



*Today, the Board of Directors of Buongiorno S.p.A. approved the Half-Year Report at June 30, 2010.*

**Buongiorno reports growth in second quarter revenues to €67.7 million, up 4% vs Q2 2009 and up 13% vs Q1 2010**

**Strong cash generation in the period with net debt as at 30 June 2010 decreasing to €35.4 million vs €47.4 million at 31 December 2009**

**HY 2010 Highlights:**

**H1 2010 revenues of €127 million (H1 2009: €132.3 million)**

**Continuation of the positive trend in the B2C business, with revenues up 11% in H1 2010 versus the prior year period**

**H1 2010 EBITDA of €17.3 million (H1 2009: €18.6 million) in spite of increased marketing expenses in the second quarter which will favour the B2C business in the coming months**

**84% increase in pre-tax profit to €10.7 million (H1 2009: €5.8 million)**

**21% increased in net profit to €5.4 million (H1 2009: €4.5 million)**

*Milan, August 6, 2010* – The Board of Directors of Buongiorno SpA (FTSE Italia STAR: BNG), a leading multinational in mobile entertainment, today approved the figures for H1 2010, prepared in accordance with the international accounting standards (IAS/IFRS).

In detail, consolidated gross revenues for the first half of 2010 decreased 4% to €128.4 million (H1 2009: €133.7). Revenues amounted to €127 million (H1 2009: 132.3 million), a decrease of 4%. The second quarter performance has however been strong, with Q2 revenues of €67.7 million, up 4% on Q2 2009 (Q2 2009: €65.4 million) and up 13% on Q1 2010 (Q1 2010: €59.9 million).

In the first six months of 2010, marketing expenses increased by 16% to €33 million (vs €28.4 million in H1 2009) with an acceleration in the second quarter (€17.8 million vs €13.5 million in Q1 2009) according to positive growth perspectives in different countries in B2C.

We ended the first half of 2010 with a **normalised EBITDA (Gross Operating Margin)** of approximately €17.3 million, corresponding to 13.6% of revenues, compared to €18.6 million in the same period of 2009 (14.1% of net consolidated revenues).

The Buongiorno Group's consolidated **Net Financial Debt** at 30 June 30 2010 was €35.4 million, as against €47.4 million at 31 December 2009. The significant improvement of €12 million shows a high level of cash generation. The Group strengthened its equity structure, decreasing its gross debt, which went from €85 million at the end of 2009 to €73 million at the end of June 2010, maintaining net liquidity, which went from €38.7 million at the end of 2009 to €37.5 million at 30 June 2010. This result exceeded the objectives set by the 2010 operating plan, and the cash generation forecast for the second half of the year is positive.

In the first half of 2010, **B2C** reaffirmed its growth trend, reaching 11.5 million subscribers, and revenues amounted to €71.9 million (vs €64.8 million in the first quarter of 2009), up 11%. Revenues increased in almost all geographical markets, particularly in Brazil, Mexico, Russia and Germany. Preparations for the launch of B2C operations in the UK and of other new products (Prize Club and Online Supercontest) are proceeding according to plan, and the new initiatives are expected to be fully in place in the second half of the year.

Over the past few months, Buongiorno made significant steps forward in the area of iPhone and iPad applications, such as:

- The "reloaded" version of Hellotxt for iPads and iPhones, the personal social networker that allows messages, photos and drawings to be published on several social networks, with new



- functionalities to increase interaction and enjoyment: from geolocation, to doodling, to the new reading view which displays all the updates sent by your own contacts, over all the social networks,
- iGirl: the first premium sms service for smartphone users featuring daily delivery of the "iGirl of the day" (so far available just for iPhones but for the entire smartphone world by Q3: Blackberry, Nokia, etc.),
  - Applistars — the launch pad for Buongiorno's mobile content in the world of iPhone apps (in Spanish and English) — which has developed a number of successful apps such as the one linked to the Football World Cup.

On July 20, Buongiorno finally announced the availability (in Italy) of the first online game available on its platform Winga ([www.winga.it](http://www.winga.it)): poker. In the coming months, Winga will develop in 2 directions: on one hand the enlarging of the offer including bingo, lotteries, casino, and on the other hand with the availability of Winga on mobile phones exploiting Buongiorno's ten-year experience, in line with the authorisation provided for by the state monopolies.

The B2B business, which is more volatile, in part because it is tied to "campaigns" in partnership with telephone carriers, media groups and brands, saw a significant slowdown in revenue in the first six months of the year compared to the same period of last year, when it benefitted from the success of an SMS contest in an African country. This was accompanied by a further downturn in the interactive TV business, which gave high earnings with a modest profitability level.

