CONSOLIDATED INTERIM REPORT OF THE DADA GROUP AT 30 SEPTEMBER, 2013

Registered office: Piazza Annigoni, 9B – Florence, Italy
Share capital: EUR Euro 2,835,611.73 fully paid-in
Florence Company Register no. FI017- 68727
Chamber of Commerce (REA) no. 467460
Tax ID/VAT no. 04628270482

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CORPORATE OFFICERS

The current Officers were elected during the AGM held on 24 April 2012 for the 2012-2014 three-year period. At the date of approval of this document, the Board of Directors was composed as follows:

BOARD OF DIRECTORS

Khaled Bishara[1]	Chairman
Claudio Corbetta [2]	CEO
Lorenzo Lepri [3]	General Manager
Karim Galal Guirgis Beshara[7]	Director
Sophie Sursock[7]	Director
Hanan Mohamed Taiser Abdel Meguid [7]	Director
Antonio Converti[7]	Director
Rodolphe Aldo Mario Mareuse [7]	Director
Maurizio Mongardi [10]	Director
Vincenzo Russi [4, 5, 15,8,18]	Director
Maria Oliva Scaramuzzi [6,14,8,17]	Director
Danilo Vivarelli [6,9,8,16,19]	Director
Stanislao Chimenti Caracciolo di Nicastro[4,5,11,8]	Director

1 Appointed by co-optation Director and Chairman of the Company during the meeting of the Board of Directors held on 7 August 2013.
2 Appointed Chief Executive Officer and General Manager of the Company during the meeting of the Board of Directors held on 24 April 2012.
3 Appointed General Manager and CFO of the Company during the meeting of the Board of Directors held on 24 April 2012.
4 Appointed member of the Control and Risk Committee during the meeting of the Board of Directors held on 24 April 2012.
5 Appointed member of the Committee for Related Party Transactions during the meeting of the Board of Directors held on 24 April 2012.
6 Appointed member of the Compensation Committee during the meeting of the Board of Directors held on 24 April 2012.
7 Appointed by co-optation Director during the meeting of the Board of Directors held on 7 August 2013.
8 Independent director pursuant to Art. 148 par. 3 of Legislative Decree n. 58/1998.
9 Member and Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001.
10 Director appointed by the AGM held on 11 April 2013.
11 Director appointed by the AGM held on 11 April 2013.
12 Standing Auditor appointed by the AGM held on 11 April 2013.
13 Alternate Auditor appointed by the AGM held on 11 April 2013.
14 Appointed member of the Control and Risk Committee during the meeting of the Board of Directors held on 15 July 2013.
15 Appointed member of the Compensation Committee during the meeting of the Board of Directors held on 15 July 2013.
16 Member of the Supervisory Body pursuant to Legislative Decree 231/2001.
17 Member of the Committee for Related Party Transactions since 15 July 2013.
18 Chairman of the Control and Risk Committee and of the Committee for Related Party Transactions.
19 Chairman of the Compensation Committee.

BOARD OF STATUTORY AUDITORS

Claudio Pastori[16]	Chairman
Maria Stefania Sala[12]	Standing Auditor
Sandro Santi	Standing Auditor
Agostino Giorgi[13]	Alternate Auditor
Mariateresa Diana Salerno	Alternate Auditor

EXTERNAL AUDITORS

KPMG S.p.A.

DADA GROUP FINANCIAL HIGHLIGHTS

Consolidated Income Statement (9 months)

(€/mn)	30/09/2013	30/09/2012	Total difference	% difference
Revenue	**57.1**	64.8	-7.7	-12%
EBITDA*	**8.1**	9.3	-1.2	-13%
Depreciation and amortization	**-5.4**	-5.0	-0.4	9%
Non-recurring charges and other Write-downs	**-0.3**	-0.1	-0.1	96%
EBIT	**2.2**	4.2	-2.0	n.m.
Group net profit/(loss)	**-0.5**	1.3	-1.8	n.m.

* EBITDA is before impairment losses and non-recurring items

Consolidated Income Statement (3 months)

(€mn)	3Q13	3Q12	Total difference	% difference
Revenue	**17.4**	21.3	-3.9	-18%
EBITDA*	**1.8**	3.2	-1.5	-45%
Depreciation and amortization	**-1.9**	-1.6	-0.3	19%
Non-recurring charges and other Write-downs	**-0.2**	0.0	-0.1	n.m.
EBIT	**-0.5**	1.5	-2.0	n.m.
Group net profit/(loss)	**-1.2**	0.4	-1.6	n.m.

* EBITDA is before impairment losses and non-recurring items

Consolidated Statement of Financial Position at 30 September 2013

(€mn)	30 September 2013	31 December 2012	Total difference	% difference
Net Working Capital	**-11.5**	-12.8	1.3	-10%
Net Capital Employed	**79.8**	76.6	3.2	4%
Shareholders' Equity	**49.3**	50.4	-1.1	-2%
Net current financial position	**-14.7**	-7.5	-7.2	96%
Total Net Financial Position	**-30.5**	-26.2	-4.3	16%
Number of employees	**393**	372	21.0	6%

DIRECTORS' REPORT

INTRODUCTION

The Interim Management Report at 30 September 2013 was prepared in accordance with IAS 34 on Interim Financial Reporting and, as regards to recognition and measurement criteria, with the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as required by Art. 154-ter of the Consolidated Finance Act (*Testo Unico della Finanza* or TUF). It satisfies the provisions of CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended and complemented.

DADA GROUP PROFILE

DADA S.p.A. - listed in the STAR segment of the Milan Stock Exchange - is an international leader in professional online presence and visibility services for individuals and businesses, as well as in a range of advanced online advertising solutions.

The DADA Group is organized around two separate businesses falling under the "Domain and Hosting" and "Performance Advertising" divisions. The Interim Report on 9M12, instead, was based on a single business segment. Following this organizational change, the comparative figures of the divisions have been restated. Regarding the methods to identify the business units and their main financial components, reference should be made further below in this Report to the results of the divisions and to note 3 on segment reporting under IFRS 8 of the specific notes. Reference should also be made to the accounting standards regarding the separate financial statements at 31 December 2012.

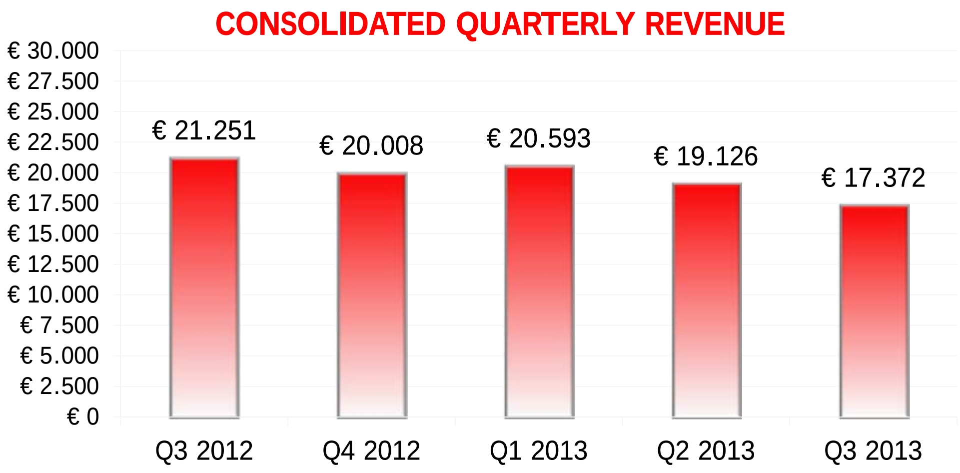
In 9M13, the **Domain and Hosting** division strengthened its position among the top European players in the business of professional services for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection, through the expansion of its product portfolio and growth of the customer base, which counted more than 520 thousand business clients at 30 September 2013 and over 1.7 million registered domains.

The **Performance Advertising** division, active in the online advertising business, operates on an international level offering a range of innovative and scalable digital solutions for online traffic monetization, thanks to proprietary technology. In 9M13, the division continued its strategy of fine-tuning proprietary algorithms and strengthening its international footprint, thanks particularly to the expansion of the Peeplo brand and development of the Supereva.com vertical portal, despite the sharp fall in volumes from the end of September 2012 versus the prior months caused by the change in Google's global policies.

PERFORMANCE REVIEW

The **DADA Group** closed 9M13 with **consolidated revenue** of **€57.1 million**, down 12% versus **€**64.8 million in 9M12. In 3Q13 alone, the Group achieved consolidated revenue of €17.4 million, down 18% versus €21.3 million in 3Q12.

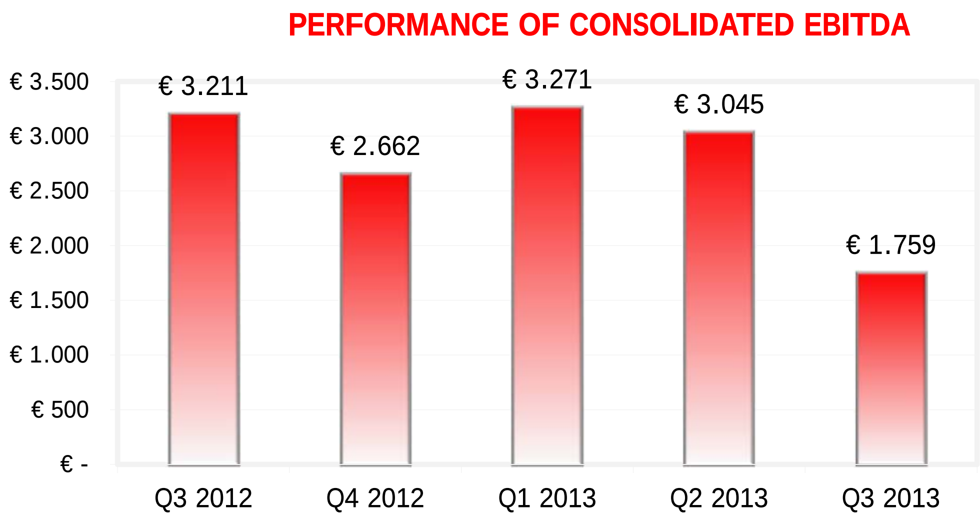
The following graph shows the DADA Group's consolidated revenue over the last five quarters:



The **DADA Group's consolidated EBITDA in 9M13** (before impairment losses and other non-recurring items) came to a **positive €8.1 million** (14% of consolidated revenue) versus €9.3 million (14%) in 9M12. In 3Q13 alone, this aggregate came to a positive €1.8 million (10% of consolidated revenue) versus €3.2 million (16%) in 3Q12.

For further details on the performance of consolidated revenue and EBITDA over the period under review, reference should be made to the Results section below.

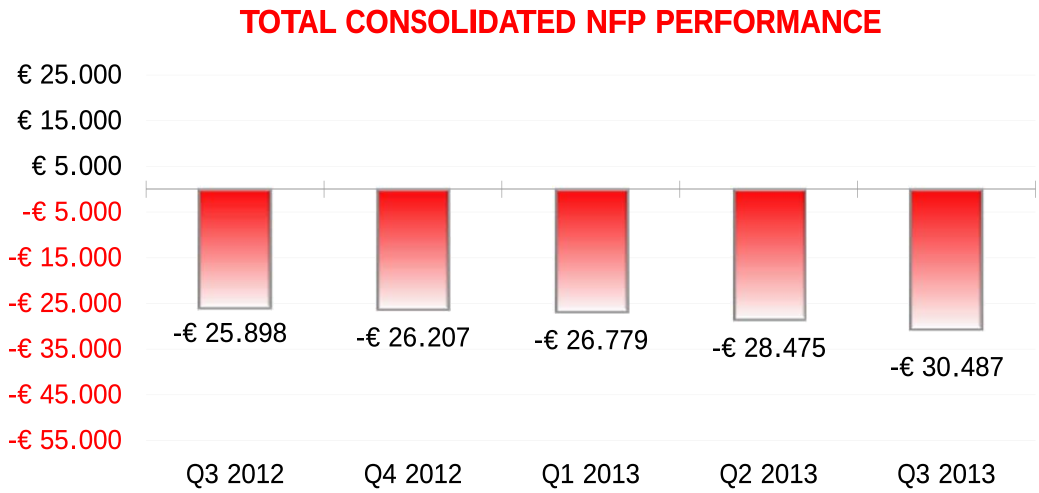
The following graph shows the performance of consolidated EBITDA over the last five quarters:



The total Net consolidated Financial Position of the DADA Group at 30 September 2013, which includes all the funding to be repaid beyond one year, came to -€30.5 million versus -€26.2 million at 31 December 2012 and -€25.9 million at September 2012. In 9M13, total cash absorbed by the DADA Group was €4.3 million. The variations in this aggregate are attributable mostly to the non-recurring investments made over the period for the

development of the new Datacenter in the UK (approximately €2 million in 9M13) and by the outflows associated with the extraordinary transaction involving ownership transition of DADA S.p.A. from RCS MediaGroup to the Orascom Group.
For further details, reference should be made to the Financial Position section.

