



## PRESS RELEASE

DIGITAL BROS: The Board of Directors has approved the Group's first half results as of December 31, 2002.

Consolidated revenues amounted to 30,859 million Euro (+ 58.7% compared to the 19,447 million Euro achieved in the same period in 2001).

EBITDA at 2,446 million Euro, EBIT at 1,427 million Euro and EBT at 38 thousands Euro.

Growth in Holding company Digital Bros S.p.A. revenues has 61,2% and high profitability (EBITDA + 110,1% and EBIT + 173,7%).

Year 2002 pro-forma consolidated revenues amounted to 52,324 million Euro, + 45% compared to the same period 2001.

Martial Chaillet new member of the Board of Directors.

Consolidated revenues amounted to 30,859 million of Euro (+ 58,7% compared to previous year), EBITDA at 2,446 million of Euro, EBIT at 1,427 million Euro and EBT at 38 thousands Euro (improved by 13 million Euro compared to the same period of the previous year).

These are in brief the main consolidated results from first half results report as of December 31, 2002 which have been approved by the Board of Directors of Digital Bros, group listed on Nuovo Mercato of the Italian Stock Exchange.

Videogame market business recovery, already highlighted during the first half of Year 2002, marked a relevant increase also in the second half of the year. Following this trend, in the period July-December, Digital Bros SpA, the holding company with videogames distribution as core business in the Italian market, reached a turnover of 30,318 million Euro.

EBITDA at 3,418 million Euro (+ 110,1% compared to the 1,627 million Euro achieved in the same period of the previous year), EBIT at 2,573 million Euro (+ 173,7% compared to the 0,940 million Euro achieved in the same period of the previous year) and EBT at 1.183 million Euro (grown by more than 11 million Euro compared to the previous year).

Raphael Galante, CEO of Digital Bros comments: "These positive results reflect the synergy among the Group activities and the right strategic decision to focus the core business purely on software distribution. The management proved expertise in handling a particular and highly fragmented local market and the expansion of our marketing and sales structure are other key factors for obtaining these positive results. During Year 2003, our aim is to consolidated videogame distribution and to move a step forward in the development of our new activities, with an eye in driving investments in connection with effective market growth and with achieved and feasible results from these assets."

During 2002 twelve months – pro-forma figures – Digital Bros registered a strong growth in both consolidated and holding company margins and revenues.



Year 2002 consolidated revenues amounted to 52,324 million Euro, up about 45% compared to the 35,987 million Euro in the previous year.

Significant improvements also in the other financial figures, in particular EBIT achieved 103 thousands Euro, improved by 2 million Euro compared to 1,935 million Euro in the previous year and EBITDA is positive totalling 2,144 million Euro, vs. 268 thousands Euro in the previous year.

Consolidated net financial liabilities at December 31, 2002 amounted to minus 19,5 million Euro, increasing compared to minus 10,94 million Euro in the same period of year 2001 but in line with the strong improvement of the revenues registered during this half year.

Forecasts for the Year are positive; in particular consolidated revenues are expected to reach 55 million Euro with positive gross margins.

Martial Chaillet, 55 years old, has been appointed as a member of Digital Bros Bord of Directors. Martial Chaillet is founder and now CEO of Mediawin Partners, a fund public and private equity based in Geneva. Martial has a strong knowledge in the videogame market since Mediawin Partners is specialised on media and entertainment.

He worked for 30 years at Capital Group in the Geneva office, one of the largest money management company in the world based in Los Angeles, with a mandate into media sector. Martial Chaillet appointment, with his expertise and high profile proficiency in media and entertainment field, represents an effective benefit for the Group new activities.

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Milan, February 26, 2003



Consolidated  
Thousands of Euro

<b>6 months</b>	<b>31/12/02</b>	<b>pro forma 31/12/2001</b>	<b>Difference</b>	<b>%</b>
Sales	30.859	19.447	11.412	58,7%
EBITDA	2.446	(180)	2.626	n.s.
EBIT	1.427	(1.109)	2.536	n.s.
EBT	38	(13.386)	13.424	n.s.

