



PRESS RELEASE

DIGITAL BROS: The Shareholders' Meeting approves the Financial Statement as of 30 June, 2004.

The Shareholders' Meeting authorises the Board of Directors to proceed to a buy-back shares in order to sustain the share price and to eventually implement strategic partnership.

The shareholders of Digital Bros S.p.A., Group listed on the Nuovo Mercato of the Italian Stock Exchange, approves today the Financial Statement for the period 1 July, 2003 – 30 June, 2004.

The Shareholders' Meeting has been fully satisfied by the operations performed by the management during the last fiscal year. To further sustain the price and to eventually implement strategic partnership the Shareholders approve a buy back process.

Consolidated revenues achieved 84,8 million of Euro, up to 68% compared to 50.5 million of Euro registered in the period July 2003/ June 2004. Consolidated EBITDA at 8.9 million Euro (+158% compared to year 2002/2003), consolidated EBIT at 4.2 million Euro registered a strong growth compared to the same period of the previous year (+250%).

The Group closes the consolidated results at 30 June 2004 with a net profit of 457 thousand Euro versus a negative 1,39 million Euro registered in the same period of the previous year, after having accrued: a provision for stock obsolescence for 1.2 million Euro and write-downs on investments for 3.6 million Euro. Consolidated Net financial liabilities at 30 June 2004 amounted to 15,9 million Euro with about 2.2 million Euro decrease from the previous 18,1 million Euro at March, 31 2004.

The turnover of the holding company, which operates in the Italian videogame co-publishing and distribution with the Halifax brand, in the fiscal year 2003/2004 totalled 83.2 million Euro (+ 68% compared to 49.5 million Euro registered in the same period of the previous year).

Significant improvements also in the economic margins: EBITDA at 9.8 million Euro (+74%), EBIT at 5 million Euro (+ 46% compared to fiscal year 2002/2003). The holding company, after having accrued: a provision for losses on financial receivables of 1,3 million Euro, write-downs on holdings for 3 million Euro, a write-downs on holdings due to subsidiaries losses carry forward not affecting consolidated results for 9.2 million, registered a 7.44 million loss.

Forecasts for the next fiscal year have been confirmed: expected consolidated turnover at 87.1 million Euro, consolidated EBITDA at 7.4 million Euro, EBIT at 5.3 million Euro and a net profit at 1.8 million Euro.

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).



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Milan, 27 October 2004