The following graph shows the performance of the Net Financial Position at 30 September 2013 and in the last four quarters:



Results

The following tables show the **DADA Group's** key results in 9M13 and 3Q13 alone, compared with the same period in the prior year:

IN EUR/000	30-Sept-13 9 months		30-Sept-12 9 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenue	**57,092**	**100%**	**64,831**	**100%**	**-7,739**	**-12%**
Chg. in inventories & inc. in own wk. capitalized	2,707	5%	2,718	4%	-10	0%
Service costs and other operating expenses	-37,424	-66%	-44,433	-69%	7,009	-16%
Payroll costs	-14,301	-25%	-13,804	-21%	-496	4%
EBITDA	**8,074**	**14%**	**9,311**	**14%**	**-1,236**	**-13%**
Depreciation and amortization	-5,442	-10%	-4,967	-8%	-475	10%
Non-recurring income/(charges)	-103		0	0%	-103	
Impairment losses and other provisions	-293	-1%	-150	0%	-143	96%
EBIT	**2,237**	**4%**	**4,194**	**6%**	**-1,957**	**-47%**

IN EUR/000	3Q13		3Q12		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net Revenue	**17,372**	**100%**	**21,251**	**100%**	**-3,879**	**-18%**
Chg. in inventories & inc. in own wk. capitalized	748	4%	777	4%	-29	-4%
Service costs and other operating expenses	-11,655	-67%	-14,531	-68%	2,876	-20%
Payroll costs	-4,707	-27%	-4,287	-20%	-420	10%
EBITDA	**1,759**	**10%**	**3,211**	**15%**	**-1,452**	**-45%**
Depreciation and amortization	-1,947	-11%	-1,642	-8%	-305	19%
Non-recurring income/(charges)	-103	-1%	0	0%	-103	
Impairment losses and other provisions	-172	-1%	-35	0%	-137	n.m.
EBIT	**-463**	**-3%**	**1,534**	**7%**	**-1,997**	**n.m.**

In 9M13, the DADA Group achieved **consolidated revenue** of €57.1 million, down 12% versus €64.8 million in 9M12. Revenue generated by Domain and Hosting (accounting for approximately 79% of total revenue, down 5% or 3% excluding the negative contribution of Simply) fell slightly, while Performance Advertising (approximately 21%, down 30%) fell significantly versus 9M12. Looking at 3Q13 alone, revenue amounted to €17.4 million versus €21.3 million in 3Q12, dropping by 18% owing mainly to online advertising.

Despite the entry of relevant competitors, particularly on the Italian market, in 9M13 DADA's **Domain and Hosting** division confirmed its position among the top European players in the **business of professional services for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection.** Improvements were achieved in the average renewal rate of services and in the growth of the international user base, which counted more than **520 thousand business clients and over 1.7 million domains managed** at the end of 9M13. This was made possible thanks also to the expansion of the portfolio of solutions with the launch of new services, which have received a positive feedback from the market. These include:

- the launch in Italy, Spain and France of **Cloud Site**, a solution designed to easily create professionally-advanced websites based on cloud platforms, in line with the latest trends in technology and based on the increasingly strategic role of mobility and integration with social networks to effectively engage with target audiences; this next-gen solution is available in the two versions for consumers and businesses, both featuring an intuitive interface and customizable graphical models allowing users to build a fully-fledged website that meets every market need;
- the launch of new solutions regarding the **dedicated servers** in France, Portugal and the UK;

- accreditation by the Italian Digital Agency of Register.it as one of the official operators of **certified e-mail**, a digital solution for sending documents with legal validity. Certified e-mail is mandatory in Italy for businesses, professionals, government agencies and, from 30 June 2013, also for sole proprietorships. After launching a new product tailored to Italian professionals and SMEs in 2Q13, in September, Register.it launched Register PEC, a free application created to safely access certified e-mail anytime, anywhere. At 30 September 2013, Register.it counted over 60,000 active mailboxes on its certified e-mail platform;
- in view of the launch of new generic domains (new gTLDs), Register.it has expanded its Online Brand Protection service through accreditation with the Trademark Clearinghouse, the leading online brand protection service developed by ICANN. In the new digital landscape that is taking shape, Register.it offers brand protection consulting to companies of all sizes and from every industry.

During the period under review, the **Performance Advertising** division continued its business development strategy through the international expansion of the Peeplo brand, the launch of the new superEva.com job search vertical portal, which marks the division's landing in the Classified Ads segment - and the fine-tuning of its proprietary algorithms. In 9M13, despite the sharp drop in volumes versus 9M12, caused by the changes in Google's global policies in October 2012 and further in September 2013, marginality managed to hold ground on revenue versus 9M12.

Looking at the **geographical breakdown** of the DADA Group's consolidated revenue, in 2013 foreign-based activities contributed 65%, dropping slightly versus the result in 2012 (68%), confirming their predominant influence on the overall growth of the Group, and despite the discontinuity affecting the Performance Advertising division, whose revenue is entirely generated by foreign operations.

In 9M13, consolidated EBITDA of the DADA Group, before impairment losses and other non-recurring items, **came to a positive €8.1 million** (14% of consolidated revenue), down 13% versus €9.3 million (14% of consolidated revenue) in 9M12.

The drop in revenue played a large part in the contraction of EBITDA in absolute terms, despite the benefits from the measures taken to control and contain general and overhead costs: specifically, Domain and Hosting's margins on consolidated revenue came to 16% (18% excluding the negative contribution of Simply) versus 17% in 9M12; mention must be made that the current project related to the construction of the new Datacenter in the UK generated non-recurring costs for the division of approximately €0.6 million in 9M13 (€0.4 million of which in 3Q13). Performance Advertising, despite the drop in revenue, ended the period with margins on consolidated revenue at 14%, in line with 9M12.

Looking at each line of the income statement, service costs on revenue dropped from 69% in 9M12 to 66% in 9M13. Payroll costs amounted to €14.3 million versus €13.8 million in 2012, representing 25% of revenue (21% in 9M12), due mostly to the increase in average headcount over the period; employees increased from 372 at 31 December 2012 to 393 at 30 September 2013.

The item "change in inventories and increase in own work capitalized", amounting to €2.7 million (in line with the figure in 9M12), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the DADA Group.

Looking at 3Q13 alone, EBITDA came to €1.8 million versus €3.1 million in 3Q12. EBITDA was, again, badly affected by the drop in revenue.

In 9M13, **consolidated EBIT** of the DADA Group came to a **positive €2.2 million** versus a positive €4.2 million in 9M12, down by €2 million (-47%). Looking at 3Q13 alone, EBIT came to -€0.5 million versus +€1.5 million in 3Q12.

In addition to the abovementioned elements that impacted on EBITDA, EBIT's performance can be explained as follows:

- in 9M13, amortization of €2.9 million (€2.3 million at 30 September 2012) and depreciation of €2.6 million (€2.7 million at 30 September 2012). In 3Q13 alone, amortization amounted to €1.1 million (€0.8 million in 3Q12), while depreciation amounted to €0.9 million (€0.8 million in 3Q12).

  Depreciation and amortization are clearly on the rise, a trend previously witnessed in the 1H13 Financial Report, as the direct result of the investment policy pursued by DADA starting from the final part of the prior year, which is believed to continue also in the last quarter of 2013. For further details, reference should be made to the Financial position section below. The investment policy focused mainly on two fronts: the construction of a Datacenter in the UK for tangible assets (specifically, the investment was completed in 3Q13 and began to generate depreciation in the income statement starting from August); the internal development of new products and processes for intangible assets.
- consolidated EBIT in 9M13 was impacted by impairment losses, provisions and other non-recurring charges of €0.4 million. Impairment losses and provisions amounted to €0.3 million, resulting from the combined net effect of the impairment of trade receivables of €0.3 million, and other items included in current assets of €0.1 million, and of the positive release to the income statement of a portion of the provisions for risks and charges (€0.2 million) appropriated in prior years though reported at lower levels. Non-recurring items over the period amounted to €0.1 million. Non-recurring charges from the extraordinary transaction regarding ownership transition of Dada S.p.A. amounted to €0.6 million, while non-recurring income from the disposal of the residual portfolio of non-core assets by a UK subsidiary amounted to €0.5 million. All these effects were felt mainly in 3Q13.

In 9M12, impairment losses, provisions and other non-recurring charges had amounted to €0.2 million, while none were recorded in 3Q12 alone.

In 9M13, **the DADA Group's consolidated net profit came to -€0.5 million**, dropping by €1.8 million versus +€1.3 million in 9M12. In 3Q13 alone, this aggregate came to -€1.2 million versus +€0.4 million in 3Q12.

Overall financial activities (the difference between financial income and charges) in 9M13 came to -€2.2 million versus -€2 million in 9M12. These financial aggregates were impacted mainly by the negative effects of forex from the weakening of the Pound against the Euro, especially in 1H13, and partly by the gradual rise in spreads compared to the base rates applied by banks on the range of financing options in recent years.

Financial charges in 9M13 amounted to €2.1 million (€2.2 million in 9M12) and refer to:

- interest expense on bank loans to finance acquisitions made in prior years amounting to €0.8 million (€0.9 million in 9M12);
- other bank commissions and interest owed on bank overdrafts amounting to €1.2 million (basically unchanged versus 9M12), linked primarily to bank commissions on credit card payments;
- derivative differentials of -€0.2 million (basically unchanged versus 9M12).

Financial income in 9M13 amounted to €0.1 million versus none in 9M12.

Forex in 9M13 came to -€0.2 million versus +€0.2 million in 9M12, with a negative difference of €0.3 million.

Looking at 3Q13 alone, overall financial activities came to -€0.6 million, in line with 3Q12.

Looking at tax at Group level in 9M13, the overall tax burden came to €0.5 million versus €0.9 million in 9M12. In 3Q13 alone, the tax burden came to -€0.1 million versus €0.5 million in 3Q12.

Breaking down tax in 9M13 into current and deferred, current tax amounted to €0.9 million (€0.7 million in 9M12), while deferred tax amounted to +€0.4 million (-€0.2 million in 9M12). In 3Q13 alone, a further €0.1 million was added in current tax, while no further deferred tax assets were recovered.

Current tax is recognized in the financial statements even with a consolidated net loss, and refers primarily to the regional IRAP tax relating to some Italian companies and tax on foreign-based companies with positive pre-tax income.

Regarding deferred tax assets in 9M13, these reflect the positive effect of the new deferred tax assets recognized on part of the fiscal losses pertaining primarily to the Parent Company amounting to €0.5 million, and the negative effect of the release of part of the temporary differences recognized on provisions and accruals in prior years to be recovered during the year.

The DADA Group has accrued tax losses of €35.3 million, which refer for the most part to the Italian companies and which may be fully carried forward indefinitely.

Tax losses on which deferred tax assets have been calculated amounted to €16.5 million. The income statement for 9M13 does not include any non-controlling interests as a result of the extraordinary transactions during the prior year and referred to in the introduction above.

PERFORMANCE BY BUSINESS SEGMENT

For operational purposes, beginning 31 December 2012, the DADA Group is organized into two business divisions, “Domain and Hosting” and “Performance Advertising”.

This redefinition reflects the application of IFRS 8, which requires Group segment information to be structured following the same criteria adopted for management reporting purposes.

This redefinition stems also from the corporate reorganization which led to the formation of two separate branches of the Group’s organizational structure, each heading a particular business activity. Specifically, Domain and Hosting is managed by the wholly-owned subsidiary Register.it S.p.A., while Performance Advertising is managed by the wholly-owned subsidiary

MOQU Adv S.r.l.. This reorganization is the consequence of the sharp increase reported over the past two years by Performance Advertising, whose results had a growing impact on the volumes of the DADA Group revenue. Corporate activities are considered so completely integrated with the two business segments that they no longer require qualification as a separate division.

Following this organizational change, for the sake of comparison, figures have been restated for 9M12 (when there was only one business segment). For further details, reference should be made to note 3 to this Report.

Main results by segment

The following table shows the main results of the "Domain and Hosting" and "Performance Advertising" divisions in 9M13 versus 9M12:

	30/09/2013 (9 months)					30/09/2012 (9 months)				
Segment	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**
Domain and Hosting	44,958	7,314	16%	2,753	6%	47,398	8,210	17%	4,073	9%
Performance Advertising	11,709	1,606	14%	1,202	10%	16,840	2,290	14%	1,899	11%
Adjustments	425	-847	-200%	-1718	n.m.	592	-1189	-201%	-1778	n.m.
Total	**57,092**	**8,074**	**14%**	**2,237**	**4%**	**64,830**	**9,311**	**14%**	**4,194**	

Geographical breakdown of consolidated revenue:

The following table shows the breakdown of consolidated revenue generated in Italy and abroad in 9M13 and 9M12:

Description	**30-Sept-13**		**30-Sept-12**	
	Amount	**%**	**Amount**	**%**
Revenue – Italy	20,156	35%	20,974	32%
Revenue - abroad	36,936	65%	43,855	68%
Consolidated revenue	**57,092**		**64,830**	

Domain and Hosting Services

"Domain and Hosting" is the DADA Group division dedicated to self-provisioning professional services for management of the online presence of individuals and businesses. At 30 September 2013, the Group counted over 520 thousand customers and more than 1.7 million domains under management on its platforms. It operates in Europe through the following brands, leaders in their respective geographical areas: Register.it in Italy (headquartered in Florence, with branches in Milan and Bergamo), Nominalia in Spain, Names.co.uk and Poundhost in the UK, Amen Group in Portugal, France and the Netherlands, and Register365 in Ireland.

The Group offers companies a wide range of services and tools to enable businesses of all sizes, professionals and private individuals to manage their online presence in an efficient, professional and secure way, and to reap the opportunities generated by the new digital channels. Today, the portfolio of services includes:

- domain name registration – digital solutions for online identity;
- web hosting services and dedicated servers;
- professional solutions for website development;
- professional solutions for e-commerce website development;
- certified e-mail and e-mail services;
- digital advertising services;
- online brand protection, mostly for large enterprises.

Through a proprietary Adserver, DADA also manages its own international advertising network (Simply.com) with about 3,000 active publishers, which enables advertisers to effectively plan their campaigns. Their sale is managed on an exclusive basis in Italy by an external agency.

In 9M13, the division's revenue amounted to €45.0 million, down 5% versus 9M12 (€2.4 million), or 3% excluding the negative contribution of Simply. The Italian, English and Irish markets contributed 79% of the division's revenue, while the remaining 21% came from the French, Spanish, Portuguese and Dutch markets.

EBITDA came to €7.3 million versus €8.2 million in 9M12, due to the abovementioned decrease in revenue and to non-recurring costs incurred for the construction and development of the new Datacenter in the UK (approximately €0.6 million in 9M13), despite the reduction in operating and payroll costs. The segment's margins on consolidated revenue came to 16% (18% excluding the negative contribution of Simply). Capitalized research and development costs amounted to €2.3 million, rising slightly versus 9M12.

EBIT came to €2.8 million, net of depreciation and amortization, impairments and other non-operating items of €4.6 million.

Looking at 3Q13 alone, revenue amounted to €13.7 million versus €14.9 million in 3Q12. EBITDA, instead, dropped to €1.6 million from €2.5 million in 3Q12. EBIT came to €0.1 million, net of depreciation and amortization, impairments and other non-operating items of €1.5 million.