Net financial liabilities	(19.507)	(10.940)	(8.567)	n.s.
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<b>12 months</b>	<b>pro forma 31/12/2002</b>	<b>pro forma 31/12/2001</b>	<b>Difference</b>	<b>%</b>
Sales	52.324	35.987	16.337	45,4%
EBITDA	2.144	(268)	2.412	n.s.
EBIT	103	(1.935)	2.038	n.s.
EBT	(2.688)	(17.924)	15.236	n.s.

Digital Bros S.p.A.  
Thousands of Euro

<b>6 months</b>	<b>31/12/02</b>	<b>pro forma 31/12/2001</b>	<b>Difference</b>	<b>%</b>
Sales	30.318	18.806	11.512	61,2%
EBITDA	3.418	1.627	1.791	110,1%
EBIT	2.573	940	1.633	173,7%
EBT	1.183	(11.608)	12.791	n.s.

<b>12 months</b>	<b>pro forma 31/12/2002</b>	<b>pro forma 31/12/2001</b>	<b>Difference</b>	<b>%</b>
Sales	50.847	33.903	16.944	50,0%
EBITDA	4.315	3.611	704	n.s.
EBIT	2.571	2.241	330	n.s.
EBT	(216)	(13.591)	13.375	n.s.



<b>DIGITAL BROS S.p.A.</b>			
<b>CONSOLIDATED BALANCE SHEET</b>			
Amounts expressed in millions of Lire	31 December 2002	30 June 2002	Pro forma 31 December 2001
A) Due from shareholders for unpaid share capital	-	-	-
B) Fixed assets:			
<b>I - Intangible assets (net)</b>			
1) start-up and expansion costs	2.373	2.711	3.204
4) concessions, licences and trademarks	2.537	2.214	2.083
5) goodwill	583	616	31
5-bis) consolidation difference	523	552	1.198
6) assets in progress and advances	92	80	31
7) other	116	165	135
<b>Total intangible assets (net)</b>	<b>6.233</b>	<b>6.338</b>	<b>6.682</b>
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<b>II - Tangible fixed assets</b>			
1) land and buildings	500	481	488
2) plant and machinery	10	16	20
3) industrial and commercial equipment	699	755	789
4) other tangible fixed assets	4	9	6
<b>Total tangible fixed assets (net)</b>	<b>1.214</b>	<b>1.261</b>	<b>1.303</b>
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<b>III - Financial fixed assets:</b>			
1) Investments			
a) investments in subsidiaries	2	2	0
2) Receivables			
e) from others			



b) due after more than one year	3	7	4
<b>Total financial fixed assets</b>	<b>5</b>	<b>9</b>	<b>4</b>
<b>Total fixed assets (B)</b>	<b>7.441</b>	<b>7.608</b>	<b>7.989</b>
C) Current assets:			
<b>I - Inventory</b>			
4) finished goods	16.425	14.703	13.741
<b>Total inventory</b>	<b>16.425</b>	<b>14.703</b>	<b>13.741</b>
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<b>II - Receivables :</b>			
1) trade accounts			
a) due after less than a year	20.968	16.947	19.963
2) from subsidiaries			
a) due after less than a year	0	3.715	2.533
b) due after more than a year	3.637	0	0
6) From others			
a) due after less than a year	548	330	869
b) due after more than a year	115	219	302
<b>Total receivables</b>	<b>25.268</b>	<b>21.211</b>	<b>23.667</b>
<b>III - Current financial assets:</b>			
5) other securities	3.104	3.469	3.887
<b>Total current financial securities</b>	<b>3.104</b>	<b>3.469</b>	<b>3.887</b>
<b>IV – Cash at bank and on hand</b>			
1) bank and post office accounts	1.950	2.151	2.308
3) cash and cash equivalents on hand	6	16	8
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<b>Total cash at bank and on hand</b>	<b>1.957</b>	<b>2.167</b>	<b>2.316</b>
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<b>Total current assets (C)</b>	<b>46.754</b>	<b>41.550</b>	<b>43.611</b>
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D) Accrued income and prepaid expenses			
a) Accrued income	0	0	14
b) Deferred charges	129	231	333
<b>Total assets (A+B+C+D)</b>	<b>54.324</b>	<b>49.389</b>	<b>51.947</b>



