



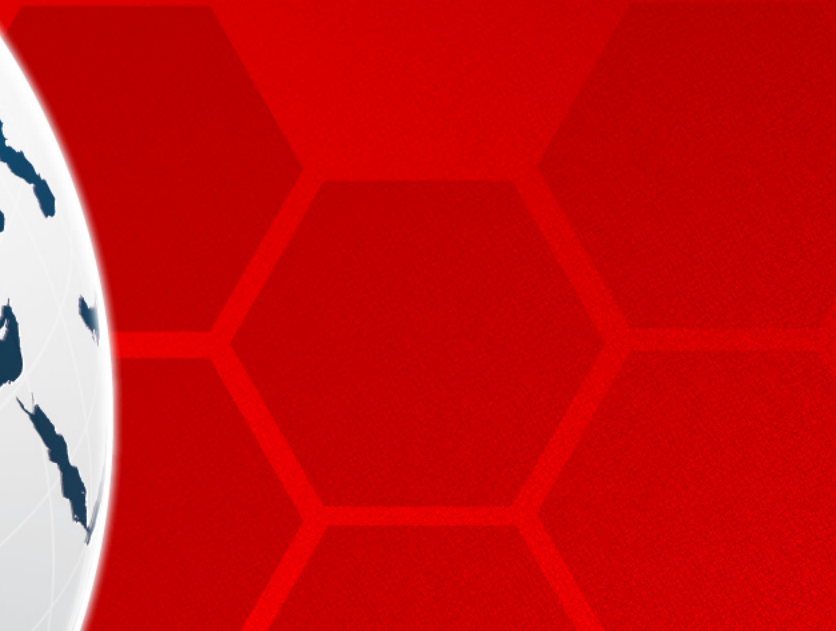
DADA

DOMAINS & ADVERTISING



STAR CONFERENCE 2013

Milan, 26th March 2013



The gateway to your digital presence

Agenda

DADA in a snapshot

Core Business Overview:
Domains & Hosting

New Business Overview:
Digital Advertising

Financials & Outlook

Who is DADA

1 Domains & Hosting

Professional online presence services (registration of domain names, offer of shared, dedicated and virtual hosting and online brand protection) with a strong European footprint

Simply: advanced digital advertising solutions for D&H clients

2 Digital Advertising

Performance Adv: web traffic monetization through internationally scalable models and vertical portals

Highlights

- 510k companies served in seven European countries
- More than 1.8 mn domains managed
- 30 mn monthly U.V.

Brands

- (🌐)register.it (🌐)nominalia
- (🌐)names.co.uk
- (🌐)register365 (🌐)amen
- (🌐)poundhost
- (🌐)simply



Geographic Coverage



- Italy
- UK
- France
- Spain
- Ireland
- Portugal
- The Netherlands

Key Financials

€ mn

	FY 2012	FY 2011	YoY
Revenue	84.8	80.3	+6%
EBITDA	12.0	9.2	+30%
<i>Ebitda margin %</i>	14%	11%	
EBIT	4.7	-5.6	<i>n.m.</i>
Net Profit	0.9	-8.5	<i>n.m.</i>
NFP	-26.2	-27.0	
N. Headcount	372	367	

2012 Highlights

- ❖ **Back to Net Profit after 3 years**
- ❖ Core Business **performance improved**:
 - 510,000 international clients achieved in Europe (over 100,000 new customers acquired in 2012)
 - more than 1,800,000 domains managed (app. 450,000 new domains registered in 2012)
 - higher recurring revenue base with high visibility/predictability
- ❖ **Reduction** of the **consolidated Net Financial Position**
- ❖ **Ongoing optimization** of the operating and corporate **cost structure**

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**Core Business Overview:
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Financials & Outlook