Performance Advertising Services

"Performance Advertising" is the DADA Group division dedicated to the management of online advertising on an international level, a business model based on web traffic monetization through vertical and scalable proprietary portals and partnerships with leading global search engines.

The main proprietary brands through which it operates are Peeplo and Save'n Keep, which count about 35 million unique monthly visitors, joined, during 2013, by Supereva.com, the new job search vertical portal, which marks the division's landing in the Classified Ads segment.

During the period under review, the division's **revenue** amounted to €11.7 million, losing €5.1 million versus 9M12 (-30%). Almost all the revenue is generated in Ireland and, starting from 2012, an increasing portion comes from web traffic from the new generation of tablets and smartphones. Revenue was heavily impacted by the change on a global scale of the procedures that advertisers follow to acquire traffic on the Google network - generally considered the main hub of online advertising worldwide - which has stifled the pace of growth since October 2012 and has further affected revenue trend since September 2013.

EBITDA fell consequently from €2.3 million in 2012 to €1.6 million in 2013, despite the fact that margins on revenue managed to hold ground at around 14%, thanks to the measures adopted in 9M13 to cut keyword acquisition costs. Capitalized costs for research and development amounted to €0.5 million, falling slightly versus 2012.

EBIT came to €1.2 million, net of depreciation and amortization, impairments and other non-operating items of €0.4 million.

Looking at 3Q13 alone, the division's revenue amounted to €3.5 million versus €6.2 million in 3Q12, while EBIDTA came to €0.5 million, losing 50% versus €1.0 million in 3Q12. EBIT came to €0.3 million, net of depreciation and amortization, impairments and other non-operating items of €0.1 million.

Financial position

The following table shows the total Net Financial Position of the DADA Group at 30 September 2013 versus the position at 31 December 2012:

NET FINANCIAL POSITION

	IN EUR/000	30-Sept-13	31-Dec-12	DIFFERENCE Absolute	DIFFERENCE %
A	Cash on hand	16	9	7	78%
B	Bank and post office deposits	2,308	2,997	-689	-23%
C	Liquidity (A+B)	2,324	3,006	-682	-23%
D	Time deposits and other receivables		1,000	-1000	-100%
E	Derivatives	9		9	
F	Other financial receivables (D + E)	9	1,000	-991	-99%
G	**Total Financial Assets (C+F)**	**2,333**	**4,006**	**-1,673**	**-42%**
H	Current credit lines and account overdrafts with banks	-8,993	-6,913	-2,080	30%
I	Current bank borrowings	-7,910	-3,811	-4,099	108%
L	Other current financial payables		-561	561	-100%
M	Current portion of derivatives	-148	-210	62	-30%
N	Current debt (H+I+L+M)	-17,051	-11,495	-5,556	48%
O	Non-current bank borrowings	-15,769	-18,679	2,910	-16%
P	Other non-current financial payables				
Q	Non-current portion of derivatives		-39	39	100%
R	Non-current debt (O+P+Q)	-15,769	-18,718	2,949	-16%
S	**Total Financial Liabilities (N+R)**	**-32,820**	**-30,213**	**-2,607**	**9%**
T	**Total net financial position (G+S)**	**-30,487**	**-26,207**	**-4,280**	**16%**

At 30 September 2013, the total Net Financial Position of the DADA Group came to -€30.5 million versus -€26.2 million at 31 December 2012 and -€25.9 million at 30 September 2012. The current Net Financial Position at 30 September 2013 came to -€14.8 million versus -€7.5 million at 31 December 2012 and -€3.4 million at 30 September 2012. These differences are explained by the cash flows during the period (reference should be made to the consolidated cash flow statement) and by the rescheduling in 2012 of the loan agreement with Banca Intesa San Paolo. Specifically, under the new schedule of the bullet payment with initial maturity set at 18 months (31 December 2013), at the end of 3Q12, a larger portion was classified beyond one year. This implies, in turn, a reduction of the non-current portion of the loan with Banca Intesa San Paolo, and is neutral with regard to the total net financial position.

The item “time deposits and other receivables” includes the final instalment amount of €1 million for the transaction completed with Buongiorno, collected, as per contract, on 31 May 2013.

The item “current portion of derivatives” refers to the financial payable related to the mark-to-market measurement at 30 September 2013 of the IRS hedging the loan with Banca Intesa San Paolo, which expires within one year, while the portion beyond one year is included in “non-current derivatives”.

Non-recurring cash-out in 9M13 amounted to €0.6 million and consists of: severance costs for employees who terminated employment (€0.1 million), charges for the settlement of legal disputes (€0.2 million), payment of charges for the finalization of the extraordinary transaction involving the parent company DADA S.p.A. (€0.6 million), collection of part of the sale of the remaining assets of a business line in the UK (€0.2 million), and payments related to the repayment plan for settlement of the dispute with the Regional Revenue Agency (€0.1 million).

It must be noted that the deterioration of DADA’s consolidated net financial position is mainly attributable to the significant increase in investments made by the Group in 9M13, particularly to the construction of the Datacenter in the UK.

Movements in cash flow in 9M13 with respect to cash and cash equivalents and compared to the same period of the prior year are summarized below. For further details, reference should be made to the Statement of Cash Flows included in the Consolidated Financial Statements and to the relevant notes:

IN EUR/000	**30 September 2013 (9 months)**	**30 September 2012 (9 months)**
Cash flow from operating activities	5,996	7,719
Cash flow from taxes and interest paid	-2,518	-2,695
Cash flow from investing activities	-7,758	-4,874
Cash flow from financing activities	-2,581	4,764
Net cash flow for the period (cash and cash equivalents)	**-6,862**	**4,915**

Regarding reconciliation between cash flow of the net financial position and cash flow shown in the consolidated financial report, reference should be made to note 16 in this Report.

The following points provide detailed information on the main aggregates in the net financial position.

Investing activities

In 9M13, as mentioned above, the DADA Group made significant investments for a total of approximately €7.8 million (of which €2.2 million in 3Q13 alone) versus approximately €4.8 million in 9M12 (of which €1.2 million in 3Q12 alone). Specifically:

- investments in intangible assets in 9M13 amounted to €3.3 million, up 15% versus €2.8 million in 9M12. Approximately €2.7 million (in line with 9M12) refers to costs for the development of the proprietary processes and platforms needed to provide Domain & Hosting and Performance Advertising services, €0.3 million refers to the purchase of software (€0.1 million in 9M12) and €0.3 million (€0.1 million in 9M12) refers to the purchase of brands and licenses;

- investments in property, plant and equipment amounted to €4.4 million versus €2.2 million in 9M12, increasing by more than €2 million. The largest by a DADA subsidiary. The investment had started in the second half of 2012, was basically completed in 3Q13 (as far as the operational and financial side is concerned, while the payment plan has yet to be finalized) and became operational from August. For accounting purposes, the investment was eliminated from assets under development and advances, where it had been classified until the previous half-year report.

Other investments in property, plant and equipment regarded the purchase of servers and installation of new equipment to enhance the server farm, as well as the networking and storage systems, while investments in furniture and fittings amounted to €0.2 million; the remaining portion regarded other tangible assets.

Financing activities

The cash flow from financing activities came to -€2.9 million, and is explained by the combined effect of the reclassification of the above current portion, amounting to €3.8 million, of the loan held with Banca Intesa San Paolo due within one year, and of new loans taken out (bank loans and finance leases) and used to finance the purchase of the new Datacenter in the UK.

Conversely, the cash flow from financing activities in 9M12 had come to a positive €4.6 million as a result of the renegotiation of loans with Banca Intesa San Paolo, which resulted in a drop in current versus an increase in non-current debt. For further details on this transaction, reference should be made to note 10 in this Report.

The previously mentioned IRS differential had a negative impact of €0.1 million.

These differences impact on “cash, cash equivalents and current bank borrowings” but are neutral on the “total Net Financial Position”, which includes non-current debt.

The breakdown of Net Working Capital and Net Capital Employed of the DADA Group at 30 September 2013 and at 31 December 2012 is shown below:

(in EUR/000)	30-Sept-13	31-Dec-12	DIFFERENCE	
			Absolute	Percentage
Non-current assets (A)	**93,196**	**91,872**	**1,325**	**1%**
Current operating assets (B)	17,090	18,825	-1,734	-9%
Current operating liabilities (C)	-28,625	-31,615	2,989	-9%
Net working capital (D)=(B)-(C)	**-11,535**	**-12,790**	**1,255**	**-10%**
Termination indemnities (E)	-788	-849	60	-7%
Provision for risks and charges (F)	-1,003	-1,461	458	-31%
Other payables due beyond one year (G)	-84	-166	83	-50%
Net capital employed (A+D+E+F+G)	**79,787**	**76,606**	**3,181**	**4%**

Net Working Capital

The DADA Group's Net Working Capital at 30 September 2013 was –€11.5 million versus –€12.8 million at 31 December 2012 and -€12 million at 30 September 2012.

The decreasing trend in 9M13 versus the end of the prior year is explained by a number of reasons, which include the settlement of various tax assessments and the resulting reclassification to current debt of certain assessments made in prior years on provisions for risks and charges, but mainly by the frozen collection of a large portion of trade receivables from Seat PG Italia S.p.A., amounting to €0.7 million, which is detailed in the notes (note 9) on trade receivables and bad debts provisions.

Looking at the single balance sheet items, trade receivables at 30 September 2013 amounted to €5.9 million versus €8.1 million at 31 December 2012, and reflect primarily receivables for advertising services linked to Simply and Performance Advertising. Trade payables followed the same downward pattern, falling from €13.6 million at 31 December 2012 to €11.2 million at 30 September 2013.

Current liabilities include deferred income of approximately €11.2 million for web hosting services; these will not entail future financial outlays, but rather the recognition of revenue in the income statement. Deferred income at 31 December 2012 amounted to €11.9 million versus €11.4 million at 30 September 2012.

Other consolidated liabilities due beyond one year include termination indemnities, provision for risks and charges and the instalments due beyond one year relating to dispute settlements that have already been defined. These items are explained in the notes to this report and the previous half-year financial report.

The number of DADA Group employees at 30 September 2013 and at 31 December 2012 is shown in the table below:

	Italy		Abroad		Total	
	30/09/2013	**31/12/2012**	**30/09/2013**	**31/12/2012**	**30/09/2013**	**31/12/2012**
Employees*	**220**	**209**	**173**	**163**	**393**	**372**

* Including an RCS employee seconded to DADA S.p.A.

Alternative performance indicators:

This Interim Report provides the following economic and financial indicators in addition to those required by IFRS which are used by the management of the DADA Group to monitor and assess the DADA Group's operating performance, but as they are not recognized accounting measures under IFRS should not be considered alternative performance indicators for the DADA Group. As the composition of EBITDA and other alternative performance indicators is not governed by the relevant accounting policies, the DADA Group's calculation method may differ from the method used by others and may therefore make comparisons unreliable.

EBITDA: below is a summary of how the DADA Group calculates this aggregate:

Pre-tax profit and the net gains/(losses) pertaining to assets held for sale
+ Financial charges
- Financial income
+/- Gains/losses from equity investments in associates
EBIT
+ Restructuring costs
+ Amortization, depreciation and impairment losses on fixed assets
+/- Atypical charges/income
+ Impairment losses on trade receivables
EBITDA - Operating profit before amortization, depreciation, impairment losses, atypical charges/income and impairment losses on receivables.

Net working capital: the difference between current assets and liabilities, i.e. those due within one year of the balance sheet date. Within this item, deferred tax assets are split up into current and non-current portions according to the amount expected to be recovered with the following year's profit;

Net capital employed: fixed assets plus net working capital, less non-financial liabilities (provision for employee termination indemnities and provision for risks and charges);

Current net financial position: cash and cash equivalents, current financial assets and current financial liabilities;

Total net financial position: net current financial position and all financial receivables and payables due beyond one year.

SIGNIFICANT EVENTS IN 9M13

The events which had the most significant impact on the DADA Group in 9M13 are described below:

Investment in new Datacenter in the UK

In order to expand the portfolio of solutions offered, improve service quality and streamline operating costs, at the end of 2012 DADA undertook a project to realize a dedicated Datacenter in the UK. The total investment made by Dada, which formed a strategic partnership for this purpose with a highly experienced UK player who was in charge of the realization of the Center and will manage the new facility, amounted to approximately €2.0 million in 9M13, in addition to €0.7 million incurred in 4Q12. The facility started operations in August, while in September work began on migrating the entire UK technological infrastructure, expected to end by 1Q14, which will need a further investment of €0.7 million and operating costs of €0.6 million to be incurred in the last quarter of current year.

- **Company reorganization**

  After completing the corporate reorganization process of the DADA Group, on 1 January 2013, the newly-formed company MOQU Adv S.r.l., wholly-owned by DADA S.p.A., began operations at the head of the Performance Advertising business activities. MOQU Adv Ireland Ltd. wholly-owned by MOQU Adv S.r.l., was also formed, and after acquiring in February all the assets and liabilities of the Performance Advertising business held by Namesco Ireland Ltd., began operations on 1 March 2013.

- **On 19 March 2013,** the Board of Directors of DADA S.p.A., with regard to the request received from the parent RCS MediaGroup S.p.A., and previously announced to the market by the latter on 13 March 2013, to provide information on the DADA Group to potential interested parties, as part of the activities of valorization of its assets made by RCS, resolved to agree to such request, having regard to the interests of the Company and all its shareholders**.**

On 11 April 2013, the Annual General Meeting of DADA S.p.A., which in ordinary session and on first call, approved DADA S.p.A.'s Separate Financial Statements at 31 December 2012, the Remuneration Report and the authorization to purchase and dispose of treasury shares, confirmed Maurizio Mongardi, previously co-opted by DADA's Board of Directors on 22 February 2013, following the resignation of Monica Alessandra Possa, as Director of the Company; appointed as new Director Riccardo Taranto, who replaces Riccardo Stilli, and Maria Stefania Sala as Standing Auditor, who replaces Cesare Piovene Porto Godi. The Meeting also appointed Agostino Giorgi as Alternate Auditor.

