



Today, the Board of Directors of Buongiorno SpA has approved the Quarterly Report as of December 31, 2006.

**Buongiorno: Revenues for 2006 amounted to Euro 191.8 million (+41%),
EBITDA amounted to Euro 23.7 million (+93%).
Net Profit for 2006 amounted to Euro 12.3 million (+138%).**

**Net Financial Position was Euro +7 million
and 2006 operating Cash Flow was Euro 21.4 million.**

**World introduction today of the new Buongiorno corporate logo.
New and innovative digital entertainment products presented.**

Core business revenues for Q4 amounted to Euro 46.4 million, up 9% compared to Q4 2005.

In the twelve months, revenues increased 41% and EBITDA 93%.

Industrial Added Value (IAV)¹ for 2006 was Euro 79.1 million, exceeding the guidance (Euro 73-75 million).

Net profit for 2006 amounted to Euro 12.3 million compared to Euro 5.2 million for 2005, after Euro 1.7 million of non-monetary costs for Stock Option plans. EpS Euro 0.1424.

*Positive Net Financial Position amounted to Euro 7 million,
thanks to Euro 21.4 million of operating Cash Flow for the year.*

Milan, February 12, 2007 – The Board of Directors of Buongiorno S.p.A. (MTAX STAR, Borsa Italiana: BNG), a leading multinational in digital entertainment, approved today the figures for Q4 2006, drafted in accordance with the International Accounting Standards (IAS/IFRS).

Value of Production for Q4 2006 grew by 8% compared to the same period of 2005, thus increasing from Euro 43.3 million to Euro 46.9 million. In the twelve months, a 40% increase was recorded compared to the twelve months of 2005 (from Euro 138 million to Euro 193.4 million). **Core business revenues** for Q4 were Euro 46.4 million, up 9% compared to Q4 2005 (Euro 42.7 million); for the twelve months they grew 41%, from Euro 135.8 million to Euro 191.8 million. This increase in revenues was mainly attributable to the organic growth of business and, to a lesser extent, to the effect of the acquisition carried out at the end of August 2006 (Rocket Mobile Inc.).

Revenue growth in the fourth quarter was limited by the slowdown in turnover in the US market towards the end of the year, as a result of the decision to contain marketing expenses in light of the lower return on investment in recent months, and the decision by a major local mobile operator to suspend some of Buongiorno services. Another factor was the rise in the euro/dollar exchange rate which not only meant lower quarterly results in terms of euro, but also led to accounting adjustments for the previous quarters.

The geographical breakdown shows that the increase in revenues for Q4 2006, compared to Q4 2005, was led by the US, where sales increased from Euro 7.9 million in 2005 to Euro 12.9 million in 2006 (+64%). Growth in Central Europe was approximately 9%, whereas sales in the Iberian Peninsula and South America remained virtually stable. Meanwhile, revenues in Northern Europe declined (-32%), largely due to the definitive end to sales operations for Premium CDs through Peoplesound Ltd.

In terms of business lines, the most significant share of core business revenues was represented by revenues from Consumer Services, which reached Euro 41 million in Q4 (88% of total revenues), up 7% from Euro 38 million in the same period in 2005. In the twelve months, Consumer Services amounted to Euro 180 million, accounting for 92% of total revenues. Within Consumer Services, about 340 million digital objects were delivered, up from 237 million in the same period of 2005. In the twelve months, the figure was around 1,395 million compared to over 623 million in 2005. Over 60 million end users (GSM unique numbers) were reached during 2006.

¹ Industrial Added Value is the best indicator of the capacity to generate value for Service providers such as Buongiorno. IAV is calculated as revenues minus variable costs and marketing expenses.



Revenues from Marketing Services increased 20% from Euro 4.5 million in Q4 2005 to around Euro 5.5 million in Q4 2006 (Euro 11.7 million in the twelve months, down by 37% compared to 2005).

The **cost of services and use of third-party assets** in Q4 2006 amounted to Euro 29 million, slightly down from the figure for the same period of 2005. This drop was mostly attributable to a reduction in marketing spending in the US towards the end of the year. In light of the changing competitive situation on this market, Buongiorno decided to reduce and refocus marketing spending on gaining more stable customers to ensure profitability over the medium term. In the twelve months, the cost of services and use of third-party assets instead grew 35%, from Euro 99 million in 2005 to Euro 133.5 million in 2006. Such increase was approximately 6 percentage points lower than the increase in revenues from core business. Among the cost of services and use of third-party assets, marketing and promotional expenses increased mainly in the first half of the year especially in the US, Italy and Spain to support the development of the direct channel (Blinko).

