



Today, the Board of Directors of Buongiorno S.p.A. approved the Quarterly Report at December 31, 2007.

**Buongiorno: Net profit to Euro 13.7 million (+9% compared to 2006).
Upward Revenues and EBITDA in Q4 2007.
Proforma EBITDA with iTouch to Euro 12.7 million in Q4 2007 and to Euro 40 million in 2007,
exceeding the guidance.
Net financial position to Euro -67 million, better than the guidance.**

Highlights Q4 2007:

- *Upward Revenues and EBITDA in Q4 2007.*
- *Revenues for Q4 amounted to Euro 46 million, +7.5% compared to Q3 2007; revenues remained the same compared to the same period in 2006. EBITDA amounted to approximately Euro 7 million in the fourth quarter of 2007, + 24% compared to Q3 2007 and +6% compared to Q4 2006.*
- *Pro-forma revenues including iTouch for Q4 2007 amounted to Euro 83.8 million and EBITDA to Euro 12.7 million.*
- *Buongiorno's net profit for 2007 to Euro 13.7 million (+9% compared to 2006).*
- *Proforma revenues 2007 including iTouch1 at Euro 319 million and EBITDA at Euro 40 million.*
- *Net Debt amounted to Euro 67 million.*
- *Purchased the majority stake of Llama TV in Spain and the minority stake of Ostrich Media, both international leaders in the creation of Quiz TV programs, and already owned by iTouch.*
- *Guidance for 2008 confirmed, with revenues forecast at between Euro 330 million and Euro 350 million, EBITDA at between Euro 41 million and Euro 45 million.*

Milan, February 15, 2008 — Buongiorno S.p.A. (MTAX STAR, Borsa Italiana: BNG), the world leader in mobile entertainment, has today announced the figures for Q4 2007, prepared in accordance with IAS/IFRS. Financial data for 2007 refers to Buongiorno stand alone and does not consolidate iTouch figures¹. Unaudited pro-forma revenues are attached herein.

In Q4 2007, Buongiorno's consolidated revenues amounted to Euro 46.2 million, an increase compared to the previous quarters (Euro 42.9 million in Q3 2007).

Gross operating margin (EBITDA) for 2007 was positive at about Euro 7.1 million, up 24% compared to the previous quarter and up 6% compared to Q4 2006.

The preliminary revenue figures for 2007 amounted to Euro 174.9 million and EBITDA to Euro 21.6 million and are at the upper end of the estimates presented in the strategic plan (Euro 172-178 million and EBITDA at Euro 20-22 million).

With the completion of the acquisition of iTouch, the unaudited pro-forma revenues for 2007 are expected to amount to Euro 319million, with pro-forma EBITDA of Euro 40million.

The Board of Directors also confirmed the 2008 Guidance. Buongiorno expects revenues of Euro 330-350 million, EBITDA of Euro 41-45 million. The company has also set the objective of achieving savings totaling Euro 10 million by mid-2009 as a result of the iTouch acquisition.

In the fourth quarter, Buongiorno completed a series of strategic steps on which the growth projected in the 2008 strategic plan is based:

1. The expansion of the Marketing Services division within the mobile and digital advertising market; the division was restructured at the beginning of 2007, leading to a significant growth in sales during the year of Euro 20.6 million (it should be noted that Digital Marketing Services sector sales comprise revenues generated by the European businesses grouped into the division headed by Buongiorno Marketing Services BV and subsidiary Rocket Mobile Inc.'s B2B activities in the United States). Revenues grew by 8.9% in Q4 2007, reaching Euro 5.9 million compared to Euro 5.4 million in Q3 2007. The increase was due to sales initiatives that were implemented during the year in Northern Europe and the EMEA countries (mainly Turkey and North Africa) as well as the Company's portfolio of important customers, which consists

¹ The conclusion of the acquisition of a 100% stake in iTouch Ventures Limited was ratified on December 28, 2007 and consequently Buongiorno's Report does not include iTouch's financial data. On December 21, 2007, Consob authorized the company to publish the Prospectus about the capital increase.



primarily of Fortune 500 companies, such as *Barilla, Danone, Henkel, Kellogg's, the Mars Group, Masterfood, Unichips, Reckitt Benkiser, Coca Cola* and *Fnac*.