On 3 July 2013, Alessandro Foti, independent non-executive Director of the Company, and member of the Remuneration and the Control and Risk Committee, resigned for personal reasons and with immediate effect from all the positions held in the Company.

On 11 July 2013, following the disclosures issued by RCS MediaGroup S.p.A. (RCS), the Company's main shareholder, and Orascom TMT Investments S.à r.l. (OTMTI), relating to their execution of an agreement for the sale by RCS of all of its shares of DADA, DADA acknowledged the contents of such disclosures in respect of the agreed terms of the transaction, and of the additional considerations of OTMTI concerning its future plans. Subsequent to completion of the sale, the DADA Board of Directors will meet to discuss and resolve on the matters within its competence, at the time and in the manner provided herein, also in respect of the prospective public offering on the DADA shares held by the public.

On 16 July 2013, pursuant to Art. 130 of CONSOB Regulation n. 11971 of 14 May 1999, as amended, RCS Media Group S.p.A. and Libero Acquisitions S.à r.l. disclosed the following key information, namely that

"A) Preamble, on 11 July 2013 (the "Signing Date"), RCS Media Group S.p.A., a company under Italian law, with registered office in Via Angelo Rizzoli 8, Milan, listed in the Milan Company Register under Tax ID and VAT n. 12086540155 ("RCS"), entered with Libero Acquisitions S.à r.l., a company under Luxembourg law, with registered office at n. 1 Boulevard de la Foire, L – 1528, Luxembourg, listed in the Luxembourg Company Register under n. B 150.290 ("Libero Acquisitions"), into a Sale and Purchase Agreement (the "Contract") for the sale by RCS to Libero Acquisitions of n. 8,855,101 ordinary shares (the "Shares") of DADA S.p.A. ("DADA" or the "Company"), each with a nominal value of €0.17, equal to 54.6% of the share capital of DADA.

The Contract provides that finalization of the sale (the "Closing") take place on 7 August 2013, subject to fulfilment of customary conditions precedent set out in the Contract, including the appointment of new Company directors, following resignation of certain current directors and the current Chairman of the Board.

The Contract also provides for certain arrangements regarding the governing body and the interim management of the Company between the Signing Date and Closing, in respect of which, while such arrangements are not deemed as constituting shareholder agreements pursuant to Art. 122 of Legislative Decree n. 58 of 24 February 1998 as amended (the "TUF"), as a precautionary measure and insofar as necessary, also following CONSOB's request, RCS and Libero Acquisitions hereby fulfil disclosure obligations under the foregoing provision and under the regulation adopted through CONSOB resolution n. 11971 of 14 May 1999, as amended.

B. Listed company whose financial instruments are the object of significant arrangements

DADA S.p.A., a company under Italian law, headquartered in Piazza Pietro Annigoni 9, Florence, listed in the Florence Company Register under Tax ID and VAT n. 04628270482, with share capital of €2,755,711.73, divided into n. 16,210,069 ordinary shares, each with a nominal value of €0.17.

DADA shares are listed in the STAR segment of the Italian Stock Exchange.

C. Parts of the Contract with arrangements relating to the Company

- RCS Media Group S.p.A., as seller;
- Libero Acquisitions S.à r.l., as buyer.

D. Significant shares for the purposes of the arrangements relating to the Company.

The object of the Contract is the n. 8,855,101 ordinary shares of DADA, owned by RCS, subject to transfer to Libero Acquisitions under the Contract.

None of the arrangements under the Contract grants a party control of DADA pursuant to Art. 93 of the TUF. At Closing, subject to fulfillment of the conditions set out in the Contract, Libero Acquisitions (a company controlled by the Luxembourg company Orascom TMT Investments S.à r.l.) shall acquire ownership of the above n. 8,855,101 shares, acquiring control of DADA pursuant to Art. 93 of the TUF, through an equity investment equal to 54.6% of its share capital.

The transfer will create the conditions for a mandatory launch by Libero Acquisitions of a public tender offer on all of the DADA shares not subject to transfer at Closing.

E. Content and duration of the arrangements under the Contract

Under the Contract, at Closing:

(i) RCS:

• shall hand Libero Acquisitions, without giving rise to any costs for DADA, the letters of resignation (also containing a waiver of any present or past claim brought against the Company and its subsidiaries, as the case may be, with the exception of remuneration on a pro rata basis accrued up to the Closing date), effective from the Closing date: (A) of two identified members of the Board of Directors of the Company, both managers of RCS; (B) as well as two independent directors (collectively, the "Outgoing Directors");

• shall do everything in its power to ensure that the Board of Directors of the Company - subject to resignation of the Chairman of the Board in office at the Closing date - appoint: (A) by co-optation under Art. 2386 of the Italian Civil Code, as new members of the Board of Directors, six directors possessing the necessary professional requirements, upon designation by Libero Acquisitions; (B) as new Chairman of the Board of Directors, the person designated by Libero Acquisitions from the above new directors, whose names shall be disclosed by Libero Acquisitions to RCS no later than five business days prior to the Closing date;

(ii) Libero Acquisitions shall also prepare and hand the Outgoing Directors a letter of indemnity.

The Contract also provides for an interim management clause, under which, during the period between the Signing Date and the Closing Date (the "Interim Period"): (A) RCS shall use reasonable best efforts, within the limits of law, to ensure that the Company and its subsidiaries continue to carry on their activities in accordance with past practice and the budget provided by Libero Acquisitions, and (B) RCS shall ensure that the Company and its subsidiaries abstain from carrying out a series of extraordinary activities set out in the Contract. There are no additional provisions of the Contract which can be construed as being shareholders' arrangements pursuant to Art. 122 of the TUF.

F. Filing with the Company Register

Within the stipulated periods: (i) the above arrangements shall be filed with the Florence Company Register (dated 16 July 2013 N. PRA/79386/2013/CFIAUTO) and (ii) the key information relating to the above arrangements shall be published on the Company website www.dada.eu/it."

On 7 August 2013, the Board of Directors of DADA S.p.A., after formally acknowledging the effective resignation of Directors Silvia Michela Candiani (independent), Claudio Cappon (independent), Giorgio Cogliati and Riccardo Taranto, and also of Chairman Avv. Alberto Bianchi. p.A., resolved to co-opt six new Directors.

The new Directors are Hanan Abdel Meguid, Karim Beshara, Antonio Converti, Aldo Mareuse and Sophie Sursock, while Khaled Bishara was designated as new Director and Chairman of the Company.

The new Directors will remain in office until the next AGM. The curricula of the new Directors are available at the registered office and on the Company's website, www.dada.eu (Corporate Governance/Board of Directors and Control Bodies section).
The sale of the entire stake held by RCS MediaGroup S.p.A. in DADA to Orascom TMT Investments S.à r.l. ("OTMTI") was concurrently finalized. This created the legal conditions to launch a Mandatory Public Tender Offer on DADA ordinary shares listed on the market by OTMTI through its wholly-owned company Libero Acquisition S.à r.l., at a price of €3.329 per share.

On 6 September 2013, the Board of Directors of Dada S.p.A. approved, also taking into consideration the opinion of the Independent Directors prepared in accordance with article 39-bis of Consob Regulation n. 11971/1999 (the "Opinion of the Independent Directors"), the press release prepared in accordance with article 103, paragraph 3, of Leg. Decree 58/1998 and article 39 of Consob Regulation n. 11971/1999 (the "Issuer's Press Release"), expressing its considerations with regard to the mandatory Public Tender Offer promoted by Orascom TMT Investments S. à r.l., through the whollyowned company Libero Acquisition S. à r.l., having as its object 7,354,968 ordinary shares of Dada S.p.A., plus the maximum additional 470,000 ordinary shares that may be issued in case of a full subscription to the stock options plan.
The Issuer's Press Release has been then published, together with the Offer Document, on September 11 with its attachments: (i) the fairness opinion provided by the independent financial advisor Rothschild S.p.A., appointed by the Board and by the Independent Directors; (ii) the Opinion of the Independent Directors.

SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2013

On 25 October 2013, public disclosure was made of the new composition of the share capital of DADA S.p.A. (fully subscribed and paid in) – as filed concurrently for listing in the Florence Company Register - following subscription of the option rights granted under the Stock Option Plan approved during the meeting of the Board of Directors held on 28 October 2011 (pursuant to the resolution adopted by the Extraordinary Meeting held on 25 October 2011). On 30 October 2013, the Bylaws of Dada S.p.A. were made publicly available at the Company's registered office and on its website www.dada.eu in the Corporate Governance / Corporate Documents section, and were updated accordingly.

On 28 October 2013, Orascom TMT Investments S.à r.l. announced the closure on 25 October 2013 of the acceptance period of the mandatory total public tender offer launched by Libero Acquisition S. à r.l. (the Offeror), pursuant to and in accordance with Articles 102 and 106, paragraph 1 of Legislative Decree n. 58 of 24 February 1998 (TUF) and applicable provisions of the implementing regulation adopted by CONSOB by Resolution n. 11971 of 14 May 1999, as amended and supplemented (the Issuer Regulations), the object of which is a maximum of n. 7,354,968 ordinary shares of Dada S.p.A., in addition to a maximum of n. 470,000 ordinary shares of Dada resulting from the full exercise, if any, of the Stock Option Plan, for a cash consideration of €3.329 for each share tendered in acceptance of the Offer. Based on the final results of the Offer and taking account of the full exercise by the beneficiaries of the Stock Option Plan, at the closure of the Acceptance Period, n. 2,356,281 shares had been tendered in acceptance of the Offer, representing 30.112% of the Shares under the Offer and 14.126% of the Issuer's share capital, for a total value of €7,844,059.45.

Payment of the Consideration due to holders of the Shares tendered in acceptance of the Offer was made on 30 October 2013, which is the third stock market trading day following closure of the Acceptance Period, concurrent to the transfer of ownership of the Shares to the Offeror.

The Offeror, taking account of the Shares tendered in acceptance of the Offer and the shares previously held directly in Dada at the time of commencement of the Offer (n. 8,855,101 shares, representing 54.627% of the Issuer's share capital at the time of commencement of the Offer, and 53.087% of the Issuer's increased share capital, following full exercise of the Stock Option Plan), has come to hold a total of n. 11,211,382 shares of Dada, representing 67.214% of the Issuer's increased share capital, following full exercise of the Stock Option Plan. As the Offeror now holds more than two-thirds of the share capital of Dada, pursuant to Article 40-bis, paragraph 1, lett. b) of the Issuer Regulations, the terms of the Offer have been reopened for five stock market trading days, more specifically, for 31 October, 1 November, 4 November, 5 November and 6 November 2013. The Shares under the Offer during the reopening of the terms were n. 5,468,687.

On 7 November 2013, Orascom TMT Investments S.à r.l. announced that the re-opening of the offer period of the mandatory public tender offer launched by Libero Acquisition S.à r.l. pursuant to Articles 102 and 106, Paragraph 1, of the Legislative decree 24 February 1998, no. 58 (TUF) and the applicable related implementing regulation adopted by CONSOB under Resolution no. 11971 of 14 May 1999 as subsequently integrated and amended, concerning up to 7,354,968 ordinary shares of Dada S.p.A., as well as up to 470,000 ordinary shares of the Issuer calculated assuming a full subscription of the existing stock option plan, for a consideration in cash equal to Euro 3.329 per Share tendered for the Offer, expired on 6 November 2013. According to the final results, having considered the occurred entire exercise by the beneficiaries of the stock options, during the Re-opening of the Offer Period 369,943 Shares have been tendered to the Offeror, equal to 4.728% of the total number of the Shares within the scope of the Offer and 2.218% of the share capital of the Issuer, for a total consideration equal to Euro 1,231,540.25. During the Re-opening of the Offer Period, the Offeror has not purchased, either directly or indirectly, any Shares other than pursuant to the Offer.

Therefore, since the beginning of the Offer (having also considered the occurred entire exercise by the beneficiaries of the stock options) a total number of 2,726,224 Shares have been tendered to the Offeror, equal to 34.84% of the total number of the Shares within the scope of the Offer and 16.34% of the share capital of the Issuer, for a total consideration equal to Euro 9,075,599.70. The Consideration due to the shareholders who have tendered their Shares to the Offer during the Re-opening of the Offer Period was paid on 11 November 2013, the third business day after the expiration of the Re-opening of the Offer Period, against delivery of the Shares to the Offeror.

As a result of the number of Shares tendered to the Offeror in connection with the Offer and during the Re-opening of the Offer Period, as well as the number of shares of Dada directly owned by the Offeror prior to the launch of the Offer (no. 8,855,101 shares, equal to 54.627% of the share capital of the Issuer as of the launch of the Offer and 53.087% of the share capital of the Issuer as increased as a result of the entire exercise of the stock options), the Offeror shall own an overall number of 11,581,325 shares of Dada, equal to 69.432% of the share capital of the Issuer as increased as a result of the entire exercise of the stock options.

Provided that, as a result of the Offer, the Offeror shall not own a stake exceeding 90% of the share capital of Dada, the Offeror neither is committed to purchase the remaining shares pursuant to Article 108, Paragraphs 1 and 2 TUF, nor has the right to purchase such remaining shares pursuant to Article 111 TUF. Therefore, the shares of the Issuer shall not be delisted from the Mercato Telematico Azionario.

OUTLOOK FOR THE CURRENT YEAR

Indications on the Group's performance basically confirm expectations for both business lines:

- the **Domain and Hosting** division will focus primarily on improving the quality of services and after-sales support, with the aim of providing users with outstanding service to retain the existing customer base and to gain new clients, further consolidating the position achieved on the main reference markets, Italy and the UK in particular; it is reasonable to assume 2013 turnover to be basically in line with 2012 levels, excluding the negative contribution of Simply. The project regarding the new Datacenter in the UK, which is already operational and currently in the equipment stage, is, as expected, impacting negatively on 2013 results in terms of higher costs of approximately €1.2 million - incurred mainly for the migration of all of the hardware to the new facility - but will allow Dada to achieve significant economic benefits starting from 2014, as well as to have adequate space to sustain the future growth of the Group.
- the **Performance Advertising** division will continue with its strategy of international expansion of innovative solutions for online traffic monetization, thanks also to the rollout of new portals that leverage on the opportunities offered by the Classified Ads segment and to the development of the offering in new languages and in new countries. It is likely to assume turnover in 2013 to be lower than 2012 levels, in line with the trend seen in 9M13, owing to the abovementioned changes in 4Q12 and in September 2013, and despite the fact that profitability on revenue has managed to hold ground to date. On the other hand, further changes on a global scale cannot be ruled out and, therefore, it is not currently possible to estimate the medium/long term impact of these changes, which are a rather cyclical issue for the industry and involve the entire business sector.