Industrial Added Value (IAV), the true indicator of the Group's growth performance, was approximately Euro 23 million in the fourth quarter and Euro 79.1 million in the twelve months, up 44% compared to the same period last year, and exceeding Group expectations (Euro 73-75 million).

In absolute terms, **personnel costs** increased from Euro 8.8 million in Q4 2005 (Euro 26.7 million in the twelve months of 2005) to Euro 11.2 million in Q4 2006 (Euro 36.2 million in the twelve months of 2006), including approximately Euro 590 thousand in non-monetary costs to fund the stock option plans (Euro 1,700 thousand in the twelve months of 2006). The average number of employees increased from 466 in the first twelve months of 2005 to 659 in the first twelve months of 2006. The rise in personnel costs and the number of employees to a large extent was attributable to the acquisitions made in the second half of 2005 (about 150 people) and in August 2006 (about 40 people).

Consolidated Gross Operating Margin (GOM/EBITDA) in the fourth quarter of 2006 was positive at approximately Euro 6.7 million, up 23% compared to Q4 2005 (Euro 5.5 million); the ratio of GOM to revenues went from 12.8% to 14.5%. In the twelve months, GOM (Ebitda) amounted to approximately Euro 23.7 million in 2006 compared to Euro 12.3 million in 2005 (+93%); the ratio of GOM to revenues went from 9% in 2005 to 12.3% in 2006.

Operating Profit in the fourth quarter 2006 amounted to approximately Euro 5 million (Euro 18.8 million in the twelve months), up over 32% on the approximately Euro 3.8 million recorded in the year-before period (the increase was 140% on the twelve-month comparison). The most significant item was depreciation and amortization of fixed assets, which amounted to approximately Euro 1.3 million (Euro 3.9 million for the twelve months), a 36% increase compared to Q4 2005 by way of amortization and depreciation of the intangible assets of the newly acquired American Company Rocket Mobile Inc.

Pre-tax income for the period was approximately Euro 3.9 million, compared to about Euro 3.2 million in Q4 2005; for the twelve months, pre-tax income was Euro 15 million, up over 130% on 2005 (Euro 6.4 million). Alongside financial charges, the write-down of the share of loss of the Asian company Buongiorno Honk Kong Ltd. attributable to the Group (49%), amounting to Euro 740 thousand, had an impact on this figure. In the fourth quarter, in line with the forecasts, the joint-venture with Mitsui & Co., Ltd. continued to approach the breakeven, closing with a loss of only Euro 127 thousand. Group taxes amounted to Euro 0.6 million in Q4 2006 (Euro 2.4 million in the twelve months of 2006). The main items were income taxes on revenues generated by Buongiorno USA Inc., which had no losses carried forward, and IRAP (regional business tax) on the Group's Italian companies. In the other countries, taxes were extremely low, as the Buongiorno Group can use approximately 208 million in losses carried forward.

Consolidated Net Profit before minority interests amounted to approximately Euro 3.2 million in the fourth quarter of 2006 (Euro 12.6 million in the twelve months of 2006), up from Euro 2.4 million in the year-before period (Euro 5.2 million in the twelve months of 2005).

Net Profit attributable to minority interests for the quarter were Euro 8 thousand, Euro 311 thousand for the twelve years, therefore Net Profit attributable to the Group was Euro 3,2 million (Euro 2.4 million in Q4 2005) and Euro 12.43 million (Euro 3.16 million in 2005).



Below is a table showing EpS.

	12/31//2006 (3 months)	12/31/2005 (3 months)	12/31/2006 (12 months)	12/31/2005 (12 months)
Basic earnings per share (Basic EPS)	0,0370	0,0288	0,1424	0,0638
Diluted earnings per share (Diluted EPS)	0,0354	0,0268	0,1373	0,0580
Average No. of shares	86.867.899	84.666.806	86.309.312	80.929.572
Average No. of shares + No. of options and bonds convertible in	94.958.187	95.733.675	93.764.936	91.430.277
Interest payable on the convertible bond	148.416	125.817	583.754	137.000

At December 31, 2006 Group consolidated shareholders' equity was around Euro 75 million and Net Financial Position of Euro 7 million, compared to Euro 2.7 million for the third quarter of 2006, due to the Group's ability to generate cash from core business operations for approximately Euro 21.4 million for the year.

