



## **PRESS RELEASE**

**DIGITAL BROS: Board of Directors has approved the first quarter financial statement as of September 30, 2003.**

**The growth of the Group is continuing: consolidated revenues have increased by 20% compared to the same period of the previous year. Consolidated EBIT has reached break-even.**

The Board of Directors of Digital Bros, the digital entertainment Group listed at the Nuovo Mercato, has approved the quarterly financial statement as of 30 September 2003.

In this quarter the Group has continued its growth.

Consolidated revenues achieved 9.7 million Euro with a 1.5 million growth (+20%) compared to the same period of the previous year. This result is even more important having considered that revenues of the first quarter had already increased by 137%.

Significant improvements also occurred in financial margins: EBITD at 0.5 million Euro, with an increase of over 1.1 million Euro compared to a negative 0.6 million registered in the same period of the previous year. Consolidated EBIT has almost reached break-even (negative at 39.000 Euro) with a 1,1 million Euro improvement compared to the same period of the previous year. EBT is negative at 0.7 million Euro. This is a significant improvement compared to the first quarter of the previous year which registered a 1.8 million loss.

It's important to consider that these results are in line with the management's forecasts and that the revenues, seen the seasonal characteristics of the business in which Digital Bros operates, are concentrated in the second and in the third quarters, while the fixed costs are distributed on the whole fiscal year.

Digital Bros S.p.A., the holding company operating in videogame distribution for the Italian market, confirms its leadership of the Italian market and registers a 22% revenues increase (from 7.8 million Euro in the first quarter of 2002 to the current 9.5 million Euro).

There have been important improvements even in the other financial margins. EBITDA, compared to the negative results of 0.2 million Euro of the previous year, has registered a 0.9 million Euro growth and now amounts to 0.6 million Euro. EBIT is positive at 0.2 million Euro with a 0.9 million growth compared to negative value of 0.6 million euro which was registered in the previous year.

Significant improvements for the holding company considering that, in addition to the important forthcoming titles published by the current partners, the contract signed with Electronic Arts will express its whole potential in the second and third quarter of the fiscal year.

The Net Financial Position of the Group equals 16.7 million Euro: a relevant improvement considering the minus 13.8 million Euro registered in the same period of the previous year. This is due to investments in current assets to reach these results. The 1.2 million growth of this indicator compared to 30 June 2003 is in line with the usual trend which registers increases during the first half of the fiscal year and decreases in the second half.

"The positive results of this first quarter represent a further confirmation of the validity of our organisational and strategic decisions aimed at exploiting the synergies among the different Group activities, publishing and videogame distribution, digital television and online gaming – Raphael Galante commented, Managing director, Digital Bros – these results allows us to be extremely



confident about the development and growth of our business thanks to the variety of our catalogue, the new and more efficient commercial structure and strategic marketing activities”.

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).

**Consolidated**  
*Thousands of Euro*

3 Months	30/09/2003	30/9/2002	Variations	%
Revenues	9,7	8,11	1,6	19.4
EBITDA	0,5	(0,6)	1,1	positive
EBIT	(0,0)	(1,1)	1,1	positive
EBT	(0,7)	(1,8)	1,1	positive

	30/09/2003	30/09/02
Net financial liabilities	16,7	13,8

**Digital Bros S.p.A.**  
*Thousands of Euro*

3 Months	31/03/2003	30/09/2002	Variations	%
Revenues	9,5	7,8	1,7	21,7
EBITDA	0,6	(0,2)	0,9	positive
EBIT	0,2	(0,6)	0,9	positive
EBT	(0,4)	(1,4)	1,0	positive

	30/09/2003	30/09/02
Net financial liabilities	16,8	13,9

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