Lastly, internal initiatives to ensure tight cost control to improve the Group’s overall efficiency will continue to be carried out also in the last quarter of 2013.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2013

CONSOLIDATED FINANCIAL STATEMENTS

DADA GROUP CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2013

IN EUR/000		30 September 2013	30 September 2012
Net Revenue		**57,092**	**64,831**
Cost of raw materials and consumables		-	-19
Chg. in inventories & inc. in own wk. capitalized		2,707	2,718
Service costs and other operating expenses		-37,229	-44,269
Payroll costs		-14,301	-13,804
Other operating revenue and income		512	12
Other operating costs		-825	-158
Provisions and impairment losses		-277	-150
Depreciation and amortization		-5,442	-4,967
EBIT		**2,237**	**4,194**
Investment income		376	1,056
Financial charges		-2,613	-3,094
Profit/(loss) before taxes		**0**	**2,156**
Income taxes		-475	-897
Group net profit/(loss)		**-475**	**1,259**
Non-controlling interests		0	0
Group net profit/(loss)		**-475**	**1,259**
Basic earnings/loss per share		-0.029	0.075
Diluted earnings/loss per share		-0.029	0.075

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME AT 30 SEPTEMBER 2013

IN EUR/000		30 September 2013	30 September 2012
Net profit/(loss) for the period (A)		**-475**	**1,259**
Other comprehensive profit/(loss) to reclassify to Profit/loss for the period:		**-856**	**1,888**
Gains/(losses) on exchange rate derivatives (cash flow hedges)		151	201
Tax effect on other gains/(losses)		-42	-55
		109	146
Gains/(losses) from the translation of foreign currency financial statements		-966	1,742
Other comprehensive profit/(loss) not to reclassify to Profit/loss for the period:		**-**	**-**
Total comprehensive income/(loss) (A) + (B)		**-1,332**	**3,146**
Total comprehensive income/(loss) attributable to:			
Shareholders of the parent company		-1,332	3,146

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2013

ASSETS		30 September 2013	31 December 2012
Non-current assets			
Goodwill		76,102	77,123
Intangible assets		8,097	7,639
Other property, plant and equipment		8,787	6,893
Financial assets		220	216
Deferred tax assets		6,652	6,273
Total non-current assets		**99,858**	**98,144**
Current assets			
Trade receivables		5,907	8,070
Tax and other receivables		4,531	4,482
Current financial receivables		-	1,000
Cash and cash equivalents		2,323	3,006
Total current assets		**12,762**	**16,558**
TOTAL ASSETS		**112,620**	**114,702**

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2013

EQUITY AND LIABILITIES		30 September 2013	31 December 2012
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		2,756	2,756
Other equity instruments		0	213
Share premium reserve		32,071	32,071
Legal reserve		950	950
Other reserves		6,774	7,630
Retained earnings/loss carried forward		7,225	5,840
Net profit/ (loss)		-475	939
Total equity, Group share		**49,299**	**50,399**
Non-controlling interests		-	-
Total shareholders' equity		**49,299**	**50,399**
Non-current liabilities			
Bank loans (due beyond one year)		15,769	18,679
Provision for risks and charges		1,003	1,461
Provision for employee termination indemnities		788	849
Financial liabilities for non-current derivatives		0	249
Other liabilities due beyond one year		84	166
Total non-current liabilities		**17,643**	**21,403**
Current liabilities			
Trade payables		11,222	13,572
Other payables		15,075	15,630
Tax payables		2,327	2,413
Financial liabilities for derivatives		149	0
Bank overdrafts and financial payables (due within one year)		16,903	11,285
Total current liabilities		**45,677**	**42,900**
TOTAL EQUITY AND LIABILITIES		**112,620**	**114,702**

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 SEPTEMBER 2013

IN EUR/000	30 September 2013	30 September 2012
Operating activities		
Net profit (loss) for the period	**-475**	**1,259**
Adjustments for:		
Income from trading	-376	-1,056
Financial charges	2,613	3,094
Income taxes	475	897
Gains/losses	-486	0
Depreciation	2,580	2,702
Amortization	2,862	2,265
Granting of stock options	232	0
Other provisions and impairment losses	293	150
Increases/(decreases) in provisions	-374	-484
Cash flow from operating activities before changes in working capital	**7,343**	**8,827**
(Increase)/decrease in receivables	2,258	-406
(Increase)/decrease in payables	-3,605	-701
Cash flow from operating activities	**5,996**	**7,719**
Income taxes paid	-558	-469
Interest (paid)/received	-1,960	-2,226
Net cash flow from operating activities	**3,478**	**5,025**
Investing activities		
Purchase of property, plant and equipment	-4,445	-2,064
Other changes in fixed assets	-1	15
Purchase of intangible assets	-605	-107
Product development costs	-2,707	-2,718
Net cash flow used in investing activities	**-7,758**	**-4,874**

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 SEPTEMBER 2013

IN EUR/000	30 September 2013	30 September 2012
Financing activities		
Change in loans	-2,910	4,679
Other changes	329	86
Net cash flow from/(used in) financing activities	**-2,581**	**4,764**
Net increase/(Decrease) in cash and cash equivalents	**-6,862**	**4,915**
Cash and cash equivalents at beginning of period	**-7,718**	**-8,392**
Cash and cash equivalents at end of period	**-14,580**	**-3,477**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 SEPTEMBER 2013

	Attributed to the shareholders of the Parent										
Description	**Share capital**	**Share premium reserve**	**Legal reserve**	**Other reserves**	**Other equity instruments**	**Cash flow hedge reserve**	**Translation reserve**	**Retained earnings**	**Net profit / (loss)**	**Total**	**Total equity**
Balance at 1 January 2013	2,756	32,070	950	14,045	213	-163	-6,251	5,840	939	**50,399**	**50,399**
Allocation of 2012 profit								939	-939	0	**0**
Profit/(loss) for the period									-475	**-475**	**-475**
Other comprehensive income (losses)						109	-966			**-856**	**-856**
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-**	**109**	**-966**	**0**	**-475**	**-1,332**	**-1,332**
Other equity instruments					-213			445		**232**	232
Balance at 30 September 2013	**2,756**	**32,070**	**950**	**14,045**	**-**	**-54**	**-7,217**	**7,224**	**-475**	**49,299**	**49,299**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 SEPTEMBER 2012

	Attributed to the shareholders of the Parent										
Description	**Share capital**	**Share premium reserve**	**Legal reserve**	**Other reserves**	**Other equity instruments**	**Cash flow hedge reserve**	**Translation reserve**	**Retained earnings**	**Net profit / (loss)**	**Total**	**Total equity**
Balance at 1 January 2012	2,756	32,070	950	7,137	34	-299	-7,142	21,286	-8,542	**48,250**	**48,250**
Allocation of 2012 profit				7,211				-15,753	8,542	0	0
Profit/(loss) for the period									1,259	**1,259**	1,259
Other comprehensive income (losses)						146	1,742			**1,887**	1,887
Total comprehensive income (losses)	**-**	**-**	**-**	**-**	**-**	**146**	**1,742**	**0**	**1,259**	**3,146**	**3,146**
Other equity instruments					134					**134**	134
Other changes				3						**3**	3
Balance at 30 September 2012	**2,756**	**32,070**	**950**	**14,351**	**168**	**-153**	**-5,400**	**5,533**	**1,259**	**51,534**	**51,534**

NOTES TO THE FINANCIAL STATEMENTS

1. Company information

DADA S.p.A. is a joint-stock company incorporated in Italy and listed in the Florence Company Register, issuer of shares listed on the STAR segment of the Italian Stock Exchange. Its registered office is indicated in the introduction to this report.

The DADA Group (www.dada.eu) is an international leader in domain and hosting services and in advanced online advertising solutions.

For further details, reference should be made to the Directors' Report.

2. Preparation criteria

The condensed interim financial statements were prepared in accordance with the historical cost convention, with the exception of financial assets held for sale, measured at fair value.

The financial statements are expressed in Euro (€) as this is the currency in which most of the Group's operations are conducted.

They are comprised of the statement of financial position, income statement, statement of changes in equity, statement of cash flows, and these notes.

The publication of this report was authorized by the Board of Directors on 12 November 2013.

Statement of compliance with IFRS

The condensed quarterly report at 30 September 2013 was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and with the measures enacted for the implementation of Art. 9 of Legislative Decree 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The condensed interim financial statements were prepared in summary form in accordance with IAS 34 and Art. 154 ter of the Consolidated Finance Act (Legislative Decree 58/1998).

Therefore, they do not include all of the information required of annual reports and should be read together with the consolidated financial statements for the year ended 31 December 2012.

Main accounting standards

The accounting standards adopted for the preparation of the interim financial statements at 30 September 2013 are the same as those used in the Group's annual financial statements for the year ended 31 December 2012, with the exception of the following new standards and interpretations applicable from 1 January 2013:

- *Amendment to IAS 1 – Presentation of financial statements* – The amendment, issued by the IASB in June 2011, is applicable to financial periods beginning on 1 July 2012, and requires entities to group items presented in OCI (Other Comprehensive Income) into two categories, based on whether they can be potentially re-classifiable or less to profit or loss subsequently. The adoption of this amendment produced no significant effects to the disclosures presented in this Interim Report.

- *Amendment to IAS 19 – Employee benefits* – The amendment, issued by the IASB in June 2011, also known as IAS 19 (2011), is applicable to financial periods beginning on 1 January 2013. It eliminates the option of deferring recognition of actuarial gains and losses via the corridor approach, requiring presentation, in the statement of financial position, of the fund's deficit or surplus and recognition in the profit and loss of cost components relating to service and net financial expense, and recognition of actuarial gains and losses stemming from re-measurement of liabilities and assets among Other income (expense). In addition, the return on assets included in net financial expense must be calculated on the basis of the discount rate for liabilities and no longer on the basis of the rate of return expected for assets. The amendment requires further information to provide in the explanatory notes. The adoption of this amendment produced no significant effects to the disclosures presented in this Interim Report.

- *IFRS 13 – Fair value measurement* – The standard, issued by the IASB in May 2011, is applicable to financial periods beginning on 1 January 2013. The standard defines fair value, clarifies how it is determined and introduces standardized disclosure for items valued at fair value. The standard is applicable to all types of transactions or balances for which another standard requires or allows fair value.

- *Amendment to IAS 12 – Income tax* – The amendment, issued by the IASB in December 2010 and applicable to financial periods after 1 January 2012, introduces the presumption that recovery of the underlying asset of deferred tax will normally be through sale unless there is clear evidence that it will be recovered through use. The presumption will be applied to investment property, plants and machinery, intangible assets recognized or re-valued at fair value. Following these amendments, the interpretation SIC 21 Income tax – recovery of re-valued non-depreciable assets – will be repealed.

- *Amendment to IFRS 7 – Financial instruments: improved disclosures* – The amendment proposes the presentation of further disclosure (both qualitative and quantitative) for assets and liabilities subject to offsetting. The amendment requires disclosures about the effect or potential effect of offsetting of financial assets against financial liabilities on an entity's financial position. The amendments are to be applied to the financial periods beginning on or after 1 January 2013 and to interim periods following such date. Disclosure is to be provided retrospectively. The adoption of this amendment produced no significant effects to the disclosures presented in this Interim Report.

- *IFRS 12 – Improved disclosure of interests in other entities* – The standard, issued by IASB in May 2011, is applicable from 1 January 2013. It specifically envisages improved disclosure to be provided on all types of interests, including those in subsidiaries, associates, joint arrangements, special purpose entities and other unconsolidated special purpose vehicles.

- *Amendment to IFRS 9 – Financial instruments and to IFRS 7 – Financial instruments: improved disclosures* – The amendment postpones the date of effectiveness from 1 January 2013 to 1 January 2015.

- *Amendment to IAS 32 – Financial instruments: presentation* – The amendment proposes the application of certain criteria for offsetting financial assets against financial liabilities. The standard is applicable to financial periods beginning on 1 January 2014.

- **Accounting standards, amendments and interpretations approved by the European Union, in force and not adopted by the Group**

- *IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine* – The interpretation, issued in October 2011, addresses how to account for the waste removal charges incurred in the production phase of a surface mine, and is applicable from 1 January 2013.

Consolidation procedures

The condensed Interim Report includes the results of the Parent Company DADA S.p.A. and of its subsidiaries at 30 September 2013.

The results of subsidiaries acquired or sold during the period are included in the consolidated income statement as from the effective date of acquisition or until the effective date of disposal.

All significant transactions and the resulting balances between Group companies have been eliminated in the consolidation. Business combinations are recorded using the acquisition method.

Exchange differences between opening net equity translated at current exchange rates and historical exchange rates, as well as the difference between the net profit or loss expressed at average and current exchange rates, are allocated to "Other reserves" under equity.

The exchange rates used to translate the financial statements of consolidated companies into euro are shown in the table below.

Currency	Exchange rate at 30.09.2013	Average exchange rate 9 months 2013
US dollar	1.3505	1.31711
British pound	0.83605	0.85211

Currency	Exchange rate at 30.09.2012	Average exchange rate 9 months 2012
US dollar	1.293	1.28082
British pound	0.79805	0.81203

Scope of consolidation

There were no changes in the scope of consolidation with respect to the prior year. Mention must be made that MOQU Adv. S.r.l., the newly-formed company set up on 13 September 2012, with a fully paid-up share capital of €10,000, to which the Performance Advertising business division of Register was spun off, effective 1 January 2013, began operations, for accounting and tax purposes, on 1 January 2013.

On 8 January 2013, MOQU Adv Ireland Ltd was formed, with a share capital of €1 and headquartered in Dublin. In February, the company took over the Performance Advertising business from Namesco Ireland Ltd.