<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY:</b>			
A) Shareholders' equity:			
I - Share capital	5.160	5.160	1.617
II - Share premium reserve	36.183	36.183	36.677
IV - Legal reserve	258	258	258
VIII – Retained earnings (accumulated losses)	(21.893)	(19.068)	(1.044)
Translation reserve	16	20	12
IX - Profit (Loss) for the period	38	(2.825)	(17.967)
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<b>Total shareholders' equity – Group</b>	<b>19.762</b>	<b>19.728</b>	<b>22.553</b>
B) Provisions for risks and charges:			
2) taxation reserve	175	175	0
Total Provisions	175	175	0
C) Provision for staff leaving indemnity	441	392	334
D) Payables:			
2) convertible bonds			
b) due after more than a year	4.000	0	0
3) due to banks			
a) due after less than a year	18.445	16.964	17.282
b) due after more than a year	40	92	92
4) due from other lenders			
a) due after less than a year	2.083	1.015	12
5) customer advances			
a) due after less than a year	0	1	18
6) trade accounts			
a) due after less than a year	7.408	8.354	8.717
8) Payable due to subsidiaries			
a) due after less than a year	0	148	148
11) due to tax authorities			
a) due after less than a year	1.041	1.541	1.764
12) due to social security institutions			
a) due after less than a year	186	172	191
13) other payables			
a) due after less than a year	453	622	579
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<b>Total payables</b>	<b>33.655</b>	<b>28.909</b>	<b>28.803</b>
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E) Accrued expenses and deferred income			
a) Accrued liabilities	291	173	257
b) Deferred Income	0	12	0
<b>Total liabilities and shareholders' equity (A+B+C+D+E)</b>	<b>54.324</b>	<b>49.389</b>	<b>51.947</b>
<b>MEMORANDUM ACCOUNTS</b>			
a) Guaranties given	821	1.051	821
d) other personal guaranties	0	0	276
e) engagements	312	611	423
<b>Total Memorandum Accounts</b>	<b>1.133</b>	<b>1.662</b>	<b>1.520</b>



<b>DIGITAL BROS S.p.A.</b>		
<b>CONSOLIDATED INCOME STATEMENT</b>		
	6 months	6 months
(Amounts in millions of Lire)	31 December 2002	31 December 2001 pro - forma
A) Value of production		
1) revenues from sales and services	30.859	19.447
2) change in inventory of work in progress semi-finished and finished goods	1.722	(295)
5) other revenues and income		
a) other revenues	329	698
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<b>Total value of production</b>	<b>32.909</b>	<b>19.850</b>
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B) Cost of production		
6) purchases of raw, ancillary and consumable materials and goods for resale	22.955	8.986
7) services	5.219	8.328
8) use of third party assets – leases and rentals	348	397
9) personnel costs:		
a) wages and salaries	1.174	1.276
b) social contributions	405	434
c) staff leaving indemnity	103	113
10) amortisation, depreciation & writedowns		
a) amortisation of intangible assets	903	782
b) depreciation of tangible fixed assets	116	147
c) other writedowns of non-current assets	0	236
d) writedowns of current receivables and cash at bank and on hand	0	29
14) sundry operating charges	259	229
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<b>Total cost of production</b>	<b>31.482</b>	<b>20.959</b>



