



**Buongiorno S.p.A**  
**(“Buongiorno”, “Company” or “the Group”)**

**INTERIM RESULTS**

*London and Milan, Aug 29, 2008* – Buongiorno S.p.A. (Italy, MTA STAR: BNG) a leading multinational in digital entertainment, has today announced half-yearly results for the six months ended June 30 2008, prepared in accordance with the international accounting standards (IAS/IFRS)<sup>1</sup>.

**Financial Highlights**

- ✓ Revenues up 84% to EUR158 million (H1 2007: EUR85.8 million)
- ✓ EBITDA up 96% to EUR16.3 million (H1 2007: EUR8.8 million)
- ✓ Operating profit up 74% to EUR10.6 million (H1 2007: EUR6 million)
- ✓ Cost saving goals, following the iTouch integration, have been exceeded, resulting in a three point decrease in personnel costs as a percentage of sales
- ✓ 42% growth in the Marketing Services division

**Operational Highlights**

- ✓ Mobile content services have been successfully expanded across emerging countries
- ✓ The launch of well-targeted strategic initiatives aimed at addressing the new challenges posed by the economy and marketplace
- ✓ Strategic partnership with Mitsui has produced positive results in terms of networks with a large customer base and leading media agencies

**Andrea Casalini, Chief Executive Officer of Buongiorno S.p.A commented,**

“We believe that the mobile entertainment market will continue to offer significant long-term opportunities, despite the less buoyant short term outlook, resulting from our period of adjustment and macroeconomic conditions.

We feel that our operations in core European markets will remain stable in the second half of the year, with the favourable impact of a number of seasonal factors in the fourth quarter. Growth compared to the first half of the year will be generated primarily by B2C services in emerging countries and contracts with telephone service providers for the outsourcing of widely deployed services. Factors contributing to improved profitability compared to the first half of 2008 will include the rationalisation of certain unprofitable services and completion of the plan for integrating iTouch. It is in this scenario that we confirm the guidance for 2008, which was announced on 7 July 2008.”

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**BUONGIORNO**

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<sup>1</sup> These consolidated H1 Financial Statements at June 30, 2008 of the Buongiorno Group were drafted in compliance with the requirements of the “Regulations for Implementing Legislative Decree No. 58 of February 24, 1998 regarding Issuers” (CONSOB Resolution No. 11971 of May 14, 1999 and subsequent amendments), European Community Regulations No. 1606 of July 19, 2002, on international accounting principles. The Half-Year Financial Statements refer to the consolidated situation of Buongiorno and its direct and indirect subsidiaries as of June 30, 2008.



## Overview

The iTouch acquisition and its successful integration, further geographic expansion and higher business volumes, have resulted in improved revenues, EBITDA and operating profit, in comparison to the same period last year.

## Operational Review

Buongiorno's stable revenue performance in the first half of 2008, on a proforma base, allowed the company to strengthen its leading position on a global level (approximately 88% of the Company's H1 2008 sales were outside Italy). Factors contributing to this performance include; the expansion of mobile-content services (Mobile Content 1.0) in emerging countries, efficient management of the portfolio of products and solutions offered to the more than 100 telephone service providers served by Buongiorno across the world, and the launch of well-targeted strategic initiatives aimed at addressing the new challenges posed by the economy and marketplace.

An additional contributing factor to the period's revenue growth was the considerable increase in Marketing Services revenues as a result of the strong commercial synergies developed among countries in mobile advertising campaigns as well as digital relationship marketing projects with international customers. The company's sales efforts and the strategic partnership with Mitsui are producing positive results in terms of both networks with large customers and leading media agencies (Aegis Group) as well as product innovations in areas such as mobile couponing and mobile advertising.

## Geographical Expansion

In 2008, Buongiorno significantly expanded its presence, both in its traditional markets and in new markets, the most important of which are South Africa, Australia, and Argentina.

