal Year ending 30 June 2014, to a Board of Directors made up by the following 8 members: 1. Abramo Galante 2. Raffaele Galante 3. Davide Galante 4. Guido Guetta 5. Stefano Salbe 6. Bruno Soresina 7. Dani Schaumann 8. Dario Treves.
- to determine, until new deliberation, the total annual emolument of the Board of Directors in one Million Euros, in addition to the expenses' coverage as of art. 23 of By-Laws, devolving the Board to manage the repartition among the single members.
- to exempt Directors from the obligation as of art. 2390 of the civil code.

#### **BOARD OF STATUTORY AUDITORS APPOINTMENT AND DETERMINATION OF SINGLE FEES**

The Shareholders' Meeting has deliberated the appointment of the Board of Statutory Auditors for the years 2011-2014 until the approval of the annual report of FY ending 30 June 2014, made up as follows: Sergio Amendola - Chairman, Paolo Villa - regular auditor, Franco Gaslini - regular auditor, Enrico Muscato - alternate auditor, Carlo Garzia - alternate auditor.

The Meeting has furthermore decided about the fee of the members of the Board of Statutory Auditors for an amount of € 71,000 for FY, of which € 27,000 for the Chairman and € 22,000 for each regular auditor.

#### **AUTHORIZATION TO PURCHASE AND SALE OF OWN SHARES**

The Shareholder's meeting has decided to authorize the Board of Directors to purchase and sale, within the date of approval of the Year report at 30 June 2012, 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.

The Meeting has furthermore deliberated:

- to authorize the BoD to sell, without any time limit, the own shares already in portfolio previously purchased, also following the previous deliberation, at a price not under the reference average prices of the recorded transactions during the ninety days of open Stock Exchange before dispositions, or, if previous, the official commitment acts, in full respect of law;
- to authorize the BoD to manage the own shares even through trade-in and/or awarding operations, at the condition that the shares' evaluation in these operations won't be under the average value of the own shares held. The own shares may be also used for future stock option plans with derogation, in this case, respecting the criteria for the determination of the sale prices.
- to give to the BoD the necessary power to fulfill deliberated purchase and sale operations of own shares, with authority to devolve related powers.

As of today Digital Bros S.p.A. owns 525.247 treasury shares (consisting in 3,72% of the share capital) at an average balance-sheet value of € 2,99.

### **RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS' MEETING**

#### **AMENDMENT OF THE BY-LAWS IN COMPLIANCE WITH THE PROVISIONS INTRODUCED BY LEGISLATIVE DECREE N. 27 OF 27 JANUARY 2010**

The Extraordinary Shareholder's Meeting has deliberated some amendments to the By-Laws, in order to adapt the content to the provisions introduced by Legislative Decree N. 27 of 27 January 2010, that took into consideration the Community Directive n. 2007/36/CE regarding the shareholders' rights and the Consob Deliberation n. 17221 of 12 March 2010.

#### **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, Germany 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>