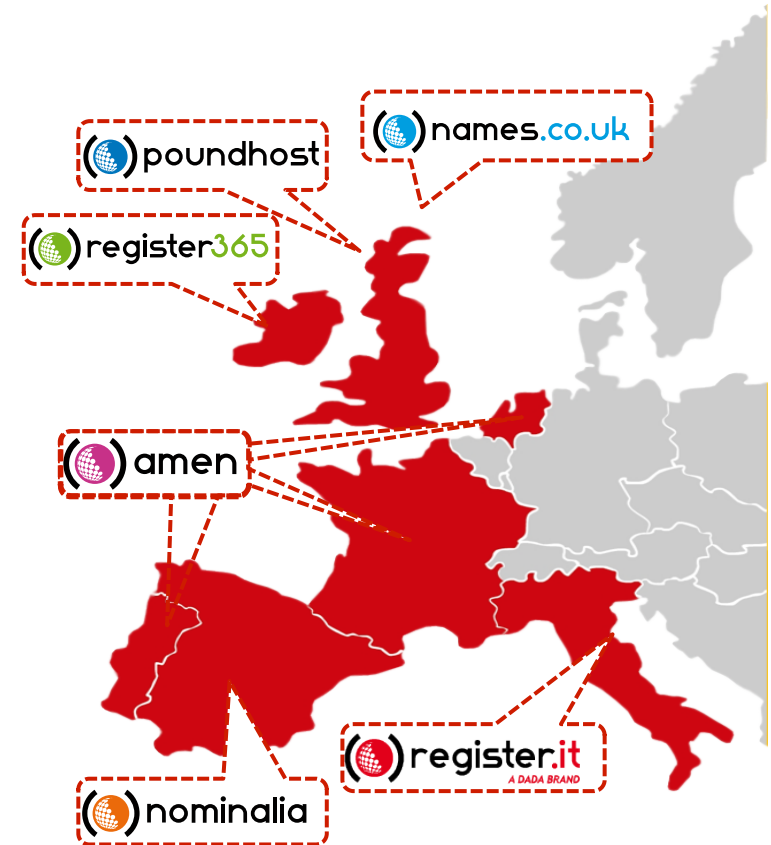
Domains & Hosting

Professional services for on-line presence

Key Financials

€ mn	FY 2012	FY 2011	YoY
Revenue	63.5	60.5	+5%
EBITDA	11.2	8.5	+32%
Ebitda margin %	18%	14%	

- Targeted to **SME, professionals** and **high-end** customers
- Presence in **7 European countries** with a high potential of scalability thanks to **unified platforms**
- Large and **growing customer base** upon which DADA can **up-sell** additional services
- Continued expansion through the launch of **new applications** and the optimization of **marketing initiatives**