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<b>Difference between value and cost of production (A-B)</b>	<b>1.427</b>	<b>(1.109)</b>
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C) Financial income and charges		
16) other financial income		
c) from current securities other than equity investments	88	2
d) other		
e) other income	18	(13)
17) interest and other financial charges		
e) other interest and financial charges	(1.120)	(1.050)
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<b>Total financial income and charges</b>	<b>(1.014)</b>	<b>(1.061)</b>
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E) Extraordinary income and charges		
20) income		
b) Other income	180	264
21) charges		
c) other charges	(555)	(11.930)
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<b>Total extraordinary items (20-21)</b>	<b>(374)</b>	<b>(11.666)</b>
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<b>Loss before taxation (A-B+C+-D+-E)</b>	<b>38</b>	<b>(13.836)</b>



<b>DIGITAL BROS S.p.A.</b>		
<b>CONSOLIDATED INCOME STATEMENT</b>		
	12 months	12 months
(Amounts in millions of Lire)	31 December 2002	31 December 2001 pro - forma
A) Value of production		
1) revenues from sales and services	52.324	35.987
2) change in inventory of work in progress semi-finished and finished goods	2.583	4.027
5) other revenues and income		
a) other revenues	646	927
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<b>Total value of production</b>	<b>55.552</b>	<b>40.941</b>
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B) Cost of production		
6) purchases of raw, ancillary and consumable materials and goods for resale	38.135	22.389
7) services	10.207	13.256
8) use of third party assets – leases and rentals	750	880
9) personnel costs:		
a) wages and salaries	2.592	2.823
b) social contributions	868	896
c) staff leaving indemnity	201	186
10) amortisation, depreciation & writedowns		
a) amortisation of intangible assets	1.624	1.390
b) depreciation of tangible fixed assets	242	277
c) other writedowns of non-current assets	0	236
d) writedowns of current receivables and cash at bank and on hand	2	29
	0	29
12) Risks Provisions	175	0
14) sundry operating charges	653	512
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<b>Total cost of production</b>	<b>55.449</b>	<b>42.876</b>
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<b>Difference between value and cost of production</b>	<b>103</b>	<b>(1.935)</b>



<b>(A-B)</b>		
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C) Financial income and charges		
16) other financial income		
c) from current securities other than equity investments	117	12
d) other		
e) other income	43	797
17) interest and other financial charges		
e) other interest and financial charges	(1.949)	(2.277)
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<b>Total financial income and charges</b>	<b>(1.789)</b>	<b>(1.468)</b>
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E) Extraordinary income and charges		
20) income		
b) Other income	286	354
21) charges		
c) other charges	(1.288)	(14.875)
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<b>Total extraordinary items (20-21)</b>	<b>(1.001)</b>	<b>(14.521)</b>
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<b>Loss before taxation (A-B+C+-D+-E)</b>	<b>(2.688)</b>	<b>(17.924)</b>



<b>DIGITAL BROS S.p.A.</b>			
<b>BALANCE SHEET AT December 31, 2002</b>			
Amounts in millions of Lire	31/12/02	30/06/02	31/12/01
<b>ASSETS:</b>			
A) Due from shareholders for unpaid share capital	-	-	-
B) Fixed assets:			
I - Intangible assets (net)			
1) start-up and expansion costs	2.349	2.684	3.185
4) concessions, licences and trademarks	1.813	1.376	1.563
5) Goodwill	1.285	1.357	0
6) Payments on account and intangible assets in course of acquisition	92	85	20
7) other	50	64	88
<b>Total intangible assets (net)</b>	<b>5.588</b>	<b>5.566</b>	<b>4.856</b>
II - Tangible fixed assets (net)			
1) land and buildings	474	481	488
2) plant and machinery	3	7	10
3) industrial and commercial equipment	387	434	425
4) other fixed assets	4	4	6
<b>Total tangible fixed assets (net)</b>	<b>869</b>	<b>926</b>	<b>929</b>
III - Financial fixed assets:			
1) equity investments in:			
a) subsidiary companies	3.839	2.640	2.109
2) receivables	-	-	-
d) other	-	-	-
b) due after more than a year	3	3	2



