



*Today, the Board of Directors of Buongiorno S.p.A. approved the Half-Yearly Report as of June 30, 2009.*

### **Buongiorno S.p.A. Results for H1 2009:**

**Ebitda of Euro 18.6 million, up 14% compared to H1 2008, thanks to the growth of the most profitable business segments and the decrease of fixed costs.**

**Ebitda for Q2 2009: Euro 10.2 million up 27.5% compared to Q2 2008.**

**Revenues of Euro 132.3 million, down by 16.4% compared to H1 2008 due to a change in the accounting principles of an Australian contract and the rationalization of the product portfolio.  
More than 90% of revenues generated outside Italy.**

**Consolidated Net Profit of Euro 4.5 million: +87.5% compared to H1 2008.**

**Net Debt improved to Euro 62.2 million.**

**Integration of iTouch successfully completed after 24 months from the acquisition, exceeding saving expectations at the beginning of the Integration Plan.**

*Milan and London, August 27, 2009* – The Board of Directors of Buongiorno S.p.A. (MTA, Borsa Italiana: BNG), a leading multinational in digital entertainment, today approved its half-yearly results for the six months ended June 30, 2009, prepared in accordance with the international accounting standards (IAS/IFRS).

The results for the first half of 2009 posted an Ebitda up 14.1% (vs H1 2008), although marketing expenses remained largely in line with those for the same period of 2008 (-3%) and a moderate decrease of Revenues (-16.4%) due to the new terms of renewal of a relevant contract in Australia for online sales of phone air time, for which new accounting principles are net commissions only (and no longer the gross amount), and to the rationalization of the product portfolio, with the termination of those with negative or poor contributions, in particular those related to the Interactive Tv (B2B) in Iberia.

More than 90% of the company's Revenues continue to be generated outside Italy in the first half of 2009, as the Company strengthens its position as global mobile content leader.

### **Economic and Financial Highlights**

In details, **Value of Production** of H1 2009 amounted to Euro 133.7 million vs. Euro 159.2 million in H1 2008. **Consolidated Revenues** of H1 2009 amounted to Euro 132.3 million (vs. Euro 158.2 in the same period of 2008). Revenues in Q2 2009 amounted to Euro 65.4 million, down by 17% compared to Euro 79.1 million in H1 2008. **Ebitda** for the first six months of 2009 amounted to Euro 18.6 million, compared to Euro 16.3 million in H1 2008, the ratio of Ebitda to consolidated revenues was 14.1% (vs. 10.3% in H1 2008). Ebitda in Q2 2009 was positive at Euro 10.2 million vs. Euro 8.0 million of Q2 2008, up 27.5%.

**Operating Profit** in the first half of 2009 amounted to Euro 11.7 million (vs. Euro 10.6 million in H1 2008), up 10.4%.

**Consolidated Net Profit** of the first half of 2009 amounted to Euro 4.5 million, increasing by 87.5% compared to H1 2008 (Euro 2.4 million).

**Personnel costs** amounted to Euro 25.9 million in H1 2009 (vs. Euro 27.1 million in H1 2008) Personnel fell from 1,084 units at June 30, 2008 to 994 units at June 30, 2009.

Buongiorno's **Consolidated Net Debt** at June 30, 2009 was Euro 62.2 million, compared to Euro 73 million at June 30, 2008 and Euro 66.7 million at December 31, 2008.

The company's gross debt decreased of nearly Euro 40 million, reaching its lowest point since the iTouch acquisition in July 2007 (Euro 98 million).



Buongiorno's core business, which focuses on Mobile Content 1.0 services and content, has seen little effect from the current macroeconomic situation, thanks to the opportunities of geographical growth on a global level. The total number of users who subscribe to traditional B2C services - BlinkoGold - increased during the period to over 7.6 million, with a large number of new subscribers located in areas where BlinkoGold has been recently launched. This increase occurred against the backdrop of a rationalization of marketing expenses, which resulted in lower advertising investments on general channels and a greater focus on innovative markets and channels that offer a higher return on investment.

Other factors contributing to the company's performance were:

- ✓ the enhancement of its B2O offering with a suite of technology and CRM services called Intelligent Mobile Marketing (IMM), which was officially launched by mobile carrier Telefonica O2 in the UK in February 2009 and is currently being proposed to leading telephone operators throughout Europe;
- ✓ the prosecution of contracts for the exclusive management of mobile telephone contest initiatives, known as SuperContests, on behalf of large telephone companies, which was strongly anti-cyclical and closely tied to the attractiveness in many emerging countries of basic VAS (MC1.0) involving simple interactions through SMS text messages. The most significant contracts are in Latin America and Africa;
- ✓ the enlargement of existing contracts of "Full Portal" solutions offered by Buongiorno to telephone carriers (B2O), including the creation and management of a game portal called Game Store for TIM, the expansion of the telco operator Sprint's alerts platform in the US and the development of customized Brew solution for H3G's social networking handset (INQ), which recently won the Meffys award for the best handset awarded by the Mobile Entertainment Forum (MEF).