These transactions were made within the Group's scope of consolidation and produced no effect on the amounts shown in this report.

Mention must be made that Simply Acquisition Limited and Server Arcade Limited were liquidated in 1Q13.

Risks

Market & Business risk

Our business is influenced by the global market conditions and the general economic conditions which can vary in the different markets where we do business; during a period of economic crisis, consumption may slow and this can have a negative effect on some of the services the Group provides.

The services market, in which the Dada Group operates, is highly competitive due to both the continuously, rapidly changing nature of innovation and product technology, as well as the threat of new market competition; this environment calls for continuous investments in the services that are offered to customers and renewal of the Company's offer in order to maintain its competitive positioning.

Furthermore, with regard to the performance advertising business, mention must be made of an important global commercial partner, Google, that is key to the reference market and, consequently to the Dada Group's business, as well. With regard to the Dada Group, specifically, the relationship with Google represents almost all the Performance Advertising business's costs and revenue. If the relationship with this commercial partner deteriorates or if the contract with Google should fail to be renewed, this business would be impacted. Moreover, Google is in a position to noticeably influence the dynamics of the reference market and periodically updates its policies which must be complied with by its commercial partners. The choices made in these policies can, therefore, affect the reference market as a whole and, consequently, the Dada Group's Performance Advertising business in terms of both sales and margins, as actually already happened in 2012 and in the current year. The Dada Group's failure to comply with these policies could significantly impact the relationship with Google, who reserves a noticeable right to evaluate its relationships, and the overall results of this business. More in general, the Performance Advertising market is not a fully mature one and is still subject to, even significant, volatility.

The industry in which the Group operates, both in Italy and abroad, is also strictly regulated with regard to personal privacy, consumer protection, and rules for commercial communications and for the telecommunications business in general. Such regulations are already affecting the business and their impact is likely to grow, with possible consequences for profitability throughout the reference market.

Toward this end, some Group companies could be involved in disputes or affected by supervisory or regulatory decisions regarding the provision of services. At present no situations of this sort exist.

Financial risk

The DADA Group's international expansion, also through the acquisition of important operating companies in prior years, has increased its exposure to financial risks. Of growing significance are exchange risk, due to the increase in foreign-currency revenue, interest rate risk, with the medium-term loans taken out to finance the acquisition of UK company Namesco Ltd., of Amen Group companies and of Poundhost, and liquidity risk in general, reflecting the potential changes in borrowing requirements.

In addition, some of the Group's loan contracts include requirements to satisfy various financial ratios that give the lender certain rights, including the right to call in the loan, in the event such covenants are breached. At the reporting date, these financial ratios had been met.

The DADA Group pays special attention to arranging solid reporting and monitoring procedures for exchange risk and interest rate/liquidity risk, and on reinforcing the corporate division in charge of financial risk management.

To hedge interest rate risk, a 3.81% IRS still in effect was taken out with a major bank against a €4.3 million loan (at 30 September 2013) taken out by the subsidiary Register.it. The fair value of this derivative instrument was recognized in the statement of financial position, with a balancing entry in an equity reserve in accordance with IAS 39 (cash flow hedges). Two interest rate caps were also arranged with major banks: one with a strike rate of 3.5% on principal of €1.6 million, and one with a strike rate of 3% on principal of €2.3 million. The fair value adjustment on both caps was posted in full to the income statement, as they are not treated according to the hedge accounting rules.

Liquidity risk

Liquidity risk is managed by the DADA Group on a centralized basis. To optimize use of the Group's liquidity, the parent company DADA S.p.A. has a cash pooling agreement with its subsidiaries Register.it S.p.A., Fueps S.p.A. and Clarence S.r.l.. Register.it S.p.A. also has a cash pooling agreement with its wholly-owned subsidiaries. At 30 September 2013, the Group had credit lines (excluding unsecured loans and currency and interest rate hedge derivatives) of €41 million, of which approximately €34 million drawn down.

Exchange risk

The Group's international expansion and scope of operations now expose it to fluctuations in exchange rates, mainly EUR/GBP and EUR/USD. This exposure to exchange risk is the result of sales or purchases made in currencies other than the euro, and of company assets denominated in foreign currencies. Approximately 22% of the Group's sales are denominated in a currency other than the primary one, while about 30% of its service costs are expressed in foreign currency (USD).

In 9M13, the Group engaged in derivatives (currency forwards) in order to hedge its exchange rate risk.

Credit risk

The Group's exposure to credit risk is related to trade and financial receivables. The Group assumes the credit risk associated with part of its advertising business, while the risk for the Domain and Hosting business is more limited as fees are generally paid in advance. With regard to financial receivables, investments are only made with banks of the highest standing.

In 1Q13, a client that has an existing contract with a DADA Group company and an exposure of approximately €0.9 million at 30 September 2013, was in financial distress and has thus applied for admission to the composition with creditors procedure (blank option); the relevant information is found in note 9.

Price risk

The Group is not exposed to significant price volatility risk.

For further details, reference should be made to the information provided in accordance with IFRS 7 attached to this report, appearing in the financial statements at 31 December 2012.

Risks associated with the contract for the disposal of the BU Dada.net (hereinafter "the Contract")

Terms of payment

Out of the full provisional price for the sale of Dada.net, an installment of €30,112,000 was paid in cash on 31 May 2011. By contract, the remainder will be paid after the closing. More specifically:

(i) a second installment of €1,000,000 must be paid at a later date to be determined on the basis of criteria established in the contract, but in any case no later than 24 months from the date of closing (31 May 2013). On 31 May 2013, the amount was fully and effectively paid to the seller.

(ii) €2,750,000.00 was placed in an escrow account on the date of closing and remained in that account for the subsequent twelve months, to service the standard representations and warranties. As no disputes emerged relating to declarations made or guarantees granted, the €2,750,000 was fully paid to the seller on 31 May 2012.

Earn-out

In addition to the final price, the contract also requires the buyer to pay an earn-out if, within three years of the closing, all or part of Dada.net's interest in Giglio is sold or some of Giglio's operations are disposed of such that a capital gain is realized with respect to an established amount, as detailed in the Contract.

In this case, the buyer shall pay the seller a sum in proportion to the capital gain realized from the disposal of Giglio, up to a maximum earn-out of €2,500,000. However, the disposal of Giglio could fail to take place or could occur under conditions that fail to produce a capital gain or otherwise to satisfy the conditions requiring the earn-out to be paid. The DADA Group will recognize the earn-out only when the conditions for its payment have been met.

Representations, warranties and penalties in the event of non-fulfillment

The Issuer has given the buyer certain representations and warranties, typical of this kind of transaction, with respect to Dada.net, its wholly-owned subsidiaries, Giglio and Youlike.

Should the buyer, Dada.net, its wholly-owned subsidiaries, Giglio and/or Youlike become liable for any out-of-period expenses, costs or charges due to non-fulfillment of the representations and warranties made by the seller, the seller will be required to indemnify and hold harmless the buyer for the amount of such liabilities, provided that the total sum of the individual losses exceeding a given minimum amount exceeds an established threshold, for a total maximum penalty of €7,125,000. The duration of the guarantees depends on the type of guarantee involved and in certain instances coincides with the statute of limitations relative to the dispute in question.

Special penalties

In addition to the representations and warranties mentioned above, the contract for the sale of Dada.net provides for other penalties for the seller under expressly stated circumstances that expose the buyer, Dada.net, and/or any other company within the scope of the sale to further liabilities. The seller shall indemnify and hold harmless the buyer for the amount of any such liabilities that arise, provided this penalty exceeds the specific thresholds laid down in the contract. In specified cases, an additional ceiling of €2,175,000 will apply on top of the maximum penalty listed above. An action may be brought under this guarantee through 31 May 2016.

Risks from reconciliation with telephone companies and aggregators

The contract with Buongiorno S.p.A. includes a reconciliation clause with respect to the amounts due by Dada.net and its wholly-owned subsidiaries to telephone companies or aggregators and vice versa, for reconciliations carried out by telephone companies or aggregators in the twelve months following 31 May 2011 on amounts paid or received, as applicable, by Dada.net or its wholly-owned subsidiaries in the twelve months preceding 31 May 2011, on the basis of statements shared between the parties. Therefore, by virtue and within the limits of such provisions, the Group may be required to pay the buyer any amount it may be due as a result of such reconciliations by telephone companies or aggregators.

It should be noted that Buongiorno S.p.A. has not sent any request for reconciliation pursuant to the above provision, and that the time limits by contract for any such request have expired.

Risks relating to the non-compete clause

By contract, the seller is prohibited from doing significant business, directly or indirectly, that competes with the business performed by Dada.net S.p.A. and/or its wholly-owned subsidiaries, in Italy and the United States for a period of 18 months from the date of closing. The seller has also agreed not to hire individuals who, as of the contract date or during the preceding 30 days, were employees or contract workers of Dada.net, its wholly-owned subsidiaries or other companies in the Buongiorno Group, or who become such in the 18 months following the closing. The buyer has agreed to the same restrictions concerning the personnel of the DADA Group.

It must be noted that the above 18-month period has expired.

Risks of the reduced scope of operations

The sale of Dada.net has reduced the Group's scope of operations which, post-sale, will essentially be focused on professional domain and hosting services and performance advertising. That said, Dada.net is active in extremely competitive business environments and has suffered decreasing performance in recent years.

Risks associated with changes in the DADA Group due to the sale

The sale of Dada.net resulted in significant changes in the DADA Group's business, corporate structure, organization and ownership of assets, and therefore it is exposed to the problems, expenses and execution risks in connection with the refocusing process mentioned above.

Moreover, by contract, any events arising from such risks that concern the Dada.net companies being sold could generate liabilities or price adjustments for DADA.

With regard to the rights and obligations set out in the contract, mention must be made that in April 2013, DADA S.p.A. received a claim for compensation from the buyer under the sale contract. Such claim arises from a complaint filed by Receita Federal do Brasil referring to certain alleged anomalies found in a tax audit which had started in March 2011, against Dada Brasil Servicos de Tecnologia Ltda and relating to the 2008 tax return for a total disputed amount of 13.4 million Brazilian Reais (approximately €5.1 million). The Company, under the sale contract and in conjunction with the buyer, has established defense against such claim and has reserved the right to rebut the claim for compensation filed by the buyer. Based on the preliminary technical-legal indications received, the dispute with the Brazilian tax authorities may most likely extend in time.

Based also on IAS 37 related to contingent liabilities and taking into account the recent date of commencement of the dispute, as well as the preliminary analysis conducted, the Company deems it unnecessary to date to set up any case reserves.

In May 2013, DADA S.p.A. received three other claims from the buyer under the sale contract. The claims regard an inquiry conducted by the Attorney General of the State of Minnesota, a preliminary tax audit and a claim for compensation (quantified at the outset in $100,000) in respect of which the probability that the Group may incur liabilities cannot currently be quantified. In this regard, mention must be made that the contract for the sale of the Dada.net Group provides for excess of €300,000 in favour of the seller.

Risks affecting the Parent Company DADA S.p.A.

The Parent Company is essentially exposed to the same risks and uncertainties affecting the entire DADA Group.

Seasonal trends

The DADA Group's main operations are not affected by seasonal trends that could influence results for the period.

3. Segment reporting pursuant to IFRS 8

For operational purposes, the DADA Group is organized by business segment (Business Unit) comprising the "**Domain and Hosting**" and "**Performance Advertising**" divisions.

A structure which, by its nature, falls under the requirements of IFRS 8, envisaging the organization of segment information based on the same criteria used in internal management reports.

Mention must be made in this regard of the change in the organizational structure in 2012 of DADA Group operations. Up to 30 September 2012, business activities were organized under a "single" segment, a direct result of the disposal of the Dada.net Group in 2011, which had left two product lines (domain & hosting and performance advertising) managed as one business with results presented together.

The reorganization in two divisions is the result of the strong growth achieved the year before by performance advertising, with an increasingly significant impact on the volume of consolidated sales of the DADA Group, which led to greater focus on these activities and to the creation of a separate business unit.

This two-division structure is also a result of the corporate reorganization that led to the creation of two Group branches, each heading a specific business segment.

Corporate activities carried out by the Parent DADA S.p.A. are considered to be completely integrated with those of the abovementioned two segments and no longer qualify as a separate business segment.

The two current divisions can be summarized as follows:

a) “**Domain and Hosting**”, self-provisioning professional services which include:
- domain name registration – digital solutions for online identity
- hosting services
- website development
- e-commerce services
- certified e-mail and e-mail services.

The Domain and Hosting Division heads up Register.it S.p.A. and this company's Italian and foreign (direct and indirect) subsidiaries: Nominalia SA, Amen Ltd, Amen Netherland B.V., Amen Portogallo LDA, Amen France SAS, Amen Ltd, Namesco Ltd, Namesco Inc., Namesco Ireland Ltd, Poundhost Internet Ltd, Simply Virtual Servers Limited and Simply Transit Limited.

b) "**Performance Advertising**" (forming the Scalable CGU), management of online advertising, with a business model based on web traffic monetization through partnerships with major search engines. These activities are carried out mainly by the proprietary brands Peeplo and Save N Keep.
The Performance Advertising Division heads up the Italian company MOQU Adv S.r.l. (wholly-owned by DADA S.p.A.) and the Irish company MOQU Adv. Ireland Ltd, wholly-owned by the former.

Revenue from DADA S.p.A. corporate services refers mainly to amounts billed to its subsidiaries for services provided by central units such as administration, finance, tax, planning and control, procurement, legal and corporate affairs, communication, HR management, facility management, general services and ICT.

The consolidated income statements of the divisions shown further below have been prepared based on costs and revenue of each specific segment, excluding financing activities and income taxes.

Likewise, costs and revenue are shown before interdivisional balances, which are eliminated in the consolidation process ("Adjustments" column in the tables).

Management monitors the operating results of its business units so it can decide on resource allocation and performance assessment. Segment performance is measured by turnover and operating profit. Financial results (including financial income and expenses) and income taxes are managed at Group level and are therefore not allocated to each business segment.

Based on this new structure, 2012 comparative figures have been restated.

Notes on the main items in the following tables are shown in the Directors' Report.

