



Press Release

DIGITAL BROS: Board of Directors has approved financial statements as of June 30, 2003.

Consolidated revenues reaches 50,5 millions of Euro (+ 23,5% compared to previous year).

Consolidated EBIT at + 1,2 millions of Euro, with a growth of 3,6 millions of Euro in comparison with a negative 2,4 millions Euro achieved in the previous year.

Significant improvements for the holding company:

Digital Bros SpA revenues reaches 49,5 millions of Euro (+ 25,7% compared to previous year). EBIT registered a strong growth (+268%) at 7% of revenues.

Net profit at 849 thousands of Euro.

For the next fiscal year forecasted consolidated revenues at 96,9 millions of Euro, forecasted EBT at 4,6 millions of Euro.

The Board of Directors of Digital Bros, a digital entertainment group listed on Nuovo Mercato of the Italian Stock Exchange, has approved the financial statements from July 1, 2002 to June 30, 2003.

Despite the recession, the Group has been growing. Consolidated revenues achieved 50,5 millions of Euro, up to 23,5% compared to 40,9 millions of Euro registered in period July 2001/ June 2002.

Consolidated EBITDA at 3,5 millions of Euro, improved by more than 4 millions of Euro compared to the same period of the previous year. EBIT is positive at 1,2 millions of Euro with an improvement of 3,6 millions of Euro versus a negative 2,4 millions of Euro registered in the same period of the previous year. EBT is negative at 1,1 millions of Euro but with a 15 millions of Euro growth compared to last year when it was influenced by significant items.

Consolidated actual results are slightly below the forecast because of the reduction of the expected revenues of the holding company caused by products slippage. Previous forecasts showed revenues at 55 millions of Euro, EBITDA at 4,5 millions of Euro, EBIT at 2,4 millions of Euro and break-even EBT.

Consolidated net financial liabilities at June 30, 2003 amounted to 15,2 millions of Euro with about 1 million of Euro decrease from the previous 16,2 millions of Euro at March 31, 2003.

Digital Bros S.p.A., the holding company operating in videogames distribution for the Italian market, showed a growth in revenues (+ 25,7% compared to the same period). Holding company revenues amounted to 49,5 millions of Euro from the 39,3 millions of Euro realised last year.

Significant improvements occurred in financial margins. EBITDA at 5,2 millions of Euro with a 3 millions of Euro increase at 10,6% of the turnover. EBIT at 3,5 millions of Euro (268% compared to previous year). EBT at 1,1 millions of Euro.

Holding company net profit at 849 thousands of Euro.

Forecasts for the next fiscal year are extremely positive with an expected consolidated turnover at 96,9 millions of Euro. The management confirms the forecasts recently released.

“We are pleased – Raphael Galante, CEO Digital Bros S.p.A said - for these results. Consolidated and holding company improvements represent the success of our organisational and strategic decisions. We are extremely confident about the future after the holding company has reached the profitability with relevant new assets for the business.”

The **Digital Bros** Group has been listed on the New Market since October 20, 2000. It is one of the first companies in Europe to offer a complete range of Digital Entertainment produced and distributed on-line (Internet), on-air (Digital Satellite TV) and off-line (sale of videogames to retailers).

Milan, July 31 2003

Consolidated
Thousands of Euro

	July, 1 st 2001 – June 30, 2002 <i>pro-forma</i>	July, 1 st 2002 – June 30, 2003 <i>pro-forma</i>	July, 1 st 2003 – June 30, 2004 <i>forecast</i>
Revenues	40.912	50.510	96.855
EBITDA	(657)	3.458	10.055
EBIT	(2.433)	1.208	7.184
EBT	(16.562)	(1.102)	4.555
Net financial liabilities	(16.661)	(1.393)	

Digital Bros S.p.A.
Thousands of Euro

	July, 1 st 2001 – June 30, 2002 <i>pro-forma</i>	July, 1 st 2002 – June 30, 2003 <i>actual</i>	July, 1 st 2003 – June 30, 2004 <i>forecast</i>
Revenues	39.335	49.462	86.355
EBITDA	2.348	5.248	8.498
EBIT	938	3.449	6.898
EBT	(13.006)	1.140	4.274
Net financial liabilities	(13.094)	849	