In the first six months of the year, Buongiorno continued its path towards Mobile Content 2.0 innovation in 4 areas. In particular efforts focused on:

- ✓ the company's social networking proposition for mobile phones – peoplesound - that reached more than 300,000 subscribers;
- ✓ the development and placement of solutions for the Application Stores of mobile operators and handset manufacturers. In particular, HelloTtxt, the innovative social networks and microblogging site aggregator that allows users to read their contacts' updates and update their status immediately and easily from their mobile phones, is now available through Vodafone's Application Shop in Italy and Spain;
- ✓ the progressive development of a marketplace for mobile advertising that could leverage on the users' reach aggregated by Buongiorno Marketing Services, thanks to important agreements;
- ✓ the validation study of valuable investment opportunities in relation to skill games, m-payment and mobile social gaming.

In the first six months of 2009, the market in which Buongiorno Marketing Services operates, saw Internet and digital media remaining solid (+7%) and a shift in usage patterns from offline media to digital and mobile media, and at the same time a drop in advertising investments, with offline media decreasing (between -17% and -30%).

In this scenario Marketing Services' revenues in Q2 2009 were increasing by 30% (Euro 3.9 million in Q2 2009 vs Euro 3 million in Q2 2008), while in the first 3 months of 2009 revenues were down by 40% (Euro 3.2 million in Q1 2009 vs Euro 5.4 million in Q1 2008)

The main achievements of Buongiorno Marketing Services have been:

- ✓ the extension until 2011 of the multi-year contract of the digital marketing program called Orange Wednesday for the telephone operator Orange in the UK;
- ✓ the attainment of an exclusive contract to manage and sell advertising on all mobile internet sites – including iPhone - of the Espresso Group (such as La Repubblica, Radio DeeJay, Repubblica Sport and TrovaCinema);
- ✓ several mobile marketing campaigns for important clients such as: BMW, Citroen, Ford and the Terme di Sirmione (Sirmione Springs).

### **Buongiorno-iTouch Integration Plan**

At the end of June, the company substantially completed its two-year **Buongiorno-iTouch Integration Plan**, which, in 24 months, resulted in the creation of a new, completely integrated company in terms of products, processes, and technical and logistical infrastructures. At June 30, 2009, the savings generated exceeded the objective of Euro 10 million expected at the



beginning of the Integration Plan. All the main projects set forth in the Integration Plan continued in the first half of 2009. In particular, the streamlining of the company's processes and product offering allowed the number of employees to be reduced to 994, down 21% from 1,253 at the beginning of the Plan; the streamlining of the company's structure continued, allowing the number of legal entities to be reduced from over 100 to 77. The plan aimed at streamlining technological aspects was also nearly completed. All of the planned Data Center closings were completed, and 31 of the 34 migration projects undertaken following the iTouch merger were successfully completed (the last three projects, in Spain, Portugal and Brazil, will be completed this year). These activities are in addition to those completed as of December 2008, including the closing of offices in 13 countries and the transfer of Customer Care activities to South Africa.

### Debt Refinancing

On June 23, 2009 Buongiorno Group announced that a new loan facility has been signed with a pool of banks headed by Banca IMI SpA (Intesa Sanpaolo Group) for the issue of a new multi-year loan for a total consideration of Euro 87 million. It is divided into a five-year, Euro 67 million senior loan with payments due every six months (Tranche A) and a Euro 20 million revolving credit facility, which will be gradually cancelled starting the fourth year after the issuance date (Tranche B).

The loan calls for a spread of 300 basis points with respect to the benchmark interest rate, subject to adjustment on a six-monthly basis according to a reward mechanism linked to the ratio of Gross Financial Debt to Ebitda.

### Divisional Highlights by Region and Business Line

REGION	1° half 2009	1° half 2008	variance	Var. %
(in thousands of Euro)				
IBERIA	50,138	54,994	(4,856)	(8.8%)
UK	12,222	12,202	19	0.2%
ITALY	12,651	18,016	(5,364)	(29.8%)
FRANCE & OTHER NON EURO COUNTRIES	23,432	30,095	(6,662)	(22.1%)
OTHER NON EURO COUNTRIES	33,758	42,725	(8,967)	(21.0%)
SHARED SERVICES	149	148	1	0.4%
<b>TOTAL REVENUES</b>	<b>132,350</b>	<b>158,180</b>	<b>(25,830)</b>	<b>-16%</b>

BUSINESS LINE	1° half 2009	1° half 2008	variance	Var. %
(in thousands of Euro)				
CONSUMER SERVICES	125,185	149,764	(24,579)	(16%)
MARKETING SERVICES	7,164	8,415	(1,251)	(15%)
<b>TOTAL REVENUES</b>	<b>132,350</b>	<b>158,180</b>	<b>(25,830)</b>	<b>-16%</b>

The largest share of core-business revenues was attributable to Consumer Services, with Group revenues for the segment reaching Euro 125.2 million in H1 2009, as a percentage of 95% of total revenues. Marketing Services segment reached revenues for Euro 7.2 million, as a percentage of 5% of total revenues.