The reclassified consolidated Profit and Loss Account and Cash Flow Statement and a detailed statement of Fixed Assets are attached herein.

Andrea Casalini, Chief Executive Officer of Buongiorno S.p.A. comments, *"We are very satisfied with the results achieved in 2006. Though expanding geographically, we grew rapidly and we have increased our profitability. Only seven years since its formation, Buongiorno is nearing the Euro 200 million mark in terms of revenues, generating significant profits and cash flows. It is exciting to be one of the few global companies in our industry, offering a sustainable and well-balanced portfolio of services backed by a solid team of 700 professionals dedicated to making Buongiorno the undisputable leader in the distribution of digital entertainment to consumers throughout the world through various networks, starting with mobile services."* He concludes: *"We are confident that we will achieve our ambitious targets for both 2007 and in the long term through the offer of new products and services and the use of even more innovative advertising and promotional techniques."*

The Company confirms its guidance for 2007². Revenues are expected at Euro 230-250 million, with Industrial Added Value (IAV) at Euro 94-100 million, EBITDA between Euro 30 and 34 million and EpS 0.25-0.28.

Pursuant to the tasks entrusted to it by the Extraordinary Shareholders' Meeting held on May 2, 2006, the Board of Directors authorized the assignment of a further 35,000 options to employees under the Company's incentive and employee retention policies at the exercise price of Euro 3.86 each, subject to the procedures for determining the price, as approved by the General Meeting. While the assignment of stock options is immediate, entitlement to the exercise thereof is gradual starting from next year.

Today, the new Buongiorno logo will be introduced worldwide. The new logo was designed to express in a modern symbol the company's present positioning, its mission, its style, and its vision: **"By 2012 B! will bring a digital entertainment experience to at least 1 billion people worldwide"**. The restyled logo builds on the previous one, which is still recognizable by its blue and red colors. The new logo expresses Buongiorno's dedication to constant innovation, in step with the fast-moving industry in which the Group operates, riding and often anticipating market trends, constantly offering new services and technological solutions.

Buongiorno will be at the 3GSM Forum in Barcelona from February 12th to 15th, in a business suite where the company will hold meetings and demos of some of its new services for 2007, for the increasingly rich and diversified world of digital entertainment on cell phones. Among its new services, the company will present: Music Channel for Videophony 3, the first music TV channel for cell phones; Video Chat, the first video chat on the new IVR standard that makes it even easier and more fun to find new friends, and interacting on video phone; V-mark, the new solution for the sharing of User Generated Content (UGC) with UGC author tracing and payment, a real revolution in P2P message exchange and a new kind of marketing solution, designed to sharply accelerate P2P MMS traffic and advertising messages, with innovative payment systems for the end user; On Device Portal, a software for user-friendly management of VAS content installed in cell phones.

² The forecasts shown in this document are based on the data currently available to B!



About Buongiorno Group

Buongiorno (Italy, MTAX STAR: BNG) is a multinational leader in digital entertainment. One of the first groups worldwide in the mobile value added services area, Buongiorno is market leader in Europe and the United States and has recently opened operations in emerging markets such as Latin America, Middle East and Africa. Buongiorno operates in Russia and Pacific Asia through the Joint Venture with the Japanese group Mitsui & Co., Ltd.. Buongiorno operates with two business lines: value-added services for wireless and wired consumers (Consumer Services) - distributed through the brand BLINKO as well as through partnerships with leading telecom companies and the most important media groups -, and digital marketing services (Marketing Services).

