



Press Release

DIGITAL BROS SPA: Board of Directors has approved third quarter financial statement as of March 31, 2004.

Strong growth in the first nine months: year to date consolidated revenues have reached 69 million Euro (+69% compared to last year)

Significant improvements in financial margins: year to date consolidated EBITDA positive at 5,54 million Euro (+87%) and EBIT at 3,1 million Euro (+ 118%)

Year to date net profit at 173 thousand Euro with a 650 thousand Euro growth compared to a negative 477 thousand Euro realised last year.

The Board of Directors of Digital Bros, the digital entertainment Group listed at the Nuovo Mercato, has approved the quarterly financial statement as of March 31, 2004. The financial statements relates to the third quarter of the fiscal year 2003/2004.

The development of the Group's activities continues: year to date consolidated revenues amounted to 69,111 millions Euro, up 69% compared to 40,9 million Euro achieved in the same period of the previous year.

Year to date consolidated EBITDA was positive at 5,54 million Euro with a 2,5 million growth in comparison to the same period of the previous year. Year to date consolidated EBIT amounted to 3,1 million Euro (+ 118%).

The significant growth of the revenues and the optimisation of the Group's resources had a positive impact on the economic margins. Year to date net profit was 173 thousand Euro in comparison to negative 477 thousand of Euro achieved in the same period of the previous year.

Net financial liabilities at March 31, 2004 amounted to 18,13 million Euro decreasing from the previous 22,35 million Euro at December 31, 2003.

Third quarter consolidated revenues amounted to 20,3 million Euro (+ 102%). Consolidated EBITDA in the third quarter amounted to 1,268 million Euro, + 146% compared to 516 thousand Euro achieved in the same period of the previous year.

Consolidated EBIT in the third quarter amounted to 749 thousand Euro compared to a negative 9 thousand Euro of last year. Net financial liabilities in the third quarter are negative at 82 thousands Euro improving from minus 516 thousand Euro achieved in the same period of the previous year.

The Board of Directors has confirmed the significant growth also in the last quarter of the current fiscal year. Considering the incertitude of the actual economic situation in Italy, the Group estimates that the consolidate revenues at June 30, 2004 will reach 86 million Euro on the target of 91 million Euro with a 70% growth compare to last year.

Considering the positive performance of the holding company Digital Bros S.p.A. which is currently videogame distribution market leader in Italy, the slight decrease of the consolidated revenues at 30 June 2004 also reflected on financial margins – EBITDA at 7,7 million Euro of 10,05 million expected, EBIT at 4,04 million of 7,18 million Euro expected, net profit at 1,02 million Euro of 4,5 million Euro expected - is due to the delay of the financial income of the online gaming activities. Moreover the Group is ready to exploit the important opportunities offered by the online gaming market thanks to the investments carried out and the acquired know-how.



“These results and the strong growth – declared Raphael Galante, CEO, Digital Bros – confirm the effectiveness of the strategies put into action by the management and position the Group as the main player on the Italian market for our international partners”.

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 video games to retailers).

<i>Consolidated 9 months</i>				
<i>Thousand of Euro</i>	<b>31/03/2004</b>	<b>31/03/2003</b>	<b>Difference</b>	<b>%</b>
Revenues	69.111	40.903	28.208	69%
EBITDA	5.545	2.963	2.582	87%
EBIT	3.094	1.419	1.675	118%
Net Profit	173	(477)	650	n.s

Milan, May 10, 2004

Contact:

Digital Bros Spa  
Alessandro Gelmi  
Tel. +39.02/41.30.31  
[a.gelmi@digital-bros.net](mailto:a.gelmi@digital-bros.net)

Barabino & Partner  
Luca Barabino  
Luca Brusadelli  
Tel. 02/72.02.35.35