2. The Company has continued its geographical expansion, which in Q4 led to acceleration in the growth of B2C activities in Turkey, Brazil and Argentina (thanks to the acquisition of By-Cycle), South Africa, Australia and Benelux. It has also strengthened its B2B activities in the United States, Turkey and Brazil, where the award-winning TIM Music Store for mobile phones developed entirely by Buongiorno recorded more than 1.7 million downloaded tracks.
3. The launch of Blinko as a global consumer brand, which in Q4 brought Italian consumers the newly fashioned www.blinkogold.it, a premium digital store created with the objective of offering a selection of richer content and a more satisfying and involving entertainment experience thanks to unique offerings. These included: streamed pop concerts, videos of famous comedians' performances and 35 free SMSs, as well as the possibility to use digital entertainment interchangeably on mobile phones or PCs connected to Blinko.
4. Product innovations have allowed Buongiorno to achieve significant results in Q4, namely developing the Vodafone Cube service for Italian consumers. The service offers a broad, high-quality selection of downloadable content; becoming Ferrari's* Mobile Content Partner, offering the Scuderia's digital content to mobile telephone users in Italy, Spain, Brazil and the US and, lastly, being awarded first prize as best service in the Innovation category for the TIM Brasil Music Store².
5. Buongiorno closed two deals for the purchase of the majority stake in Llama TV and for the purchase of the minority stake in Ostrich Media, a company operating in the Quiz TV market. Ostrich Media and Llama were already owned by iTouch (Ostrich Media by 51% and Llama by 30%). Ostrich and Llama offer large television broadcasters a complete service that focuses on proprietary formats that are filmed in their own television studios and provide more than 25 hours of programming production per week, and CRM systems that increase the profitability of these formats and international geographic coverage (the UK, Germany, Spain, Austria, South Africa and Switzerland). Buongiorno is ready to take advantage of the growing opportunities provided by the Quiz TV market, which is undergoing rapid evolution, estimated to be worth about USD 5 billion by 2010.

The **Value of Production** in the fourth quarter of 2007 came to Euro 46.8 million, substantially in line with the fourth quarter of 2006, while the figure for the twelve months to December 2007 (Euro 177.3 million) was down by 8% on the 2006 figure (Euro 193.4 million). **Core-business revenues**, which amounted to Euro 46.2 million in the fourth quarter, also fell by approximately 1% compared to the same period in 2006 (Euro 46.4 million); the item decreased 9% on an annual basis from Euro 191.8 million in 2006 to Euro 174.9 million in the 12 months of 2007.

For the Buongiorno Group the primary segment is the geographic one, which extends over four market areas: Central Europe (including Group operations in Italy, Germany, Austria, Greece, Turkey, France and other French-speaking countries), hereinafter referred to as RCE; the Iberian peninsula and South America, hereinafter referred to as RILA; Northern Europe (including operations in the UK and the Netherlands, and also in South Africa, Australia and New Zealand), hereinafter referred to as RNE; and North America (the US and Canada), referred to as RNA.

In the fourth quarter of 2007, turnover in the Central European market (RCE) was up by 20% (Euro 16.2 million in the fourth quarter of 2007 compared to Euro 13.5 million in the fourth quarter of 2006), primarily due to the innovative activities and services provided to telephone operators in Italy and Turkey as well as the increase in the activities of the Digital Marketing Services division in Italy. Turning to Northern Europe (RNE), consolidated revenues were up by 42.5% (Euro 7.0 million in the fourth quarter of 2007 compared to Euro 4.9 million in the fourth quarter of 2006) due to the impact of the Digital Marketing Services activities of Hotsms in the Netherlands and FlyTXT in Great Britain. The performance of turnover in Spain and South America (Euro **17.5** million in the fourth quarter of 2007 compared to Euro 15.1 million in the fourth quarter of 2006, for an increase of 16%) was primarily due to the acquisition of the ByCycle Argentina Group, which has been consolidated since October 1, 2007, and which earned a total of Euro 2.4 million in revenue. Lastly, turning to North America (RNA), the decrease in total turnover in the fourth quarter and in all of 2007 compared to 2006 may be attributed, as previously disclosed, to the B2C activity undertaken by the subsidiary Buongiorno USA (Florida).