Additional information about Buongiorno S.p.A. is available on the website www.buongiorno.com or by contacting:

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CONSOLIDATED PROFIT AND LOSS ACCOUNT								
<i>(in thousands of Euro)</i>	12/31/2006 (3 months)	12/31/2005 (3 months)	Change (3 months)	Chg. % (3 months)	12/31/2006 (12 months)	12/31/2005 (12 months)	Change (12 months)	Chg. % (12 months)
SALES OF GOODS AND SERVICES	46.438	42.706	3.732	9%	191.781	135.819	55.962	41%
Other income and increase of fixed assets for internal works	427	556	(130)	-23%	1.665	2.196	(532)	-24%
TOTAL VALUE OF PRODUCTION	46.865	43.262	3.603	8%	193.445	138.015	55.431	40%
Services, use of third-party assets, consumables and goods	(28.973)	(29.001)	28	0%	(133.531)	(99.023)	(34.508)	35%
Personnel costs	(11.181)	(8.809)	(2.372)	27%	(36.243)	(26.717)	(9.527)	36%
GROSS OPERATING MARGIN	6.711	5.453	1.259	23%	23.671	12.276	11.396	93%
Amortization, depreciation and write-downs	(1.318)	(966)	(352)	36%	(3.853)	(3.009)	(845)	28%
Allowance for bad debts and other provisions	(208)	(516)	308	-60%	(359)	(797)	438	-55%
Other operating costs	(157)	(165)	8	-5%	(698)	(712)	15	-2%
OPERATING PROFIT / (LOSS)	5.028	3.805	1.223	32%	18.762	7.758	11.004	142%
Net financial earnings / (charges)	(1.032)	(580)	(452)	78%	(2.849)	(1.340)	(1.508)	113%
Value adjustments on financial assets	(127)	0	(127)	0%	(951)	0	(951)	0%
Earnings / (charges) from assets held for sale	0	0	0	0%	0	0	(0)	0%
Net exceptional earnings / (charges)	(1)	0	(1)	0%	(0)	0	(0)	0%
PROFIT (LOSS) BEFORE TAXATION	3.867	3.225	642	20%	14.962	6.418	8.544	133%
Income taxes	(648)	(783)	135	-17%	(2.359)	(1.252)	(1.107)	88%
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	3.219	2.442	776	32%	12.603	5.165	7.438	144%
Profit (loss) for the period attributable to Minority Interests	8	0	8	839%	311	1	310	30969%
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	3.210	2.442	768	31%	12.292	5.164	7.128	138%
Basic earnings per share (Basic EPS)	0,0370	0,0288	0,0081	28%	0,1424	0,0638	0,0786	123%
Diluted earnings per share (Diluted EPS)	0,0354	0,0268	0,0085	32%	0,1373	0,0580	0,0793	137%

FIXED ASSETS		
<i>(in thousands of Euro)</i>	12/31/2006	12/31/2005
NET FIXED ASSETS		
Intangible fixed assets	55.871	41.911
Tangible fixed assets	1.615	1.569
	57.486	43.481

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT			
<i>(in thousands of Euro)</i>	12/31/2006	12/31/2005	<i>Change</i>
NET FINANCIAL POSITION AT PERIOD START	(6.482)	3.359	(9.841)
CASH FLOW FROM ORDINARY ACTIVITIES			
Consolidated Group profit (loss) for the period	12.292	5.164	7.128
Amortization, depreciation and write-downs of intangible and tangible fixed assets and investments	4.766	3.009	1.757
Net change in the severance indemnity fund	220	298	(78)
Net change in funds for risks and charges	1.794	571	1.223
Other ordinary activities items	2.355	1.143	1.212
	21.428	10.185	11.243
CHANGE IN CURRENT ASSETS	5.418	(7.020)	12.439
CASH FLOW FROM INVESTING ACTIVITIES			
Intangible fixed assets	(19.412)	(24.409)	4.996
Tangible fixed assets	(847)	(726)	(121)
Investments	(2.488)	(3.407)	919
Change in consolidation area	0	(23)	23
Non-current assets held for sale	0	0	0
	(22.747)	(28.564)	5.817
CASH FLOW FROM FINANCING			
Paid capital increase	3.624	14.078	(10.455)
Other changes	5.727	1.477	4.250
	9.351	15.556	(6.205)
OTHER CHANGES IN THE EQUITY AND FINANCIAL SITUATION THAT DO NOT ENTAIL CASH FLOWS			
Allotment and acquisition of companies through issuing of stocks	0	0	0
Capital increase through contribution in-kind	0	0	0
Minority Interests	(0)	3	(3)
	(0)	3	(2)
NET FINANCIAL POSITION AT PERIOD END	6.968	(6.482)	13.450