Despite the fall in revenues at a global level, some geographical areas performed well in the six-month period, particularly Italy, France, Australia and the United States. In the United States in particular, the results were achieved by the B!Labs division (previously Rocket Mobile, a company acquired by Buongiorno in 2006, now completely integrated into the Group, which launched its new site [www.buongiornousa.com](http://www.buongiornousa.com) at the end of June. For years, the business unit has been the preferred partner for the provision of BREW solutions to the main American telephone operators, such as Verizon (which a few months ago once again started to offer its end customers Buongiorno's B2C services as well).

In the first six months of 2010, several major contracts were signed, including agreements with two of the most important European operators — Proximus/Belgacom in Belgium and O2 in Germany — for the launch of two loyalty schemes for prepaid customers, based on the contextual marketing program Recharge and Win (RAW).

Finally, the B!Digital division has reconfirmed its positive trend with a 44% increase in revenues and has signed a number of major agreements with international brands such as: Coty (Rimmel) for an interactive campaign on iPhones; BNL BNP Paribas for creating and managing a mobile advertising campaign; Comcast (E!news) for developing the iPhone application E!entertainment TV, and, finally, Epsilon (an American digital marketing agency specialised in healthcare) to which it has offered a number of innovative m-solutions for its digital advertising programmes.

**Industrial Added Value (IAV)** for H1 2010 was approximately €56.4 million (44.4% of net revenues), compared to approximately €56.6 million in H1 2009 (42.7% of net revenues).

**Personnel costs** remained virtually unchanged in H1 2010, at €25.9 million. The workforce went from 1,007 at 30 June 2009 to 995 at the end of the reporting period.

**Operating Income** for the first half of 2010 was about €10.9 million (€11.7 million in H1 2009). **Pre-tax profit** amounted to approximately €10.7 million (8.4% of consolidated net revenues) during the reporting period, up significantly compared to €5.9 million for the first half of 2009 (4.4% of consolidated net revenues).

**Net Consolidated Profit** amounted to about €5.4 million, compared to €4.5 million in the first half of 2009.

Buongiorno announced its investment in Glamoo, company leader in the group buying ("collective buying") sector which has interesting potential, especially in the mobile sector which is expected to follow Japanese trends and have significant growth in the next few years.

Buongiorno, which has been engaged in Corporate Social Responsibility initiatives for some years, is continuing this throughout 2010: renewing its efforts with young people and educators to promote responsible use of technology. In May, it presented the educational kit "Stop Cyberbullying" in a number of Milan high schools, sponsored by the National Commission for the prevention of Harassment and Bullying.

*Commenting on the results, Andrea Casalini, CEO of Buongiorno said:* "We are satisfied with our performance in the first half of the year, and in particular of the second quarter, which marks a positive trend in the growth of business revenues. We are also satisfied with the launch of Winga in July, in line with our plans. We are confident that we can confirm the target for growth versus last year. The business lines contributing to this increase are B2C and the new initiatives, and to support them we confirm we will proceed, also in the second half, to spend significantly for new clients' acquisition campaigns that guarantee growth and profitability in the medium term, even though it will mean some sacrifice in profitability this year. We are convinced that the Mobile Internet era is opening relevant business opportunities for Buongiorno and we would like to catch them in a perspective of profitable and sustainable growth. The 1,000 young professionals in Buongiorno, which operate in more than 20 countries in 5 continents, are strongly motivated to transform these opportunities in reality".

#### Breakdown of revenues and EBITDA by geographical area and business line

BUSINESS LINE				
(thousands of Euro)	B2C	B2B	Global Functions & Innovation	Total
<b>First half 2010</b>				
Revenues	71,902	53,123	2,015	127,040
Operating costs	(53,930)	(47,407)	(8,402)	(109,739)
<b>TOTAL EBITDA AT 30.06.2010</b>	<b>17,972</b>	<b>5,716</b>	<b>(6,387)</b>	<b>17,301</b>
EBITDA %	104%	33%	(37%)	100%
<b>First half 2009</b>				
Revenues	64,836	67,365	149	132,350
Operating costs	(47,444)	(58,600)	(7,688)	(113,732)
<b>TOTAL EBITDA AT 30.06.2009</b>	<b>17,392</b>	<b>8,765</b>	<b>(7,539)</b>	<b>18,618</b>
EBITDA %	93%	47%	(40%)	100%