Income statement by business segment at 30 September 2013

30/09/2013 (9 months)				
Segment reporting	**D&H**	**Scalable**	**Adjustments**	**Consolidated**
Revenue – Italy	19,635	96	425	20,156
Revenue – abroad	25,323	11,613		36,936
Revenue - interdivisional				-
Net revenue	**44,958**	**11,709**	**425**	**57,092**
Increase in own work capitalized	2,263	455		2,719
Service costs	-28,648	-9,386	-425	-38,459
Payroll costs	-11,259	-1,172		-12,431
Segment EBITDA	**7,314**	**1,606**	**-**	**8,921**
Depreciation and amortization	-4,676	-392		-5,068
Impairment and provisions	115	-12		103
Segment EBIT	**2,753**	**1,202**	**-**	**3,955**
	Amort. and depr. fix. assets corp.			-373
	Provisions and impairment			-499
	Unallocated overheads			-846
	EBIT			**2,238**
	Net financial charges			-2,237
	Profit (loss) before taxes			**1**
	Income taxes			-475
	Group & non-controlling interests profit (loss)			**-475**
	Non-controlling interests			-
	Group net profit (loss)			**-475**

Income statement by business segment at 30 September 2012

	30/09/2012			
Segment reporting	**D&H**	**Scalable**	**Adjustments**	**Consolidated**
Revenue - Italy	20,382	-	592	20,974
Revenue – abroad	27,015	16,840		43,855
Revenue – interdivisional				-
Net revenue	**47,398**	**16,840**	**592**	**64,830**
Increase in own work capitalized	2,193	525		2,718
Service costs	-30,656	-13,911	-592	-45,159
Payroll costs	-10,724	-1,164		-11,889
Segment EBITDA	**8,210**	**2,290**	**-**	**10,500**
Depreciation and amortization	-4,137	-391		-4,528
Impairment of fixed assets				-
Segment EBIT	**4,073**	**1,899**	**-**	**5,972**
	Amort. and depr. fix. assets corp.			-439
	Provisions and impairment			-150
	Unallocated overheads			-1,189
	EBIT			**4,193**
	Financial charges			-2,038
	Profit (loss) before taxes			**2,155**
	Income taxes			-897
	Group & non-controlling interests profit (loss)			**1,257**
	Non-controlling interests			
	Group net profit (loss)			**1,257**

Geographical breakdown of DADA Group revenue

Description	30-Sept-13		30-Sept-12	
	Amount	% of total	Amount	% of total
Revenue – Italy	20,156	35%	20,974	32%
Revenue – abroad	36,936	65%	43,855	68%
Consolidated revenue	**57,092**		**64,830**	

4. Related-party transactions

Transactions with related parties are within the normal scope of operations and are carried out at arm's length. They are similar to those described in the notes to the consolidated financial statements for the year ended 31 December 2012, to which reference is made. Related-party transactions are governed by a specific procedure approved by DADA S.p.A.'s Board of Directors. For further information, reference should be made to the section on significant events during the quarter.

5. Non-recurring income and charges

Non-recurring income and charges amounted to €0.1 million at 30 September 2013, while none were reported at 30 September 2012.

6. Property, plant and equipment

Investments in plant and equipment in 9M13 amounted to €4.3 million versus €2.2 million in 9M12. These are largely explained by the purchase of servers and installation of new equipment to enhance the server farm, as well as the networking and storage systems pertaining primarily to Register.it subsidiaries and to Namesco Group companies in the UK, mostly to Poundhost.

Mention must be of the investments made in the construction of the new Datacenter in the UK, a project that had started in the prior year and had yet to be completed at the end of the first half of 2013 (when the investments were still classified under assets under development and advances). Following completion of the Center at end July, the relating depreciation runs, therefore, from that date.

These depreciate at 20% per year.

Furniture and fittings refer to expenses in prior years incurred for the headquarters of DADA Group companies both in Italy and abroad. No significant increases were reported in 9M13. The depreciation rate here is 12%.

Other fixed assets under development and advances have been virtually written off, and the above considerations regarding the investment in the Datacenter also apply in this case.

7. Intangible assets

Increases in 9M13 in intangible assets came to €3.3 million versus €2.9 million in 9M12. These are explained by €2.7 million for the development of products and internal processes (in line with the prior year), €0.2 million for licenses and brands, and €0.3 million for software.

More specifically, increases for "product/service development costs" refer to the capitalization of internal expenses incurred to develop new products and services concerning the domain and hosting and performance advertising services.

In 3Q13, these activities mainly focused on continuing prior-quarter developments, regarding, in particular, the gradual development of the new PEC, the Hyper V dedicated servers, the Setefi project for domain and hosting products, and further development of the Save'n'keep platform and Peeplo search engine in the performance advertising business.

The recognition of intangible assets is based on the future profitability calculated in accordance with the applicable international accounting standards.

Their recognition is supported by careful evaluation of the future economic benefits of these services.

Amortization is completed over five years, which represents the estimated useful life of these projects.

8. Equity investments, financial assets and deferred tax

The following table shows financial assets and deferred tax at 30 September 2013 versus 31 December 2012:

Description	**30/09/13**	**31/12/12**	**Change**	**% change**
Financial receivables and other non-current assets	220	216	4	2%
Total financial assets	**220**	**216**	**4**	**2%**
Deferred tax assets	**6,652**	**6,273**	**379**	**6%**

Movements in deferred tax assets between 31 December 2012 and 30 September 2013 are shown below:

Description	**Balance at 31/12/2012**	**Increases**	**Utilizations**	**Exchange differences**	**Other movements**	**Balance at 30/09/2013**
Deferred tax assets	6,272	599	- 172	- 5	- 41	6,653
Total	**6,272**	**599**	**-172**	**-5**	**-41**	**6,653**

"Financial receivables and other non-current assets" consist of security deposits, which include those from the rental of business premises.

The deferred tax assets of €6.7 million stem from both prior fiscal losses and temporary differences shown in tax returns to be recovered in the future. Fiscal losses that can be carried forward to subsequent years amount to €35.8 million. These can be fully carried forward indefinitely and are 80% recoverable in each financial year (as per Italian law).

The fiscal losses based on which the deferred tax assets were calculated amount to €16.5 million.

For the sake of prudence, deferred tax assets have been recognized in the amount for which they will likely be recovered.

9. Trade receivables

Consolidated trade receivables recorded at 30 September 2013 came to €5.9 million, decreasing versus the €8.1 million recorded at 31 December 2012.

The average turnover on trade receivables is 45 days, and varies based on the different products provided by the DADA Group. Specifically, the domain & hosting business collects receivables very quickly (or even in advance), while there is a longer turnover period in the online advertising business.

There are no trade receivables due beyond one year that would require an assessment of financial loss.

The company estimates that the carrying value of trade and other receivables approximates their fair value.

There were no increases in the provision for doubtful accounts during the period under review. The provision at 30 September 2013 was deemed, therefore, sufficient to cover potential losses on trade receivables.

Trade receivables include those from Seat PG Italia S.p.A., amounting at 30 September 2013 to €0.9 thousand, €74 thousand of which unexpired and referring to services provided in September 2013, €115 thousand expired at 30 September and referring to services provided in August and collected in early October, and €692 thousand expired at the date of approval of this report and referring to services provided up to 6 February 2013. It must be noted that Seat PG Italia S.p.A., on 6 February 2013, announced that it had applied for admission to the composition with creditors procedure (blank option). On 7 July 2013, Seat P.G. announced that the Turin court opened the composition procedure by appointing the relevant bodies. Creditors are scheduled to meet, unless extended, on 30 January 2014.

Based on the above, and in the absence of official disclosures on the nature and proposed rate of payment of the trade receivables from Seat PG, the DADA Group has, nonetheless, decided to partly write down the receivables falling within the scope of the procedure.

In 3Q13, a further amount was written down and recognized in the income statement with respect to the provision made in 1H13.

10. Cash and cash equivalents and net debt

Total liquidity, which comprises liquidity at major banks, cash on hand and current financial receivables, amounted to €2.3 million at 30 September 2013 versus €4 million at 31

December 2012. Italian bank deposits, concentrated mainly at two banks, pay interest at the one-month Euribor less a spread of 0.1%-0.25%.

The table below details loans and borrowings and their movements between 31 December 2012 and 30 September 2013:

Description	Balance at 31/12/12	Increases	Decreases	Other changes	Balance at 30/09/13
LOANS					
Non-current portion of loans due to banks	18,678	826	-3,736	0	15,768
Current portion of loans due to banks	3,811	4,233	-134	0	7,910
Subtotal	**22,489**	**5,059**	**-3,870**	**0**	**23,678**
Account overdrafts	6,914	2,080	0		8,994
Credit lines	0		0		0
Other	561	0	-561		0
Subtotal	**7,475**	**2,080**	**-561**	**0**	**8,994**
Total	**29,964**	**7,139**	**-4,431**	**0**	**32,672**

Financial payables and liabilities include the DADA Group's amortizing loans of €23.7 million, and overdraft facilities and credit lines of €9 million.

The DADA Group's current loan agreements include those entered into in order to finance the acquisitions made over the last few years.

Description of loans held by the DADA Group at 30 September 2013:

- Register.it S.p.A.
  Loan with a remaining balance of €22.4 million; maturity by contract is 30 June 2016, with half-year installments starting from 31 December 2013, for a total of 6 installments due on 31 December and on 30 June every year each of €3.7 million; the interest rate is the six-month Euribor plus a spread of 4.10%. The loan is hedged by the existing interest rate swap adjusted to the new maturities of the underlying amounts (interest rate at 3.81%), and treated in hedge accounting. Two interest rate caps are still in effect, with respective strike rates of 3.5% and 3%; the caps failed to qualify as hedges so the rules of hedge accounting do not apply.
- DADA S.p.A.
  DADA S.p.A. has only account overdrafts with major banks which amount to €9 million, with interest charged at one-month Euribor plus a spread of between 3.0% and 6.0%.
- Namesco Ltd
  A loan of £0.7 million (€0.8 million) taken out on 24 October 2012; maturity by contract is 6 August 2016, with monthly installments starting from August 2013; the rate applied is the Bank's Sterling Base Rate + 3% spread.
- Poundhost
  Finance leases with a residual amount of £0.3 million (€0.4 million) to be fully repaid by May 2016.

For further information on liquidity movements during the period, reference should be made to the analysis contained in the Directors' Report and the details appearing in the statement of cash flows.

Some of the loans described above include covenants requiring the Group to satisfy certain financial ratios, tied to EBITDA and net financial position aggregates. A breach of covenant entitles the lending bank to call in the loan. There were no situations putting the Group at risk in this regard at 30 September 2013.

For further information on liquidity movements during the period, reference should be made to the analysis contained in the Directors' Report on the financial position and the details appearing in the consolidated statement of cash flows.

11. Provisions for payroll, risks and charges

The table below shows movements in the provision for employee termination indemnities from 31 December 2012 to 30 September 2013:

Description	Balance at 31/12/2012	Increases	Utilizations	Advances	Other movements	Balance at 30/09/2013
Provision for termination indemnities	849	397	-22	-56	-380	788
Total	**849**	**397**	**-22**	**-56**	**-380**	**788**

At 30 September 2013, the provision amounted to €0.8 million, and reflects the total liability to employees, in accordance with the law and the terms of the collective employment contract. "Other movements" refer to payments made to INPS (social security).
As required by international accounting standards, the liability was determined using the Projected Unit Credit method, which treats every period of employment as the source of an additional unit of benefits and measures each unit separately when calculating the total accrued obligation.

The table below shows movements in the provision for risks and charges from 31 December 2012 to 30 September 2013:

Description	Balance at 31/12/2012	Increases	Utilizations	Recovery in the income statement	Exchange differences	Balance at 30/09/2013
Provision for risks and charges	1,461		-261	-192	-5	1,003
Total	**1,461**	**0**	**-261**	**-192**	**-5**	**1,003**

The provision for risks and charges, with a balance at 30 September 2013 of €1 million (€1.5 million at 31 December 2012 and €1.1 million at 30 June 2013) covers probable liabilities from pending contractual and legal disputes and reorganization charges regarding certain areas of the Group.
In 9M13, no more accruals were made to this item. Utilizations for the period, amounting to €0.3 million, concern legal disputes and staff reorganization charges defined during the first half of the year.
"Recovery in the income statement" includes the release of the provision for risks and charges from disputes settled in the relevant period at amounts lower than estimated in prior periods, and from a downwards revision in the assessment of certain risks.
Exchange differences refer to the adjustment to half-year end rates of the provisions for risks and charges of companies with non-euro financial statements.

At 30 September 2013, the provision for risks and charges was made up of €0.3 million for staff reorganization charges, of €0.6 million for business disputes, and of €0.1 million for a pending tax dispute. No detailed information is given on the specific positions covered, in order not to prejudice the outcome of proceedings.

12. Trade payables

Trade payables are amounts due for purchases of a commercial nature and other costs strictly related to the Group's operations. At 30 September 2013, they came to €11.2 million, down 17% versus €13.6 million at 31 December 2012. Trade receivables followed the same downward pattern.

The Company estimates that the carrying value of trade and other payables approximates their fair value.

13. Other payables and liabilities

Taxes payable, amounting to €2.3 million (€2.4 million at 31 December 2012), include withholding tax on salaries and consultants' pay for the month of September and income taxes pertaining to the period. The latter consist mainly of IRAP (regional tax) for the Group's Italian companies and of local taxes for subsidiaries abroad.

"Other payables", amounting to €16.8 million, comprises mainly:

- bonus salaries due to employees (*tredicesima* and *quattordicesima*), pay in lieu of holiday, and other amounts payable for a total of €3.4 million, as well as €0.4 million in social security payments due;

- deferred income of €11.2 thousand (€11.9 thousand at 31 December 2012), originating from contract revenue on domain, hosting, connectivity and other resale services pertaining to future periods.

The Company estimates that the carrying value of trade and other payables approximates their fair value.

