



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

BUONGIORNO Q1 2008 RESULTS

Milan, May 12, 2008 – Buongiorno S.p.A. (MTA, Borsa Italiana: BNG), a leading multinational in digital entertainment, has today announced quarterly results for the three months ended March 31st 2008, prepared in accordance with the international accounting standards (IAS/IFRS)¹.

Financial Highlights

- ✓ Revenues up 86.3% to Euro 79 million (Q1 2007: Euro 42.4 million)
- ✓ EBITDA up 77% to Euro 8.2 million (Q1 2007: Euro 4.7 million)
- ✓ Operating profit up 84.6% to Euro 6.5 million (Q1 2007: Euro 3.5 million)
- ✓ Pre-tax profit up 39% to Euro 3.8 million (Q1 2007: Euro 2.7 million). This includes restructuring and financial charges related to the acquisition and integration of iTouch.
- ✓ Net financial debt of Euro 75.5 million at March 31, 2008.
- ✓ EPS up 15% to Euro 0.030 (Q1 2007: Euro 0.026)

Operational Highlights

- ✓ Integration of iTouch Ventures progressing at a rapid pace
- ✓ Significant increase in business in various “new” geographies including Turkey, Brazil, Mexico, Argentina and South Africa
- ✓ New geographical sub-division for the 53 countries in which Buongiorno operates reflecting the fully implemented company reorganization
- ✓ Continued expansion of Buongiorno’s Marketing Services division; most notably through the appointment by Vodafone Egypt to provide mobile phone advertising solutions
- ✓ 2008 guidance confirmed

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

“In the first quarter we have rapidly executed the operational integration of iTouch into the Company, which means Buongiorno is now in the best possible position to capitalize on opportunities offered by mobile entertainment market trends and absorb the irregular growth due to the period of transition. Companies that, like Buongiorno, have reached a significant size in Mobile Content 1.0 (MC 1.0) type services in Western Europe are facing the challenge of maintaining positive growth rates despite the erosion of revenues in certain services/segments that have traditionally supplied the greatest weight for their total business. We believe the opportunities to maintain an overall growth profile reside primarily in the launch/promotion of MC 1.0 services in more recently developed countries and the dissemination of next-generation services related to the development and diffusion of mobile Internet (known as MC 2.0 services) as rapidly as possible.”

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¹ These consolidated Q1 Financial Statements at March 31, 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 Quarterly Financial Statements refer to the consolidated situation of Buongiorno and its direct and indirect subsidiaries as of March 31, 2008.



Overview

Q1 2008, the Company's first financial period of operation following the acquisition of iTouch, witnessed an increase in revenues, EBITDA, operating profit, and net profit compared to the same period of 2007. This was primarily due to expansion of markets in which the Group operates and increased volumes following the acquisitions carried out in 2007, particularly that of iTouch, whose profit and loss account has been consolidated as of January 1, 2008.

In Q1 2008, Buongiorno is pleased to report sales of Euro 79 million, EBITDA of Euro 8.2 million and pre-tax profit of Euro 3.8 million.

In addition to this, in the first quarter of 2008, Buongiorno was able to;