#### B2C revenues and EBITDA – by geographical area

B2C				
(thousands of Euro)	First half 2010	First half 2009	VARIANCE	Var. %
IBERIA & LATAM	39,276	34,729	4,547	13%
FRANCE & ITALY	17,859	18,963	(1,104)	(6%)
UK & INTERNATIONAL	11,018	7,525	3,493	46%
SMS.AT	3,749	3,619	130	4%
<b>TOTAL REVENUES</b>	<b>71,902</b>	<b>64,836</b>	<b>7,066</b>	<b>11%</b>
Cost of sales	43,962	39,480	4,482	11%
<b>TOTAL IAV</b>	<b>27,940</b>	<b>25,356</b>	<b>2,584</b>	<b>10%</b>
Fixed costs	9,968	7,964	2,005	25%
<b>TOTAL EBITDA</b>	<b>17,972</b>	<b>17,392</b>	<b>579</b>	<b>3%</b>



## B2B revenues and EBITDA – by geographical area

B2B	First half 2010	First half 2009	VARIANCE	Var. %
(thousands of Euro)				
IBERIA & LATAM	15,911	25,926	(10,015)	(39%)
FRANCE & ITALY	9,228	9,021	207	2%
B! DIGITAL	8,781	6,096	2,685	44%
US	8,508	8,807	(299)	(3%)
AUSTRALIA	5,484	3,480	2,004	58%
UK & INTERNATIONAL	5,211	14,035	(8,824)	(63%)
<b>TOTAL REVENUES</b>	<b>53,123</b>	<b>67,365</b>	<b>(14,242)</b>	<b>(21%)</b>
Cost of sales	26,296	36,605	(10,309)	(28%)
<b>TOTAL IAV</b>	<b>26,827</b>	<b>30,760</b>	<b>(3,933)</b>	<b>(13%)</b>
Fixed costs	21,111	21,995	(885)	(4%)
<b>TOTAL EBITDA</b>	<b>5,716</b>	<b>8,765</b>	<b>(3,048)</b>	<b>(35%)</b>

Pursuant to paragraph 2 of Article 154-*bis* of the Italian Consolidated Financial Law (TUF), Carlo Frigato, in his capacity as the Executive responsible for preparing the Company's accounting documents, declares that the information contained herein corresponds to documented results and accounting books and records.

### About Buongiorno Group

Buongiorno (FTSE Italy STAR: BNG) is the multinational leader in mobile entertainment. The Company counts on an unparalleled international presence with 24 offices and business in 57 countries in 5 continents, 200 direct connections with +130 telcos and access to over 2 billion mobile customers. The Company operates with two business lines: mobile value-added services distributed directly - through its brand BlinkoGold for Mobile Content services and its social networks aggregator Hello!txt - as well as through partnerships with leading telcos and media groups - and digital marketing services referred to as sponsored content (Buongiorno!Digital).

For more information about Buongiorno, please visit the website [www.buongiorno.com](http://www.buongiorno.com)

For further information, please contact:

Eleonora Villanova  
Global PR & IR Executive  
Tel. +39 02 582 131  
Email: [eleonora.villanova@buongiorno.com](mailto:eleonora.villanova@buongiorno.com)

### Media enquiries

Anjali Unnikrishnan  
Finsbury Ltd, London  
Tel. +44 (0)20 7251 3801

(in thousands of Euro)			
	1° half 2010	1° half 2009	Var. %
<b>Economic and Financial Highlights</b>			
Sales of Services	127,040	132,350	(4%)
Value of Production	128,444	133,673	(4%)
Added Value (Val. of prod. - Mat., cons. and services)	43,250	44,496	(3%)
Industrial Added Value (IAV)	56,416	56,564	(0%)
Normalized Gross Operating Margin	17,301	18,618	(7%)
Normalized Operating Profit (Loss)	10,915	11,707	(7%)
Financial Operations	(186)	(3,574)	(95%)
Net non-recurrent earnings / (charges)	0	(2,275)	(100%)
Profit (Loss) before Taxes	10,729	5,859	83%
Profit (Loss) before Minority Interests	5,442	4,483	21%
<b>Balance Sheet highlights</b>			
Net invested capital	202,835	219,278	(7%)
Net current assets	(18,574)	(8,629)	115%
Capital and reserves	167,415	157,072	7%
Net financial position	(35,421)	(62,207)	43%
<b>Earning ratios</b>			
Added value/Revenues	34.0%	33.6%	1%
Gross Operating Margin/Revenues	13.6%	14.1%	(3%)
Gross Operating Margin/Net invested capital	8.5%	8.5%	0%
Financial Charges/Gross Operating Margin	(1.1%)	(19.2%)	(94%)
Operating Result/Revenues (ROS)	8.6%	8.8%	(3%)
Operating Result/Net invested capital (ROI)	5.4%	5.3%	1%
Profit (Loss) before Minority Interests/Capital and reserve (ROE)	3.4%	2.9%	19%
<b>Cost of staff</b>			
Staff (average of the period)	981	1,007	(3%)
Annual Revenues/Average staff	259	263	(1%)