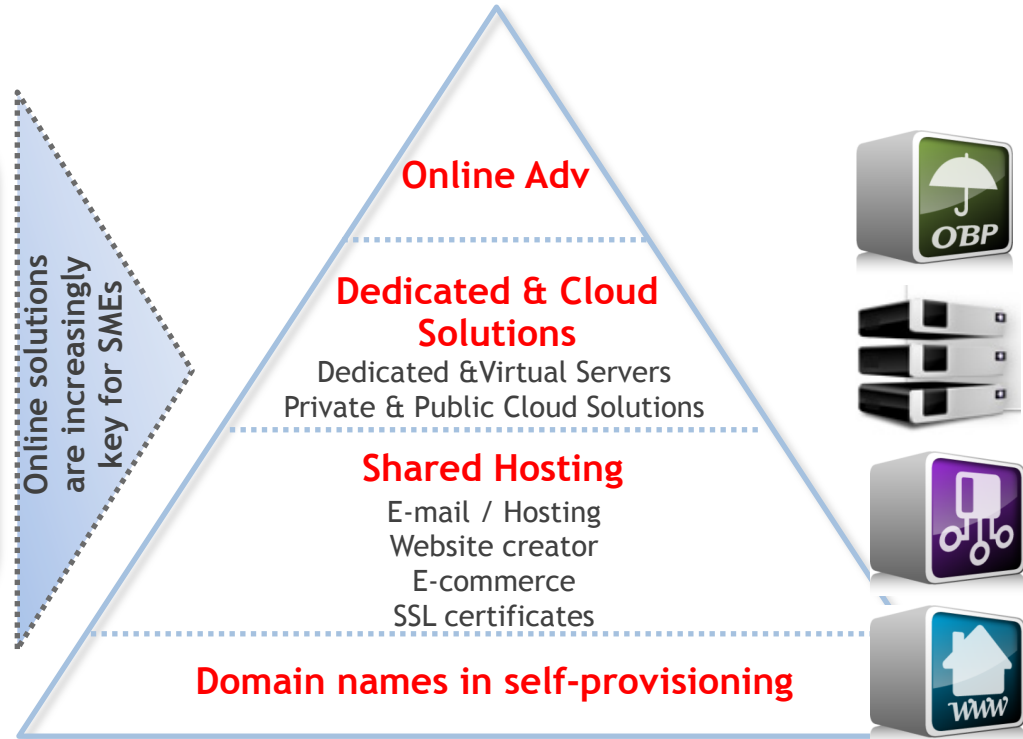
Domains & Hosting

Current Offering

CUSTOMER NEEDS

- **One-Stop-Shop to:**
 - Create online presence
 - Market and promote businesses
 - Sell and distribute products online
- **Product quality, ease-to-use:**
 - Simple way to find, purchase and use the right service

DADA'S SUITE OF SERVICES



Domains & Hosting

Current Offering

Step 1
Get a domain name to start online presence

The screenshot shows the 'Create your online identity!' page on the register.it website. It includes a search bar for domain names, a list of available extensions (e.g., .com, .org, .net), and a 'SEARCH NOW' button. The page also features contact information for register.it, including a phone number (+39 035 3230338) and a 'Client Area' link.

- Key Products:**
- Domain name registrations
 - Domain renewals and transfers

Step 2
Build a web presence

The screenshot shows the 'Cloud Site' service page on the register.it website. The page features a large graphic with the text 'CLOUD SITE Design' and a 'FREE TRIAL' button. Below the graphic, there are three columns: 'Create' (with a laptop icon), 'Play' (with a tablet icon), and 'Share' (with a social media icon). The page also includes text describing the service as 'Technologically advanced', 'Professional design', and 'Cloud-based'.

- Key Products:**
- Website builder
 - Shared Hosting (email)
 - Dedicated and virtual servers

Step 3
Increase your visibility and sell online

The screenshot shows two service pages on the register.it website: 'Site promotion' and 'E-commerce'. The 'Site promotion' page features a 'FREE SITE ANALYSIS' button and two main sections: 'Immediate visibility' and 'Long-term visibility'. The 'E-commerce' page features a 'Call me back' button and a 'Discover how quick and easy creating an e-commerce site really is...' section. Both pages include contact information for register.it, including a phone number (+39 035 3230338) and a 'Client Area' link.

- Key Products:**
- Search Engine Optimization
 - Online marketing solutions
 - E-Commerce solutions