14. Non-current assets of relevance to the cash flow statement

The table below shows movements in non-current intangible and tangible assets

Description	Balance at 31/12/12	Increases	Decreases	Other movements	Exchange differences	Amort./ deprec.	Balance at 30/09/13
Goodwill	77,125	-	-	-	-1,023	-	76,102
Total goodwill	*77,125*	-	-	-	*-1,023*	-	*76,102*
Product/service development costs	6,557	2,707	-	-19	-10	-2,270	6,965
Concessions, licenses and brands	176	236	-	-	-	-234	178
Other	906	369	-	37	-	-358	954
Patents and other rights	-	-			-		-
Assets under dvpmt. & advances	-	-	-	-	-	-	-
Total non-current intangible assets	*7,639*	*3,312*	-	*18*	*-10*	*-2,862*	*8,097*
Total	**84,764**	**3,312**	**-**	**18**	**-1,033**	**-2,862**	**84,199**

Description	Balance at 31/12/12	Increases	Decreases	Other movements	Exchange differences	Amort./ deprec.	Balance at 30/09/13
Plant and EDP machines	5,587	4,329		722	-75	-2,431	8,132
Furniture and fittings	511	162	-	-157	-6	-87	423
Other property, plant and equipment	60	96	-	135	2	-62	232
Other property, plant and equipment under dvpmt.	735		-	-718	-17	-	-
TOTAL	**6,893**	**4,587**	**-**	**-18**	**-96**	**-2,580**	**8,787**

Regarding goodwill:

the decrease in "exchange differences" relating to goodwill is explained by exchange differences on goodwill expressed in other currencies, in particular for the British company Namesco Ltd., offset by the translation reserve recognized under consolidated equity reserves.

In this regard, at end 3Q13, an assessment was made to verify the absence of substantial differences between the quarterly forecasts used in the annual impairment test at 31

December 2012, and with respect to the exhaustive observations contained in the 2013 half-year financial report. For further details, reference should be made to these two documents.

With regard to the main increase in non-current intangible and tangible assets, reference should be made to the above section relating to increases in property, plant and equipment and intangible assets.

The recognition of intangible assets is also supported by careful evaluation of the future financial benefits of these services, based on available forecasts for the two divisions.

Amortization is completed mainly over five years.

Increases for intangible assets were related mainly to:

- the investment in a major project launched in 2012 for the construction of the new Datacenter in the UK. For further information, reference should be made to the Directors' Report in this document and to the 2012 separate financial statements. This project can be considered virtually completed and operational at the end of 3Q13;
  the purchase of servers and the installation of new equipment to enhance the server farm, as well as the networking and storage systems used in the provision of hosting and domain registration services, and in online advertising. The amortization rate here is between 20% and 33%.

Decreases:

There were no decreases in 9M13.

Impairment losses:

No impairment losses were recorded in 9M13.

15. Changes in equity reserves

At 30 September 2013, DADA S.p.A.'s share capital was comprised of 16,210,069 ordinary shares with a par value of €0.17 each, for a total of €2,756 thousand. There were no increases in 9M13.

Movements in equity items during the period are reported in the schedules on page 36.

The main equity reserves and their changes during the period are described below:

Share premium reserve: this is a capital reserve consisting of contributions from shareholders. There is no specific limit on its use, once the legal reserve reaches one fifth of the share capital. At 30 September 2013, it amounted to €32.1 million and there were no increases during 9M13.

Other reserves: these include:

- *Other equity instruments:* includes the payroll costs incurred in relation to the Group's Stock Option plans. This reserve amounted to €213 thousand at 31 December 2012 and to zero at 30 September 2013, following the sale of the DADA Group to Libero Sarl, acceleration of the entire stock options and transfer to profit carried forward. The movements in 9M13 were as follows:
  - increase in the reserve for the portion of the stock option plan recognized in the income statement and amounting to €232 thousand (of which €53 thousand relating to the 2014 portion accelerated in 2013)
  - decrease in the reserve for the entire amount of €445 thousand.
- *FTA reserve*, (first-time adoption of IFRS), with a negative balance at 30 September 2013 of €6.2 million.

- *Extraordinary reserve* of €19.1 million, there were no changes in 9M13.
- *Cash flow hedge reserve,* with a negative balance, net of tax, of €0.1 million at 30 September 2013, and with a net difference of -€109 thousand versus 31 December 2012.
- *Translation reserve*, containing the differences arising from the translation of subsidiaries' financial statements prepared in currencies other than the euro, with a negative balance of €7.2 million at 30 September 2013 (€6.3 million at 31 December 2012). Movements in the period, totaling approximately €1 million, arose mostly from the translation of the financial statements and goodwill of the subsidiaries Poundhost and Namesco.
- *Other reserves,* these are the reserves produced by the deconsolidation of the Dada.net Group, amounting to €1.1 million.

16. Net change in financial payables and other financial assets recorded in the statement of cash flows

The following table reconciles the change in consolidated net financial position with the change in cash and cash equivalents:

Description	**30/09/13**	**30/06/12**
Change in net financial position	-4,280	1,442
Change in non-current portion of loans	-2,910	4,703
Change in non-cash derivatives	-110	-110
Current account with RCS	-561	8
Change in other financial receivables	1,000	-1,000
Change in cash and cash equivalents from the statement of cash flows	**-6,862**	**5,043**

Current account overdrafts, in accordance with the accounting policies, are counted as part of the change in cash and cash equivalents.

17. Commitments

The table below shows changes in commitments between 31 December 2012 and 30 September 2013:

Description	Balance at 31/12/2012	Increase for the period	Decrease for the period	Other changes	Balance at 30/09/2013
Guarantees	1,848	1,817	-292	29	3,402
Total	**1,848**	**1,817**	**-292**	**29**	**3,402**

The increase over the period relates entirely to the guarantee issued by a major Italian bank to secure the loan issued to the UK subsidiary Namesco Ltd by a major bank for the acquisition of the UK Datacenter previously mentioned in the increases in outstanding loans of the DADA Group. The guarantee has the same duration as the loan.

A guarantee was also issued to secure a claim for the refund of two VAT credits by an Italian subsidiary, amounting respectively to €0.5 million and €0.2 million. Both credits were received by the company in 3Q13.

The decrease relates to the guarantee for a commercial contract that expired in 1H13. Other changes include the net effects of the exchange adjustments of the guarantees issued in currencies other than the euro.

There are no potential commitments that are not recorded in the statement of financial position.

Florence, 12 November 2013

For the Board of Directors
Chief Executive Officer
Claudio Corbetta

Statement by the Financial Reporting Officer

Pursuant to Art. 154 *bis* (2) of the Consolidated Finance Act (*Testo Unico della Finanza*), it is hereby declared that the figures contained in this interim management statement correspond to the company's records, ledgers and accounting entries.

Financial Reporting Officer
Federico Bronzi

ANNEX 1

DADA GROUP'S RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2013

In EUR/000	**30 September 13 9 months**		**30 September 12 9 months**		**DIFFERENCE**	
	Amount	**%**	**Amount**		**Amount**	**%**
Net revenue	**57,092**	**100%**	**64,831**	**100%**	**-7,739**	**-12%**
Chg. in inventories & inc. in own wk. capitalized	2,707	5%	2,718	4%	-10	0%
Service costs and other operating expenses	-37,424	-66%	-44,433	-69%	7,009	-16%
Payroll costs	-14,301	-25%	-13,804	-21%	-496	4%
EBITDA*	**8,074**	**14%**	**9,311**	**14%**	**-1,236**	**-13%**
Depreciation and amortizations	-5,442	-10%	-4,967	-8%	-475	10%
Non-recurring income/(charges)	-103		0	0%	-103	
Write-downs	0		0			
Other provisions	-293	-1%	-150	0%	-143	96%
EBIT	**2,237**	**4%**	**4,194**	**6%**	**-1,957**	**-47%**
Financial income	376	1%	1,056	2%	-680	-64%
Financial charges	-2,613	-5%	-3,094	-5%	481	-16%
Other net financial charges	0		0			
Share of associates	0		0			
Profit/(loss) before taxes	**0**	**0%**	**2,156**	**3%**	**-2,156**	**-100%**
Taxes	-475	-1%	-897	-1%	422	-47%
Net Profit/(loss)	**-475**	**-1%**	**1,259**	**2%**	**-1,734**	**n.m.**
Minorities	0	0%	0	0%	0	
Profit/(loss) from discontinued operations	0	0%	0	0%	0	
Group Net Profit/(loss)	**-475**	**-1%**	**1,259**	**2%**	**-1,734**	**n.m.**

* Gross of impairment losses on receivables and non-recurring charges

ANNEX 2

DADA GROUP'S RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2013 (3 months)

In EUR/000	Q3 2013		Q3 2012		DIFFERENCE	
	Amount	%	Amount		Amount	%
Net revenue	**17,372**	**100%**	**21,251**	**100%**	**-3,879**	**-18%**
Chg. in inventories & inc. in own wk. capitalized	748	4%	777	4%	-29	-4%
Service costs and other operating expenses	-11,655	-67%	-14,531	-68%	2,876	-20%
Payroll costs	-4,707	-27%	-4,287	-20%	-420	10%
EBITDA*	**1,759**	**10%**	**3,211**	**15%**	**-1,452**	**-45%**
Depreciation and amortizations	-1,947	-11%	-1,642	-8%	-305	19%
Non-recurring income/(charges)	-103	-1%	0	0%	-103	
Write-downs	0	0%	0	0%	0	
Other provisions	-172	-1%	-35	0%	-137	n.m.
EBIT	**-463**	**-3%**	**1,534**	**7%**	**-1,997**	**n.m.**
Financial income	64	0%	149	1%	-84	-57%
Financial charges	-633	-4%	-766	-4%	133	-17%
Other net financial charges	0	0%	0	0%	0	
Share of associates	0	0%	0	0%	0	
Profit/(loss) before taxes	**-1,031**	**-6%**	**917**	**4%**	**-1,948**	**n.m.**
Taxes	-148	-1%	-508	-2%	360	-71%
Net Profit/(loss)	**-1,179**	**-7%**	**409**	**2%**	**-1,588**	**n.m.**
Minorities	0	0%	0	0%	0	
Profit/(loss) from discontinued operations	0	0%	0	0%	0	
Group Net Profit/(loss)	**-1,179**	**-7%**	**409**	**2%**	**-1,588**	**n.m.**

* Gross of impairment losses on receivables and non-recurring charges

ANNEX 3

DADA GROUP'S NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 30 SEPTEMBER 2013

In EUR/000	30-Sept.-13	31-Dec.-12	DIFFERENCE	
			Absol.	
Fixed assets (A)	**93,196**	**91,872**	**1,325**	**1%**
Current operating assets (B)	17,090	18,825	-1,734	-9%
Current operating liabilities (C)	-28,625	-31,615	2,989	-9%
Net working capital (D)=(B)-(C)	**-11,535**	**-12,790**	**1,255**	**-10%**
Provision for termination indemnities (E)	-788	-849	60	-7%
Provision for risks and charges (F)	-1,003	-1,461	458	-31%
Other payables due beyond one year (G)	-84	-166	83	-50%
Net capital employed (A+D+E+F+G)	**79,787**	**76,606**	**3,181**	**4%**
Bank loans (due beyond one year)	-15,769	-18,679	2,910	-16%
Shareholders' Equity	**-49,299**	**-50,399**	**1,100**	**-2%**
Current bank borrowings	-16,903	-10,724	-6,179	58%
Current financial receivables and derivatives	9	1,000	-991	-99%
Current financial payables and derivatives	-149	-810	662	-82%
Cash and cash equivalents	2,323	3,006	-682	-23%
Current Net Financial Position	**-14,719**	**-7,528**	**-7,190**	**96%**
Total Net Financial Position	**-30,487**	**-26,207**	**-4,280**	**16%**

ANNEX 4
DADA GROUP CONSOLIDATION SCOPE AS OF SEPTEMBER 30, 2013

NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	HELD BY	% held	Consolidation period
Dada S.p.A. (Parent company)	**Florence**	**Euro**	**2,755,712**	**Parent company**		**Jan.-Sept. 2013**
Agence des Medias Numerique Sas	Paris	Euro	1,935,100	Register.it S.p.A.	100	Jan.-Sept. 2013
Amen Ltd.	London	GBP	2	Register.it S.p.A.	100	Jan.-Sept. 2013
Amen Nederland B.V.	Amsterdam	Euro	18,000	Register.it S.p.A.	100	Jan.-Sept. 2013
Amenworld Servicios internet	Lisbon	Euro	10,000	Register.it S.p.A.	100	Jan.-Sept. 2013
Clarence S.r.l.	Florence	Euro	21,000	Dada S.p.A.	100	Jan.-Sept. 2013
Fueps S.p.A.	Florence	Euro	1,500,000	Dada S.p.A.	100	Jan.-Sept. 2013
Namesco Inc.	New York (USA)	USD	1,000	Namesco Ltd.	100	Jan.-Sept. 2013
Namesco Ltd.	Worcester	GBP	100	Register.it S.p.A.	100	Jan.-Sept. 2013
Namesco Ireland Ltd	Dublin	Euro	1	Namesco Ltd.	100	Jan.-Sept. 2013
Nominalia Internet S.L.	Barcelona	Euro	3,005	Register.it S.p.A.	100	Jan.-Sept. 2013
Poundhost Internet Ltd	Worcester	GBP	200	Namesco Ltd.	100	Jan.-Sept. 2013
Register.it S.p.A.	Florence	Euro	8,401,460	Dada S.p.A.	100	Jan.-Sept. 2013
Simply Virtual Servers Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Sept. 2013
Simply Transit Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan.-Sept. 2013
Simply Acquisition Limited*	Worcester	GBP	200	Namesco Ltd.	100	Jan.-Sept. 2013
Server Arcade Limited*	Worcester	GBP	150	Simply Acquisition Ltd	100	Jan.-Sept. 2013
Moqu Adv S.r.l.	Florence	EUR	10,000	Dada S.p.A.	100	Jan.-Sept. 2013
Moqu Adv Ireland Ltd**	Dublin	EUR	1	Moqu Adv S.r.l.	100	Feb. – Sept. 2013

* Simply Acquisition Limited and Server Arcade Limited were liquidated in January 2013
** On 8 January 2013 Moqu Adv Ireland Limited was formed by Moqu Adv S.r.l., with a share capital of €1.00 and headquartered in Dublin.