Breaking core revenue down by business line, the largest portion was provided by Consumer Services, a sector in which the Group posted a turnover of Euro 40.2 million in the fourth quarter, or 87% of the Group's total revenue, whereas the Buongiorno Marketing Services division achieved a turnover of Euro 5.9 million.

² Awarded by the prestigious South American trade magazine, *Revista INFO*



Consumer Services turnover in the fourth quarter of 2007 slightly decreased (Euro 40.2 million compared to Euro 41 million in the fourth quarter of 2006).

The increased weight of Buongiorno Marketing Services activities (+ 13%) is due to the investments the Group is making in the division, including through the strategic alliance with the Mitsui group.

The Buongiorno Group ended 2007 with net financial debt of Euro 66.7 million at December 31, 2007, compared to consolidated financial position positive at Euro 16.1 million at September 30, 2007 (Euro 6.9 million at December 31, 2006). The changes in individual components of the Group's net financial position may be almost entirely explained by the effects of the financing for the acquisition of iTouch Ventures Limited, the consolidation of the financial debt of acquired companies, and, to a lesser degree, the acquisition of the ByCycle Argentina Group.

CEO Andrea Casalini stated: "The completion of the iTouch acquisition, the renewed growth of revenues during the quarter and a team of 1000 professionals with extensive experience in the industry have given us confidence for facing the challenges awaiting us in 2008. We believe we are the market leader in global digital entertainment, a market expected to be worth in excess of USD 50 billion by 2010. Buongiorno is constantly investing in new ideas and products, mainly in the area of services that combine the Web and mobile technology as well as in mobile marketing services".

In January 2008, Buongiorno started (in accordance with a resolution passed by the Board of Directors) a program involving the buy back of a maximum of 8,500,000 treasury shares with a nominal value of Euro 0.26 each (approximately 8% of current share capital), which may be used to complete future M&A transactions.

Based on the powers granted to it by the General Shareholders' Meeting held on May 2, 2006, the Board of Directors voted to allocate 60,000 options to the managers who recently joined the Group.

Lastly, on March 5 of this year, Buongiorno will participate in the STAR Conference organized by Borsa Italiana to discuss the results achieved by the Group in 2007 and future expectations.

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, Balance Sheet and the Cash Flow Statement are attached herein.

About Buongiorno Group

Buongiorno (Italy, MTAX STAR: BNG) is a multinational leader in digital entertainment. With the acquisition of iTouch, a market player in the distribution of mobile entertainment products and services, Buongiorno becomes the world's No.1 provider of mobile entertainment, information, messaging and marketing services. As a matter of fact the Group is market leader in Europe and in 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). Buongiorno is a partner of NCL (National Consumer League), the oldest American association for the consumer's protection, on developing an educational campaign for mobile entertainment users.