- significantly increase its business in various "new" countries (including Turkey, Brazil, Mexico, Argentina, South Africa), particularly through its B2C operations,
- maintain stability or achieve moderate growth in most European markets despite the unfavorable context for the Company's traditional business. Market difficulties were encountered, especially in countries such as the United Kingdom and Spain, where various factors contributed to the slowdown of demand: the effects of the introduction of new laws and regulations, increasing percentages of SIM cards without credit, a fall in the average life of subscriptions, diffusion of side-loading techniques (transfer of content free of charge from computer to mobile phone or between mobile phones via Bluetooth). Faced with these trends, Buongiorno was able to stimulate new segments of demand through targeted promotional initiatives and the use of new promotional channels. This resulted in the Company both increasing, on the whole, the European base of subscribers to its B2C services and entering various new B2O and B2B agreements,
- manage the decline of business in the United States thanks to the success of B2O operations, which partially offset the further drop in the subscriber base of the B2C segment and the effects of the depreciation of the dollar,
- continue to expand Marketing Services, the division of Buongiorno that operates on the mobile and digital advertising market through important commercial agreements. This has been evidenced with Vodafone Egypt selecting Buongiorno Marketing Services as its exclusive solution provider for mobile phone advertising through a commercial agreement aimed at launching the region's first mobile phone advertising campaign platform. This highly innovative platform will operate over various channels (including MMS, WAP Banner, SMS and Interactive Voice Response) and will feature high-profile advertisers such as BMW, Hyundai, P&G and Pepsi. Buongiorno's Marketing Services division will provide Vodafone Egypt with the full solution, including the proprietary Ad Serving platform, business consulting, sales assistance, campaign management, and media planning for advertisers,
- invest in the development of a new product aimed at capitalising on mobile social networking opportunities,
- proceed rapidly with the integration of Buongiorno and iTouch, achieving significant cost synergies and preparing for increasingly synergetic and efficient operations, thereby fully exploiting the company's position as world leader in Mobile Content 1.0 (MC 1.0), i.e. services chiefly related to personalization.

As of March 31, 2008, the net financial debt of the Buongiorno Group was Euro 75.5 million, whereas consolidated net debt stood at Euro 66.7 million as of December 31, 2007. The changes in individual components of the Group's net financial position may be almost entirely explained by the buy-back plan execution, the acquisition of Llama TV, B2C commercial activities of Africa Limited in South Africa and, to a lesser degree, the change in the circulating capital due to B2C activities in the emerging markets.

Breakdown of Revenues / Value of Production by Business Line

In detail, Value of Production for Q1 2008 increased by 86% compared to the same period of 2007, thus rising from Euro 42.8 million to Euro 79.6 million.

Consolidated Gross Operating Margin (EBITDA) in Q1 2008 was positive at approximately Euro 8.2 million (Euro 4.7 million at March 31, 2007), up, in absolute value, by 77%; the ratio of EBITDA to consolidated revenues was 10.4% (11% at March 31, 2007).

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The Operating Profit for the first quarter 2008 was Euro 6.5 million (Euro 3.5 million in the first three months 2007), up approximately 84.6% from the figure in the corresponding period of last year

Turning to the performance of revenues by business line, as shown in the following table, consumer services increased by 89%, whereas marketing services rose 58%:

| BUSINESS LINE | Q1 2008 | Q1 2007 |
|--------------------|---------------|---------------|
| CONSUMER SERVICES | 73.656 | 39.022 |
| MARKETING SERVICES | 5.389 | 3.412 |
| Totale | 79.045 | 42.434 |

Breaking revenues down by geographical area, subsequent to the acquisitions of the group controlled by iTouch Ventures Limited and other companies included in the scope of consolidation in 2007, a new model was introduced, reorganizing Buongiorno's business into seven main geographical areas:

- The Italy and Mediterranean area includes Group businesses in Italy, Greece and Turkey;
- France includes companies operating in France and Morocco;
- The Iberian Peninsula (hereinafter "Iberia") includes Spain and Portugal;
- the German Area (hereinafter "GSA") includes Germany, Austria, Switzerland and Eastern European countries
- South America ("Latam") mainly includes Mexico, Argentina and Brazil and other minor countries in the area;
- The UK International area includes operations in the UK, Northern Europe (the Netherlands and Scandinavia) and also in South Africa, Australia and New Zealand; and North America, including the U.S. and Canada.

The reader is referred to the annexed tables for an analysis of individual markets.

Moving on to a review of **operating costs**, the most significant item was **service costs**, which came to Euro 57.7 million, up by approximately Euro 28.2 million on the first quarter of 2007 (Euro 29.5 million). As of March 31, 2008, the service costs stood at 73% of revenues, up on the previous period (69.6%) due to the effect of the weight of marketing expenses aimed at developing the new social networking product and the maximization of growth of clients of MC 1.0 services.

