



Press release

DIGITAL BROS SPA: Board of Directors has approved third quarter financial statement as of March 31, 2003.

Year to date consolidated revenues growth at 31,5%.

Year to date consolidated EBIT positive at 1,4 million Euro.

Year to date holding company revenues reached 40,1 millions Euro with a growth of 33,5% compared with previous year. EBIT at 3,2 millions Euro, more than doubled in respect of 1,5 million Euro realised in the last year same period.

Consolidated net financial liabilities amounted to 16,2 millions Euro decreasing from the previous 19,5 millions Euro at December 31, 2002.

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, 2003. The financial statements relates to the third quarter of the fiscal year 2002/2003.

Year to date consolidated revenues amounted to 40,9 millions Euro, up 31,5% compared to last year. Consolidated EBIT of the first nine months was positive at 1,4 millions Euro growing in comparison to negative 1,2 million Euro achieved in the last year.

Year to date holding company revenues amounted to 40,1 millions Euro with a 33,5% growth compared to the previous year. In the first nine months of the fiscal year, Digital Bros S.p.A achieved a positive EBITDA of 4,5 millions Euro (+ 77,6% compared to the same period of the previous year). EBIT was positive at 3,3 millions Euro, more than doubled in comparison to 1,5 million Euro of last year realised.

Third quarter consolidated revenues amounted to 10,0 millions Euro realised in a growing market with an high number of titles offered. The launch of a blockbuster as Metal Gear Solid 2 performed by Digital Bros during March 2002 and generated revenues of more than 5 millions Euro in the third quarter of last year. The result of this release, was an anticipation of revenues in the first quarter in respect of the second quarter, shown in last year account. Consolidated EBITDA in the third quarter amounted to 516 thousands Euro growing 54,5% from the 334 thousands Euro realised last year. Consolidated EBIT is almost break-even compared to a negative 85 thousands Euro of last year. Higher profitability is a result of the introduction of cost saving policies together with a better exploitation of Group synergies.

Consolidated net financial liabilities amounted to 16,2 millions Euro decreasing from the previous 19,5 millions Euro at December 31, 2002.



ITALIAN DISTRIBUTION

Italian distribution growth was a result of the selection of emerging international videogame publishers such as Phantagram, CDV and JoWood and of the recent exclusively distribution agreement signed with SEGA, digital entertainment leading company. These acquisitions combined to the strong portfolio of Digital Bros prestigious partners - historically represented in Italy by Halifax division – allows a more effective market penetration and a further potential growth of our leading market share.

INTERNATIONAL PUBLISHING

During this fiscal year, the Group re-launched its international publishing activities acquiring the exclusively publishing rights for Energy Airforce, the only PlayStation 2 flight simulator with the official Lockheed Martin license. The launch of the game is scheduled in June 2003. It is expected that this business area will generate 1 million Euro revenues in the current fiscal year. Digital Bros continues international scouting in order to select high quality titles targeted for the European videogame players.

DIGITAL TELEVISION

Game Network scored an average weekly audience of more than 610,000 viewers in the UK in February 2003. This figure, has been certified by Barb Television Audience, a leading UK company in monitoring television audiences. On the basis of the above, Digital Media Sales, British agency with a strong expertise in new media advertising, entered into a contract with Game Network for the advertising collection in the UK market. The success of interactive television programmes like chat, interactive quiz, mobile games download services, is shown by more than 7.000 SMS premium received per day.

ON-LINE GAMING

10.000 players are paying a monthly subscription fee of 10 Euro for the two actual online pay per play RPGs – The Legend of Mir and The Myth of Soma. The experience acquired in the players community management and the proprietary platform developed has allowed Digital Bros to secure exclusive European rights for the on-line management of Horizons, one of the most expected MMORPG world-wide.

Milan, May 12, 2003

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Consolidated
Thousands of Euro

9 months	31/03/03	31/03/2002 pro-forma	Difference	%
Revenues	40.903	31.114	9.789	31,5%
EBITDA	2.963	154	2.809	n.s.
EBIT	1.419	(1.194)	2.613	n.s.
EBT	(477)	(14.434)	13.957	n.s.

	31/03/03	31/12/02	30/06/02
Net financial liabilities	(16.266)	(19.507)	(12.435)

3 months	31/03/03	31/03/2002 pro-forma	Difference	%
Revenues	10.045	11.667	(1.622)	-13,9%
EBITDA	516	334	182	54,5%
EBIT	(9)	(85)	76	n.s.
EBT	(516)	(597)	81	n.s.

Digital Bros S.p.A.
Thousands of Euro

9 months	31/03/03	31/03/2002 pro-forma	Difference	%
Revenues	40.118	30.062	10.056	33,5%
EBITDA	4.503	2.536	1.967	77,6%
EBIT	3.256	1.476	1.780	120,6%
EBT	1.361	(11.582)	12.943	n.s.

3 months	31/03/03	31/03/2002 pro-forma	Difference	%
Revenues	9.800	11.256	(1.456)	-12,9%
EBITDA	1.086	910	176	19,3%
EBIT	683	537	146	27,2%
EBT	178	27	151	n.s.