REGION	1ST HALF 2008	1ST HALF 2007	CHANGE	%
(in thousands of Euro)				
ITALY & MEDITERRANEAN	21,003	18,534	2,469	13.3%
FRANCE	11,946	4,837	7,109	147.0%
IBERIA	54,994	27,610	27,384	99.2%
GERMANY, SUISSE AND AUSTRIA (GSA)	5,662	2,521	3,141	124.6%
LATIN AMERICA (LATAM)	9,258	1,473	7,785	528.5%
UK & INTERNATIONAL	45,144	11,430	33,714	295.0%
USA	10,025	19,253	-9,228	(47.9%)
OTHER	148	119	29	24.5%
<b>TOTAL REVENUES</b>	<b>158,180</b>	<b>85,777</b>	<b>72,403</b>	<b>84.4%</b>

## Divisional Highlights by Business Line

### Consumer Services

The largest share of core-business revenues was attributable to Consumer Services, with Group revenues for the segment reaching EUR149.8 million in H1 2008, accounting for 95% of the Group total.

### Marketing Services

The Marketing Services division achieved sales of EUR8.4 million (H1 2007: EUR5.9 million), an increase of 42%. This is primarily due to the development of strong commercial synergies among the countries in mobile advertising campaigns as well as the efficiency of its strategic collaborations with telecommunications companies such as Orange, Vodafone and KPN



BUSINESS LINE	1ST HALF 2008	1ST HALF 2007	CHANGE	%
(in thousands of Euro)				
CONSUMER SERVICES	149,765	79,860	69,905	88%
MARKETING SERVICES	8,415	5,917	2,498	42%
<b>TOTAL REVENUES</b>	<b>158,180</b>	<b>85,777</b>	<b>72,403</b>	<b>84%</b>

## Financial Review

The Buongiorno Group ended H1 2008 with **consolidated Net Financial Debt** of Euro 73.0 million (EUR66.7 million at December 31 2007). The increase in Net Financial Debt during the period is mainly attributable to acquisitions of minority interests in companies belonging to the iTouch Group, which was acquired in 2007, and, to a lesser extent, the change in working capital.

In detail, the **consolidated Value of Production** for H1 2008 amounted to EUR159.2 million (H1 2007: 86.8 million), representing an 83.4% increase. H1 2008 closed with a **normalised Gross Operating Margin (EBITDA)** of approximately EUR16.3 million, corresponding to 10.3 % of revenues, compared to EUR8.8 million in the same period of 2007 (10.2 % of net consolidated revenues).

**Operating profit** for H1 2008 amounted to approximately EUR10.6 million, accounting for 6.7% of net revenues (H1 2007: EUR6.1 million, accounting for 7.1% of net revenues).

The main operating cost for the Group was **personnel costs**. Personnel costs as a percentage of sales decreased significantly compared to H1 2007 (17.1% for H1 2008 vs. 20.6% H1 2007) due to synergies developed following the acquisition of iTouch. In absolute terms, personnel costs increased from EUR17.7 million H1 2007 to approximately EUR27 million at the end of the first half of 2008.

## Share Buy-Back Plan

On January 22 2008, a buy-back plan approved by the Ordinary Shareholders' Meeting held on May 2 2007 was initiated. During the period ended June 30 2008, Buongiorno purchased 2,256,500 ordinary shares on for EUR4,153 thousand. Between June 30 2008 and July 15 2008, Buongiorno purchased an additional 630,500 ordinary shares, bringing its ownership of Buongiorno share capital to a total of 2.71% for an overall investment of EUR4,819 thousand.

On July 30 2008, the company sold its treasury stock (through subsidiaries iTouch Spain Holding SA and iTouch Limited) as a portion of the payment of the earn-out clauses for the acquisition of Producciones y Promociones Especiales de TV (parent company of Llama TV SL) and Call TV Holdings Limited (parent company of Ostrich Media Limited). At the date of the Meeting of the Board of Directors approving the financial statements for the period ended June 30 2008, Buongiorno held 1,488 treasury shares.