<b>Total financial fixed assets</b>	<b>3.842</b>	<b>2.643</b>	<b>2.111</b>
<b>Total fixed assets (B)</b>	<b>10.299</b>	<b>9.134</b>	<b>7.896</b>
<b>C) Current assets:</b>			
<b>I - Inventory</b>			
4) finished goods	16.404	14.682	13.299
<b>Total inventory</b>	<b>16.404</b>	<b>14.682</b>	<b>13.299</b>
<b>II - Receivables :</b>			
1) trade accounts			
a) due after less than a year	19.755	15.536	17.961
2) due from subsidiaries	-	-	
a) due after less than a year	3.190	7.003	7.686
b) due after more than a year	3.637	0	0
5) from parent companies	-	-	
a) due after less than a year	0	104	0
b) due after more than a year	0	219	0
6) from others			
a) due after less than a year	189	0	181
b) due after more than a year	115	0	302
<b>Total receivables</b>	<b>26.886</b>	<b>22.863</b>	<b>26.130</b>
<b>III - Current financial assets:</b>			
5) other securities	3.104	3.469	3.836
<b>Total current financial assets</b>	<b>3.104</b>	<b>3.469</b>	<b>3.836</b>
<b>IV – Cash at bank and on hand</b>			
1) bank and post office accounts	1.876	2.126	2.142
3) cash and cash equivalents on hand	5	11	2
<b>Total cash at bank and on hand</b>	<b>1.881</b>	<b>2.136</b>	<b>2.144</b>
<b>Total current assets (C)</b>	<b>48.276</b>	<b>43.150</b>	<b>45.409</b>
<b>D) Accrued income and prepaid expenses</b>			
b) deferred charges	107	114	222



<b>Total assets (A+B+C+D)</b>	<b>58.682</b>	<b>52.398</b>	<b>53.527</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>	<b>31 December 2002</b>	<b>30 June 2002</b>	<b>31 December 2001</b>
A) Shareholders' equity:			
I - Share capital	5.160	5.160	1.614
II - Share premium reserve	36.183	36.183	39.677
IV - Legal reserve	258	258	258
VIII – Retained earnings (accumulated losses)	(16.151) 25.450	(14.665) 26.936	(1.304) 40.515
IX - Profit (loss) for the period	1.183	(1.486)	(13.631)
<b>Total shareholders' equity</b>	<b>26.633</b>	<b>24.450</b>	<b>26.884</b>
B) Reserves for risks and future liabilities			
2) Taxation Reserve	175	175	0
<b>Total Reserves</b>	<b>175</b>	<b>175</b>	<b>0</b>
C) Provision for staff leaving indemnity	384	336	268
D) Payables:			
2) Convertible bonds			
b) due after more than a year	4.000	0	0
3) due to banks			
a) due after less than a year	18.443	16.940	17.046
b) due after more than a year	40	92	92
4) due to other lenders			
a) due after less than a year	2.083	1.015	0
6) trade accounts			
a) due after less than a year	4.919	5.755	6.048
8) due to subsidiary companies			
a) due after less than a year	161	271	629
11) due to tax authorities			



a) due after less than a year	1.009	1.503	1.719
12) due to social security institutions			
a) due after less than a year	148	136	147
13) other payables			
a) due after less than a year	396	552	437
<b>Total payables</b>	<b>31.199</b>	<b>26.264</b>	<b>26.118</b>
E) Accrued expenses and deferred income			
a) Accrued liabilities	291	173	257
<b>Total liabilities and shareholders' equity (A+C+D+E)</b>	<b>58.682</b>	<b>52.398</b>	<b>53.527</b>
<b>MEMORANDUM ACCOUNTS</b>			
a) Guaranties given	821	1.052	821
d) other personal guaranties	0	0	276
e) engagements	312	397	423
<b>Total Memorandum Accounts</b>	<b>1.133</b>	<b>1.449</b>	<b>1.244</b>