Domains & Hosting

Key Success Factors & Ranking

KEY SUCCESS FACTORS

RELEVANCE FOR DADA CLIENTS

DADA'S POSITIONING

- 1 Experience & Brand recognition
- 2 Service Execution
- 3 Product
- 4 Price

- VERY HIGH
- HIGH
- MEDIUM
- MEDIUM



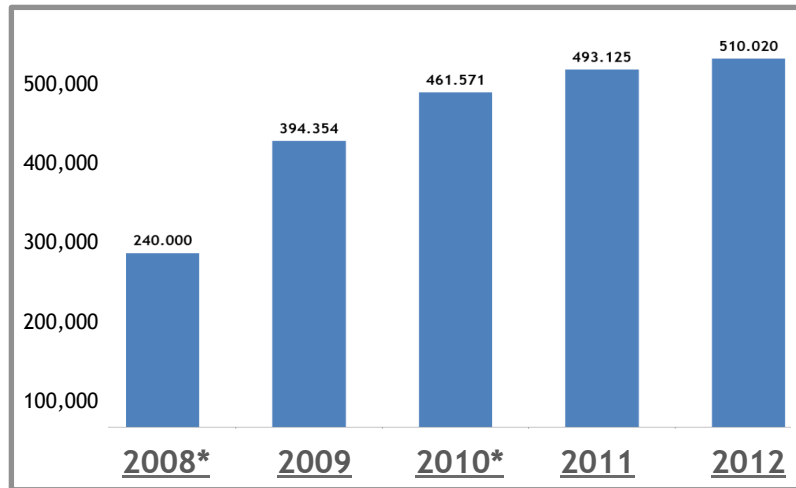
Main Countries	Dada's Ranking	Market Size
	2	
	Top 4	
	Top 5	
	Top 5	
	1	
	1	

Demonstrated ability to grow organically and via acquisition

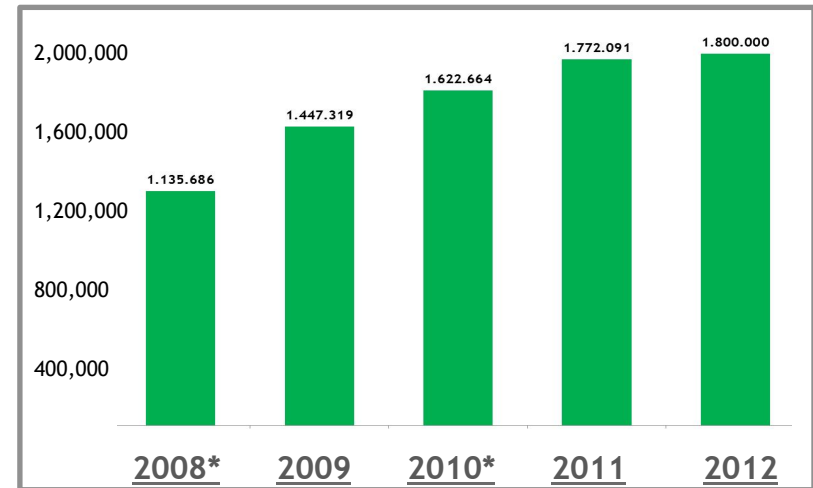
Domains & Hosting

Long-standing and growth track record

Customer Base evolution



Domains under management evolution



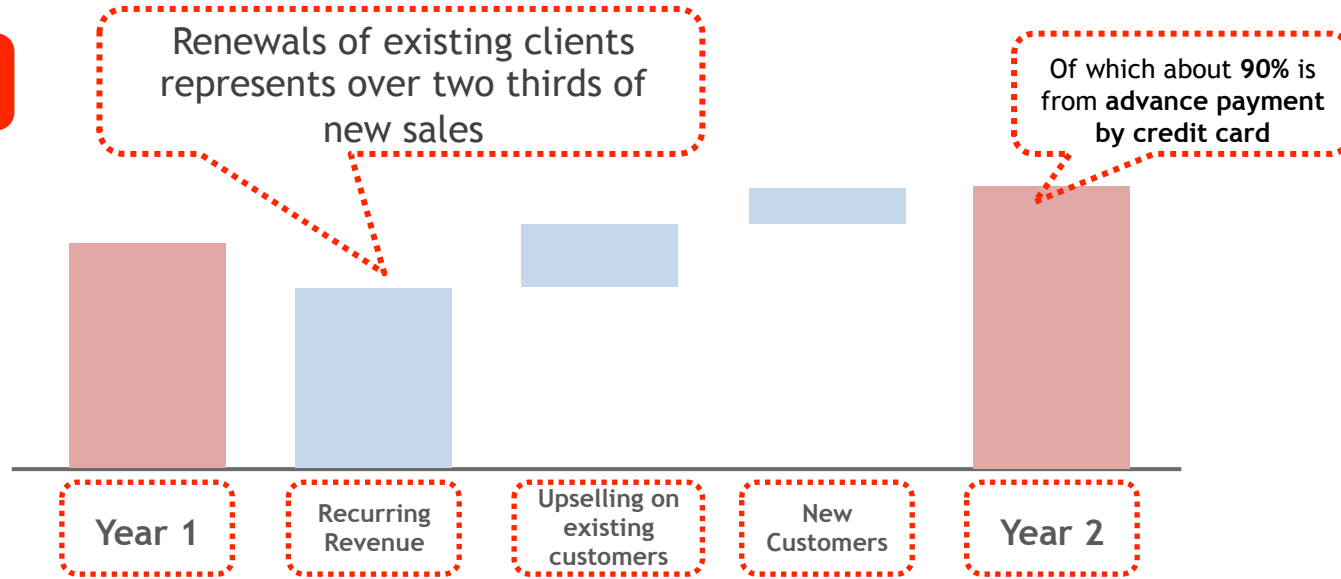
- DADA's large **customer base** covers all market segments but is concentrated on **SMEs**
- High-quality customer base with **high Customer Retention (more than 75%)**
- First **top 10 clients** represent **less than 5% of revenue**