<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>			
(in thousands of Euro)			
	1° half 2010	1° half 2009	Variance
<b>SALES OF GOODS AND SERVICES</b>	<b>127,040</b>	<b>132,350</b>	<b>(5,310)</b>
Other income and increase of fixed assets for internal works	1,405	1,323	82
<b>TOTAL VALUE OF PRODUCTION</b>	<b>128,444</b>	<b>133,673</b>	<b>(5,229)</b>
Services, use of third-party assets, consumables and goods	(85,195)	(89,177)	3,982
Personnel costs	(25,949)	(25,878)	(71)
<b>GROSS OPERATING MARGIN</b>	<b>17,301</b>	<b>18,618</b>	<b>(1,317)</b>
Amortization, depreciation and write-downs	(5,309)	(5,908)	599
Allowance for bad debts and other provisions	(457)	(441)	(16)
Other operating costs	(620)	(562)	(58)
<b>OPERATING PROFIT / (LOSS)</b>	<b>10,915</b>	<b>11,707</b>	<b>(792)</b>
Net financial earnings	4,983	2,285	2,698
Net financial charges	(5,169)	(5,804)	635
Value adjustments on financial assets	0	(54)	54
Net non-recurrent costs	0	(2,275)	2,275
<b>PROFIT (LOSS) BEFORE TAXATION</b>	<b>10,729</b>	<b>5,859</b>	<b>4,870</b>
Current income taxes	(2,943)	(1,539)	(1,404)
Deferred income taxes	(2,344)	163	(2,507)
<b>CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD</b>	<b>5,442</b>	<b>4,483</b>	<b>959</b>
Profit (loss) for the period attributable to Minority Interests	129	(97)	226
<b>GROUP CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD</b>	<b>5,313</b>	<b>4,580</b>	<b>733</b>
<b>Basic earnings per share (Basic EPS)</b>	<b>0.0500</b>	<b>0.0431</b>	<b>0.0069</b>
<b>Diluted earnings per share (Diluted EPS)</b>	<b>0.0467</b>	<b>0.0400</b>	<b>0.0067</b>

<b>RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT</b>		
<i>(in thousands of Euro)</i>	<b>1° half 2010</b>	<b>YTD 2009</b>
<b>NET FINANCIAL POSITION AT PERIOD START</b>	<b>(47,383)</b>	<b>(66,688)</b>
<b>Cash Flow from operating activities</b>		
Consolidated Group result	5,313	6,938
Amortization, depreciation and write-off	5,309	13,575
Net change in the severance indemnity fund	(22)	(87)
Net change in funds for risks and charges	(369)	(1,285)
Other ordinary activities items	2,764	3,812
	<b>12,995</b>	<b>22,953</b>
<b>Change in working capital</b>	<b>3,582</b>	<b>4,279</b>
<b>Cash Flow from Investing activities</b>		
Intangible fixed assets	(3,953)	(6,443)
Tangible fixed assets	(414)	(959)
Investments	(11)	(752)
Changes in consolidation area	0	0
	<b>(4,378)</b>	<b>(8,154)</b>
<b>Cash Flow from Financing activities</b>		
Paid capital increase	8	0
Other changes in capital	0	(1,854)
	<b>8</b>	<b>(1,854)</b>
<b>Other Changes in the Equity and financial situation that do not entail cash flows</b>		
Other increases (decreases) in capital	(375)	(108)
Minority interests	129	2,189
	<b>(246)</b>	<b>2,081</b>
<b>NET FINANCIAL POSITION AT PERIOD END</b>	<b>(35,421)</b>	<b>(47,383)</b>

<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>31/06/2010</b>	<b>31/12/2009</b>
(thousands Euro)		
<b>TOTAL CASH AND OTHER FINANCIAL ASSETS</b>	<b>37,572</b>	<b>38,761</b>
Total payables to banks	(2,515)	(2,711)
Total bank loans - current share	(29,348)	(33,514)
Total other current financial liabilities	(204)	(1,127)
Guaranted convertible bond	(995)	(994)
Financial receivables	17	28
<b>TOTAL NET CURRENT FINANCIAL LIABILITIES</b>	<b>(33,045)</b>	<b>(38,317)</b>
<b>CONSOLIDATED NET CURRENT FINANCIAL POSITION</b>	<b>4,527</b>	<b>443</b>
Total bank loans - non-current share	(39,880)	(47,789)
Total other non-current financial liabilities	(68)	(37)
<b>TOTAL NON-CURRENT FINANCIAL LIABILITES</b>	<b>(39,948)</b>	<b>(47,826)</b>
<b>NET FINANCIAL DEBT (POSITION)</b>	<b>(35,421)</b>	<b>(47,383)</b>