<b>DIGITAL BROS S.p.A.</b>		
<b>CONSOLIDATED INCOME STATEMENT</b>		
	6 months	6 months
(Amounts in millions of Lire)	31 December 2002	31 December 2001 pro - forma
A) Value of production		
1) revenues from sales and services	30.318	18.806
2) change in inventory of work in progress semi-finished and finished goods	1.722	(219)
5) other revenues and income		
a) other revenues	526	700
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<b>Total value of production</b>	<b>32.567</b>	<b>19.287</b>
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B) Cost of production		
6) purchases of raw, ancillary and consumable materials and goods for resale	22.956	8.900
7) services	4.243	6.572
8) use of third party assets – leases and rentals	348	316
9) personnel costs:		
a) wages and salaries	946	958
b) social contributions	328	336
c) staff leaving indemnity	87	82
e) other costs	0	3
10) amortisation, depreciation & writedowns		
a) amortisation of intangible assets	768	616
b) depreciation of tangible fixed assets	77	71
and cash at bank and on hand	0	236
14) sundry operating charges	241	258
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<b>Total cost of production</b>	<b>29.994</b>	<b>18.348</b>
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<b>Difference between value and cost of production (A-B)</b>	<b>2.573</b>	<b>940</b>
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C) Financial income and charges		
16) other financial income		
c) from current securities other than equity investments	88	1
d) other		
e) other income	18	(14)
17) interest and other financial charges		
e) other interest and financial charges	(1.119)	(980)
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<b>Total financial income and charges</b>	<b>(1.014)</b>	<b>(993)</b>
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E) Extraordinary income and charges		
20) income		
b) Other income	178	309
21) charges		
c) other charges	(555)	(11.864)
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<b>Total extraordinary items (20-21)</b>	<b>(376)</b>	<b>(11.555)</b>
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<b>Loss before taxation (A-B+C+-D+-E)</b>	<b>1.183</b>	<b>(11.608)</b>

<b>DIGITAL BROS S.p.A.</b>		
<b>CONSOLIDATED INCOME STATEMENT</b>		
	12 months	12 months
(Amounts in millions of Lire)	31 December 2002	31 December 2001 pro - forma
A) Value of production		
1) revenues from sales and services	50.847	33.903
2) change in inventory of work in progress semi-finished and finished goods	2.562	4.094
5) other revenues and income		
a) other revenues	1.175	1.345
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<b>Total value of production</b>	<b>54.584</b>	<b>39.342</b>



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B) Cost of production		
6) purchases of raw, ancillary and consumable materials and goods for resale	38.113	22.334
7) services	7.925	9.223
8) use of third party assets – leases and rentals	682	642
9) personnel costs:		
a) wages and salaries	2.031	1.973
b) social contributions	681	679
c) staff leaving indemnity	164	140
e) other costs	0	3
10) amortisation, depreciation & writedowns		
a) amortisation of intangible assets	1.417	1.214
b) depreciation of tangible fixed assets	151	159
c) other writedowns of non-current assets and cash at bank and on hand	0	236
12) Risks Provisions	176	0
14) sundry operating charges	673	498
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<b>Total cost of production</b>	<b>52.013</b>	<b>37.101</b>
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<b>Difference between value and cost of production (A-B)</b>	<b>2.571</b>	<b>2.241</b>
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C) Financial income and charges		
16) other financial income		
c) from current securities other then equity investments	117	10
e) other income	43	795
17) interest and other financial charges		
e) other interest and financial charges	(1.947)	(2.203)
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<b>Total financial income and charges</b>	<b>(1.787)</b>	<b>(1.398)</b>
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E) Extraordinary income and charges		
20) income		
b) Other income	284	343
21) charges		
c) other charges	(1.283)	(14.777)



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<b>Total extraordinary items (20-21)</b>	<b>(999)</b>	<b>(14.343)</b>
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<b>Loss before taxation (A-B+C+-D+-E)</b>	<b>(216)</b>	<b>(13.591)</b>