The reclassified consolidated Profit and Loss Account and Cash Flow Statement are attached herein.

## About Buongiorno Group

Buongiorno (Italy, MTA STAR: BNG) is a multinational leader in digital entertainment. With the acquisition of its competitor iTouch in 2007, Buongiorno has become the world's #1 in mobile content: music, video, games, social networking, mobile and interactive TV. The Company counts on an unparalleled international presence with 38 offices and business in 53 countries in 5 continents, direct connections with +100 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 present in Russia and Pacific Asia (India, China; Indonesia, 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 (Consumer Services) — distributed through the global brand BlinksGold as well as through partnerships with leading telcos and media groups — and digital marketing services also referred to as sponsored content (Marketing Services).

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

<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>			
(in thousand of Euro)	1st Half 2008	1st Half 2007	Change
<b>SALES OF GOOD AND SERVICES</b>	<b>158,180</b>	<b>85,777</b>	<b>72,403</b>
Other income and revenue and increase of fixed assets for internal use	1,029	1,046	(17)
<b>TOTAL VALUE OF PRODUCTION</b>	<b>159,209</b>	<b>86,823</b>	<b>72,386</b>
Services and use of third-party assets	(115,843)	(60,328)	(55,515)
Personnel costs	(27,088)	(17,742)	(9,346)
<b>GROSS OPERATING MARGIN</b>	<b>16,278</b>	<b>8,753</b>	<b>7,525</b>
Depreciation, amortization and impairment losses	(4,299)	(1,928)	(2,371)
Allowance for bad debts and other provisions	(510)	(25)	(485)
Other operating costs	(861)	(705)	(156)
<b>OPERATING PROFIT/(LOSS)</b>	<b>10,608</b>	<b>6,095</b>	<b>4,513</b>
Net Finance income and expenses	(4,425)	(1,044)	(3,381)
Value adjustments on financial assets	(4)	0	(4)
Earnings/(charges) from assets held for sale	49	0	49
Net exceptional earnings/(charges)	(1,878)	0	(1,878)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>4,350</b>	<b>5,051</b>	<b>(701)</b>
Income taxes	(1,866)	(928)	(938)
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<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>2,392</b>	<b>4,968</b>	<b>(2,576)</b>
Profit for the period attributable to minority interests	(9)	(56)	47
<b>GROUP PROFIT FOR THE YEAR</b>	<b>2401</b>	<b>5024</b>	<b>-2623</b>
Basic earnings per share (Basic EPS)	0.0225	0.0567	(0.0342)
Diluted earning per share (Diluted EPS)	0.0217	0.0542	(0.0325)

<b>RECLASSIFIED CONSOLIDATED BALANCE SHEET</b>			
(in thousands of Euro)	30.06.2008	31.12.2007	CHANGE
<b>FIXED ASSETS</b>	<b>243.804</b>	<b>230.556</b>	<b>13.248</b>
<b>WORKING CAPITAL</b>	<b>(9.112)</b>	<b>(2.400)</b>	<b>(6.712)</b>
SEVERANCE INDEMNITY	(1.087)	(1.141)	54
DEFERRED TAX LIABILITIES	(6.891)	(2.561)	(4.330)
PROVISION FOR RISKS AND CHARGES	(8.114)	(11.541)	3.427
NET INVESTED CAPITAL	218.600	212.912	5.688
<b>NET EQUITY</b>	<b>145.574</b>	<b>146.248</b>	<b>(674)</b>
SHORT TERM NET FINANCIAL DEBT	9.274	11.109	(1.835)
MEDIUM AND LONG-TERM BORROWINGS	63.752	55.555	8.197
<b>NET FINANCIAL POSITION (*)</b>	<b>73.026</b>	<b>66.664</b>	<b>6.362</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND BORROWINGS</b>	<b>218.600</b>	<b>212.912</b>	<b>5.688</b>

(\*) if negative, it constitutes an asset for the Company