The other main cost item was **personnel costs**, which amounted to Euro 13.7 million in the first quarter 2008 (Euro 8.7 million in the same period of 2007), including approximately Euro 578 thousand in non-monetary costs serving the stock option plans. Primarily as a result of the acquisitions undertaken in 2007, the number of employees rose from 688 as of March 31, 2007 to 1,089 at the end of the first quarter of 2008 (1,068 as of December 31, 2007). Personnel costs as a percentage of sales was 17.3% of consolidated revenues for the quarter, a decrease compared to the first quarter of 2007 (20.5%).

The Board of Directors of Buongiorno SpA also resolved to modify the calendar of the meetings of the BoD for 2008, eliminating the meeting scheduled for August 3 and moving the meeting scheduled for September 15 to approve the half-yearly report forward to August 29th.

The BoD of Buongiorno SpA also verified and confirmed the satisfaction of independence requirements by the following directors: Giovanni Massera, Anna Puccio, Felipe Fernandez Atela, and Anna Gatti.

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.

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



Outlook

For the rest of 2008, Buongiorno intends to follow the guidelines set out in the strategic plan announced last autumn and to improve revenue growth rates from the first quarter, despite the pressure on the "traditional" business and the unfavorable overall macroeconomic context. In particular, the Company intends to continue to make strong efforts to acquire new subscribers to B2C services and increase its market share in the B2O and marketing services sectors. At the same time, the Company will remain focused on profitability, in part through its achievement of cost synergies arising from the integration of iTouch.

The Company confirms the guidance set in the 2008 plan on the basis of the results of the first quarter and business outlook.

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 BLINKO as well as through partnerships with leading telcos and media groups — and digital marketing services also referred to as sponsored content (Marketing Services).

| (in thousands of Euro) | Q1 2008 | Q1 2007 | Var. % |
|---|----------|---------|--------|
| Economic and Financial Highlights | | | |
| Sales of Services | 79,045 | 42,434 | 86% |
| Value of Production | 79,565 | 42,856 | 86% |
| Added Value (Val. of prod. - Mat., cons. and services) | 21,892 | 13,338 | 64% |
| Industrial Added Value (IAV) | 29,028 | 17,857 | 63% |
| Gross Operating Margin | 8,237 | 4,651 | 77% |
| Operating Profit (Loss) | 6,516 | 3,529 | 85% |
| Financial Operations | (2,210) | (832) | >100% |
| Profit (Loss) before Taxes | 3,772 | 2,697 | 40% |
| Profit (Loss) before Minority Interests | 3,152 | 2,222 | 42% |
| Balance Sheet highlights | | | |
| Net invested capital | 222,682 | 78,642 | >100% |
| Net current assets | (1,967) | (3,448) | (43%) |
| Equity | 147,226 | 88,116 | 67% |
| Net financial position | (75,455) | 9,474 | <100% |
| Earning ratios | | | |
| Added value/Revenues | 27.7% | 31.4% | (12%) |
| Gross Operating Margin/Revenues | 10.4% | 11.0% | (5%) |
| Gross Operating Margin/Net invested capital | 3.7% | 5.9% | (37%) |
| Financial Charges/Gross Operating Margin | (26.8%) | (17.9%) | 50% |
| Operating Result/Revenues (ROS) | 8.2% | 8.3% | (1%) |
| Operating Result/Net invested capital (ROI) | 2.9% | 4.5% | (35%) |
| Profit (Loss) before Minority Interests/Capital and reserve (ROE) | 2.1% | 2.5% | (15%) |
| Cost of staff | | | |
| Staff (average of the period) | 1,079 | 688 | 57% |
| Annual Revenues/Average staff | 293 | 247 | 19% |



CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousand of Euro)

| | 31.03.2008 (3 months) | 31.03.2007 (3 months) | CHANGES | Var. % |
|---|--------------------------|--------------------------|---------------|------------|
| SALES OF GOOD AND SERVICES | 79,045 | 42,434 | 36,611 | 86% |
| Other income and revenue and increase of fixed assets for | 520 | 422 | 98 | 23% |
| TOTAL VALUE OF PRODUCTION | 79,565 | 42,856 | 36,709 | 86% |
| Services and use of third-party assets | (57,673) | (29,518) | (28,155) | 95% |
| Personnel costs | (13,655) | (8,687) | (4,968) | 57% |
| GROSS OPERATING MARGIN | 8,237 | 4,651 | 3,586 | 77% |
| Depreciation, amortization and impairment losses | (1,352) | (911) | (441) | 48% |
| Allowance for bad debts and other provisions | 24 | (4) | 28 | >100% |
| Other operating costs | (393) | (207) | (186) | 90% |
| OPERATING PROFIT/(LOSS) | 6,516 | 3,529 | 2,987 | 85% |
| Net Finance income and expenses | (2,210) | (832) | (1,378) | 166% |
| Value adjustments on financial assets | (2) | 0 | (2) | - |
| Earnings/(charges) from assets held for sale | 25 | 0 | 25 | - |
| Net exceptional earnings/(charges) | (557) | 0 | (557) | - |
| PROFIT/(LOSS) BEFORE TAXATION | 3,772 | 2,697 | 1,075 | 40% |
| Income taxes | (620) | (475) | (145) | 31% |
| CONSOLIDATED PROFIT FOR THE YEAR | 3,152 | 2,222 | 930 | 42% |
| Profit for the period attributable to minority interests | (40) | (51) | 11 | (22%) |
| GROUP PROFIT FOR THE YEAR | 3,192 | 2,273 | 919 | 40% |
| Basic earnings per share (Basic EPS) | 0.0300 | 0,0261 | 0.0039 | 15% |
| Diluted earning per share (Diluted EPS) | 0.0288 | 0,0252 | 0.0036 | 14% |



| GEOGRAPHICAL AREA | Q1 2008 | Q1 2007 |
|------------------------|---------------|---------------|
| ITALY & MED | 10,291 | 9,024 |
| FRANCIA | 6,002 | 2,438 |
| IBERIA | 26,278 | 14,053 |
| GSA | 2,900 | 1,330 |
| LATAM | 4,959 | 789 |
| UK & INTERNATIONAL | 23,294 | 5,290 |
| NORD AMERICA | 5,537 | 9,428 |
| Netting+Shared Service | -216 | 81 |
| Total | 79,045 | 42,434 |

| (in thousands of Euro) | RCE | RILA | RNA | RNE | Netting+ Shared Service | Total |
|------------------------|---------------|---------------|--------------|--------------|-------------------------------|---------------|
| ITALY & MED | 9,024 | 0 | 0 | 0 | 0 | 9,024 |
| FRANCIA | 2,438 | 0 | 0 | 0 | 0 | 2,438 |
| IBERIA | 0 | 14,053 | 0 | 0 | 0 | 14,053 |
| GSA | 1,330 | 0 | 0 | 0 | 0 | 1,330 |
| LATAM | 0 | 789 | 0 | 0 | 0 | 789 |
| UK & INTERNATIONAL | 0 | 0 | 0 | 5,290 | 0 | 5,290 |
| NORD AMERICA | 0 | 0 | 9,428 | 0 | 0 | 9,428 |
| Netting+Shared Service | 0 | 0 | 0 | 0 | 81 | 81 |
| Total | 12,792 | 14,842 | 9,428 | 5,290 | 81 | 42,434 |

As of March 2007, Geographical areas were as follows.

RCE Italy, Germany, Austria, Greece, Turkey, France
 RILA Spain, Latam
 RNA North America and Canada
 RNE UK, the Netherlands, South Africa, Australia e New Zealand