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.

The reclassified consolidated Profit and Loss Account, Cash Flow Statement and Reclassified Balance Sheet are attached herein.



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**About Buongiorno Group**

Buongiorno (Italy, MTA STAR: BNG) is the multinational leader in mobile content and digital entertainment. The Company counts on an unparalleled international presence with 24 offices and business in 57 countries in 5 continents, 200 direct connections with +120 telcos and access to over 2 billion mobile customers. Buongiorno is market leader in Europe and is one of the top 3 players in 8 of the world's most important geographies. Buongiorno is also present in Russia and Pacific Asia (India, Vietnam and Philippines) through the Joint Venture with the Japanese group Mitsui & Co., Ltd.. The Company operates with two business lines: mobile value-added services distributed directly - through its brand BlinkoGold for Mobile Content services and through its Mobile Social Networking brand peoplesound - as well as through partnerships with leading telcos and media groups (Consumer Services) - and digital marketing services referred to as sponsored content (Marketing Services).

For more information about Buongiorno, please visit their websites, [www.buongiorno.com](http://www.buongiorno.com) and [www.peoplesound.com](http://www.peoplesound.com)

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(in thousands of Euro)			
	1° half 2009	1° half 2008	Var. %
<b>Economic and Financial Highlights</b>			
Sales of Services	132,350	158,180	(16%)
Value of Production	133,673	159,209	(16%)
Added Value (Val. of prod. - Mat., cons. and services)	44,496	43,366	3%
Industrial Added Value (IAV)	56,564	57,138	(1%)
Normalized Gross Operating Margin	18,618	16,278	14%
Normalized Operating Profit (Loss)	11,707	10,608	10%
Financial Operations	(3,574)	(4,380)	(18%)
Net non-recurrent earnings / (charges)	(2,275)	(1,878)	21%
Profit (Loss) before Taxes	5,859	4,350	35%
Profit (Loss) before Minority Interests	4,483	2,392	87%
<b>Balance Sheet highlights</b>			
Net invested capital	219,278	218,600	0.3%
Net current assets	(8,629)	(9,112)	(5%)
Capital and reserves	157,072	145,574	8%
Net financial position	(62,207)	(73,026)	15%
<b>Earning ratios</b>			
Added value/ Revenues	33.6%	27.4%	23%
Gross Operating Margin/ Revenues	14.1%	10.3%	37%
Gross Operating Margin/ Net invested capital	8.5%	7.4%	14%
Financial Charges/ Gross Operating Margin	(19.2%)	(26.9%)	(29%)
Operating Result/ Revenues (ROS)	8.8%	6.7%	32%
Operating Result/ Net invested capital (ROI)	5.3%	4.9%	10%
Profit (Loss) before Minority Interests/ Capital and reserve (ROE)	2.9%	1.6%	74%
<b>Cost of staff</b>			
Staff (average of the period)	1,007	1,090	(8%)
Annual Revenues/ Average staff	263	290	(9%)

<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>			
(in thousands of Euro)	<b>1° half 2009</b>	<b>1° half 2008</b>	<b>variance</b>
<b>SALES OF GOODS AND SERVICES</b>	<b>132,350</b>	<b>158,180</b>	<b>(25,830)</b>
Other income and increase of fixed assets for internal works	1,323	1,029	294
<b>TOTAL VALUE OF PRODUCTION</b>	<b>133,673</b>	<b>159,209</b>	<b>(25,536)</b>
Services, use of third-party assets, consumables and goods	(89,177)	(115,843)	26,666
Personnel costs	(25,878)	(27,088)	1,210
<b>GROSS OPERATING MARGIN</b>	<b>18,618</b>	<b>16,278</b>	<b>2,340</b>
Amortization, depreciation and write-downs	(5,908)	(4,299)	(1,609)
Allowance for bad debts and other provisions	(441)	(510)	69
Other operating costs	(562)	(861)	299
<b>OPERATING PROFIT / (LOSS)</b>	<b>11,707</b>	<b>10,608</b>	<b>1,099</b>
Net financial earnings	2,285	1,874	411
Net financial charges	(5,804)	(6,299)	495
Value adjustments on financial assets	(54)	(4)	(50)
Earnings / (charges) from assets held for sale	-	49	(49)
Net non-recurrent costs	(2,275)	(1,878)	(397)
<b>PROFIT (LOSS) BEFORE TAXATION</b>	<b>5,859</b>	<b>4,350</b>	<b>1,509</b>
Current income taxes	(1,539)	(1,866)	327
Deferred income taxes	163	(92)	255
<b>CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD</b>	<b>4,483</b>	<b>2,392</b>	<b>2,091</b>
Profit (loss) for the period attributable to Minority Interests	(97)	(9)	(88)
<b>GROUP CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD</b>	<b>4,580</b>	<b>2,401</b>	<b>2,179</b>
<b>Basic earnings per share (Basic EPS)</b>	<b>0.0431</b>	<b>0.0225</b>	<b>0.0206</b>
<b>Diluted earnings per share (Diluted EPS)</b>	<b>0.0400</b>	<b>0.0217</b>	<b>0.0183</b>