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

<i>(in thousands of Euro)</i>	30.06.2007	30.06.2006 (Change		31/12/2007	31/12/2006	Change
	QTR	QTR	Euro'000	%	Full year	Full year	Euro'000
SALES OF GOODS AND SERVICES	43.343	47.903	(4.561)	-10%	174.882	191.781	(16.899)
Other income and increase of fixed assets for internal works	624	631	(7)	-1%	2.424	1.665	760
TOTAL VALUE OF PRODUCTION	43.966	48.534	(4.568)	-9%	177.306	193.445	(16.139)
Services, use of third-party assets, consumables and goods	(30.810)	(33.858)	3.048	-9%	(118.479)	(133.531)	15.051
Personnel costs	(9.054)	(8.426)	(628)	7%	(37.207)	(36.243)	(964)
GROSS OPERATING MARGIN	4.102	6.250	(2.148)	-34%	21.620	23.671	(2.051)
Amortization, depreciation and write-downs	(1.017)	(1.005)	(12)	1%	(3.999)	(3.853)	(145)
Allowance for bad debts and other provisions	(21)	(37)	16	-43%	(763)	(359)	(404)
Other operating costs	(499)	(177)	(322)	181%	(1.085)	(698)	(388)
OPERATING PROFIT (LOSS)	2.565	5.031	(2.466)	-49%	15.773	18.762	(2.989)
Net financial earnings (charges)	(212)	(951)	739	-78%	(3.777)	(2.849)	(928)
Value adjustments on financial assets	0	(360)	360	-100%	(750)	(951)	201
Earning (charges) from assets held for sale	0	0	0	0%	(3)	0	(3)
Net exceptional item	0	(0)	0	0%	(24)	(0)	(23)
PROFIT (LOSS) BEFORE TAXATION	2.353	3.719	(1.366)	-37%	11.220	14.962	(3.742)
Income taxes	(443)	(271)	(172)	64%	(1.849)	(2.703)	855
Deferred income taxes	835	0	835	0%	4.336	345	3.992
CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD	2.745	3.448	(703)	-20%	13.707	12.603	1.104
Profit (loss) for the period attributable to Minority Interests	(6)	0	(6)	-473%	(151)	311	(462)
GROUP PROFIT (LOSS) FOR THE PERIOD	2.751	3.448	(697)	-20%	13.858	12.292	1.566

RECLASSIFIED CONSOLIDATED BALANCE SHEET			
<i>(in thousands of Euro)</i>	AL 31.12.2007	AL 31.12.2006	VARIAZIONI
FIXED ASSETS	230.556	77.720	152.836
WORKING CAPITAL	(2.400)	(5.382)	2.982
SEVERANCE INDEMNITY FUND	(1.141)	(1.553)	412
PROVISION FOR RISKS AND CHARGES	(14.102)	(2.670)	(11.432)
NET INVESTED CAPITAL	212.913	68.115	144.798
NET EQUITY	146.248	75.083	71.165
MEDIUM AND LONG-TERM BORROWINGS	11.109	28.160	(17.051)
SHORT TERM NET FINANCIAL DEBT	55.555	(35.128)	90.683
NET FINANCIAL POSITION	66.664	(6.968)	73.632
TOTAL SHAREHOLDERS' EQUITY AND BORROWINGS	212.912	68.115	144.797

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

RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT				
<i>(in thousands of Euro)</i>	31/12/2007	31/12/2006	Change	<i>of which: ITVL Group</i>
Net financial position at period start	6.968	(6.482)	13.450	0
Cash Flow from operating activities				
Consolidated Group result	13.858	12.292	1.566	0
Amortization, depreciation and write-off	4.749	4.766	(17)	0
Net change in the severance indemnity fund	(412)	220	(632)	0
Net change in funds for risks and charges	11.432	1.794	9.638	10.265
Other ordinary activities items	(2.272)	2.355	(4.628)	(885)
	27.355	21.428	5.927	9.380
Change in working capital	(2.982)	5.418	(8.400)	551
Cash Flow from Investing activities				
Intangible fixed assets	(148.282)	(19.412)	(128.869)	(125.309)
Tangible fixed assets	(2.088)	(847)	(1.241)	(1.606)
Investments	(2.878)	(2.488)	(390)	(217)
Non-current assets held for sale	0	0	0	0
	(153.247)	(22.747)	(130.500)	(127.132)
Cash Flow from Financing				
Paid capital increase	26.685	3.624	23.061	0
Other changes	(921)	5.727	(6.648)	0
	25.764	9.351	16.413	0
Other Changes in the Equity and financial situation that do not entail cash flows				
Acquisition of companies through issuing of stocks	0	0	0	0
Capital incread through contribution in-kind	29.487	0	29.487	29.487
Minority interests	(8)	(0)	(8)	0
	29.479	(0)	29.480	29.487
Net financial position at period end	(66.664)	6.968	(73.632)	(87.714)