<b>RECLASSIFIED BALANCE SHEET</b>			
(in thousands of Euro)	<b>06.30.2009</b>	<b>12.31.2008</b>	<b>VARIANCE</b>
Intangible fixed assets	206,439	207,029	(590)
Tangible fixed assets	3,870	4,292	(422)
Financial fixed assets	31,821	32,792	(971)
<b>FIXED ASSETS</b>	<b>242,130</b>	<b>244,113</b>	<b>(1,983)</b>
Inventories	6	1,429	(1,423)
Trade receivables	62,714	68,432	(5,718)
Other assets	13,336	12,053	1,283
Trade payables	(62,804)	(77,276)	14,472
Other liabilities	(21,882)	(14,729)	(7,153)
<b>NET WORKING CAPITAL</b>	<b>(8,630)</b>	<b>(10,091)</b>	<b>1,461</b>
<b>SEVERANCE INDEMNITY FUND</b>	<b>(1,117)</b>	<b>(1,141)</b>	<b>24</b>
<b>DEFERRED TAX PROVISIONS</b>	<b>(5,373)</b>	<b>(6,424)</b>	<b>1,051</b>
<b>PROVISION FOR RISKS AND CHARGES</b>	<b>(7,731)</b>	<b>(9,396)</b>	<b>1,665</b>
<b>NET INVESTED CAPITAL</b>	<b>219,279</b>	<b>217,061</b>	<b>2,218</b>
Paid-up capital	27,652	27,652	0
Reserves and profits (losses) carried forward	112,748	102,185	10,563
Profit (loss) for the period	4,580	8,127	(3,547)
Minority interests	12,092	12,409	(317)
<b>CAPITAL AND RESERVES</b>	<b>157,072</b>	<b>150,373</b>	<b>6,699</b>
<b>MEDIUM AND LONG-TERM BORROWINGS</b>	<b>55,891</b>	<b>8,005</b>	<b>47,886</b>
Cash and equivalents (* )	(36,332)	(45,544)	9,212
Debts to banks and other financial institutions	42,648	104,227	(61,579)
<b>SHORT-TERM BORROWINGS</b>	<b>6,316</b>	<b>58,683</b>	<b>(52,367)</b>
<b>NET FINANCIAL POSITION</b>	<b>62,207</b>	<b>66,688</b>	<b>(4,481)</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND BORROWINGS</b>	<b>219,279</b>	<b>217,061</b>	<b>2,218</b>

<b>RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT</b>		
<i>(in thousands of Euro)</i>	<b>1° half 2009</b>	<b>Year 2008</b>
<b>NET FINANCIAL POSITION AT PERIOD START</b>	<b>(66,688)</b>	<b>(66,664)</b>
<b>Cash flow from operating activities</b>		
Consolidated Group result	4,580	8,127
Amortization, depreciation and write-off	5,962	19,117
Net change in the severance indemnity fund	(24)	0
Net change in funds for risks and charges	(1,665)	(9,085)
Other ordinary activities items	(242)	(3,560)
	<b>8,611</b>	<b>14,599</b>
<b>Change in working capital</b>	<b>(1,461)</b>	<b>7,703</b>
<b>Cash flow from investing activities</b>		
Intangible fixed assets	(4,022)	(12,067)
Tangible fixed assets	(462)	(3,188)
Investments	262	(262)
Changes in consolidation area	0	(54)
	<b>(4,222)</b>	<b>(15,571)</b>
<b>Cash flow from financing activities</b>		
Paid capital increase	0	504
Other changes in capital	0	(2,277)
	<b>0</b>	<b>(1,773)</b>
<b>Other changes in the equity and financial situation that do not entail cash flow</b>		
Other increases (decreases) in capital	1,806	(5,189)
Minority interests	(253)	207
	<b>1,553</b>	<b>(4,982)</b>
<b>NET FINANCIAL POSITION AT PERIOD END</b>	<b>(62,207)</b>	<b>(66,688)</b>