* From July 2008, Amen Group and from January 2010 PoundHost are fully consolidated

Domains & Hosting

Revenue Growth Drivers & Strategy

DRIVERS



STRATEGY

Maintenance and Optimization

*“Corrective” and “evolutive” maintenance of systems and platforms for **retention** and **profitability***

Marketing and Business support activities

*Marketing and technical support to enhance quality of service for **retention** and **upselling***

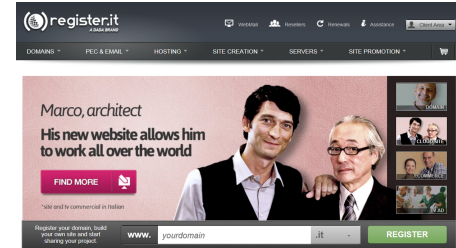
New Products

*Launch of new innovative products and services for **upselling** on existing customers and **attracting** new ones*

Looking at 2013

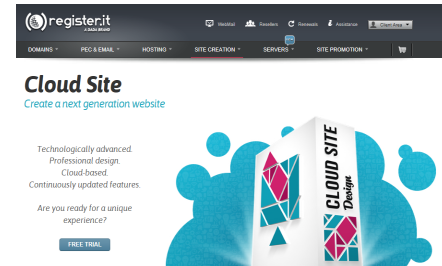
Brand Awareness

- DADA's debut on TV in Italy with Register.it through a resounding advertising campaign blending TV and web to reach a wider audience with the aim of raising brand awareness
- **The Register.it School:** a new business training project to support the growth and innovation of SMEs and professionals, starting from Italy and to be shortly launched internationally



New Products

- Launch of **Cloud Site:** a ground breaking service which will allow to easily create - on the web and mobile devices - innovative, professional sites using Cloud platform technologies
- **Certified E-mail:** Register.it was recently accredited as one of the official managers of certified e-mail, a digital solution for sending documents with legal validity



New UK Datacenter

Improving quality, supporting future growth while driving operational efficiency

- A strategic partnership was started with a highly experienced UK player who will manage the realization and management of a new facility covering about 5,000 square metres
- Higher costs of approximately €1 million in 2013, but economic benefits of about €1 million on an annual basis starting from 2014



Agenda

DADA in a snapshot

Core Business Overview:
Domains & Hosting

**New Business Overview:
Digital Advertising**

Financials & Outlook

Performance Advertising

Business Model

Key Financials

€ mn	FY 2012	FY 2011	YoY
Revenue	20.7	18.7	+10%
EBITDA	2.7	2.4	+16%
<i>Ebitda margin %</i>	13%	13%	

Main Products



A search engine specialised in blog, videoblog and every form of micropublishing search

A social bookmarking service to save, keep and manage web pages and reachable from all computers and mobile devices

Shopping services to find, search and compare desired products

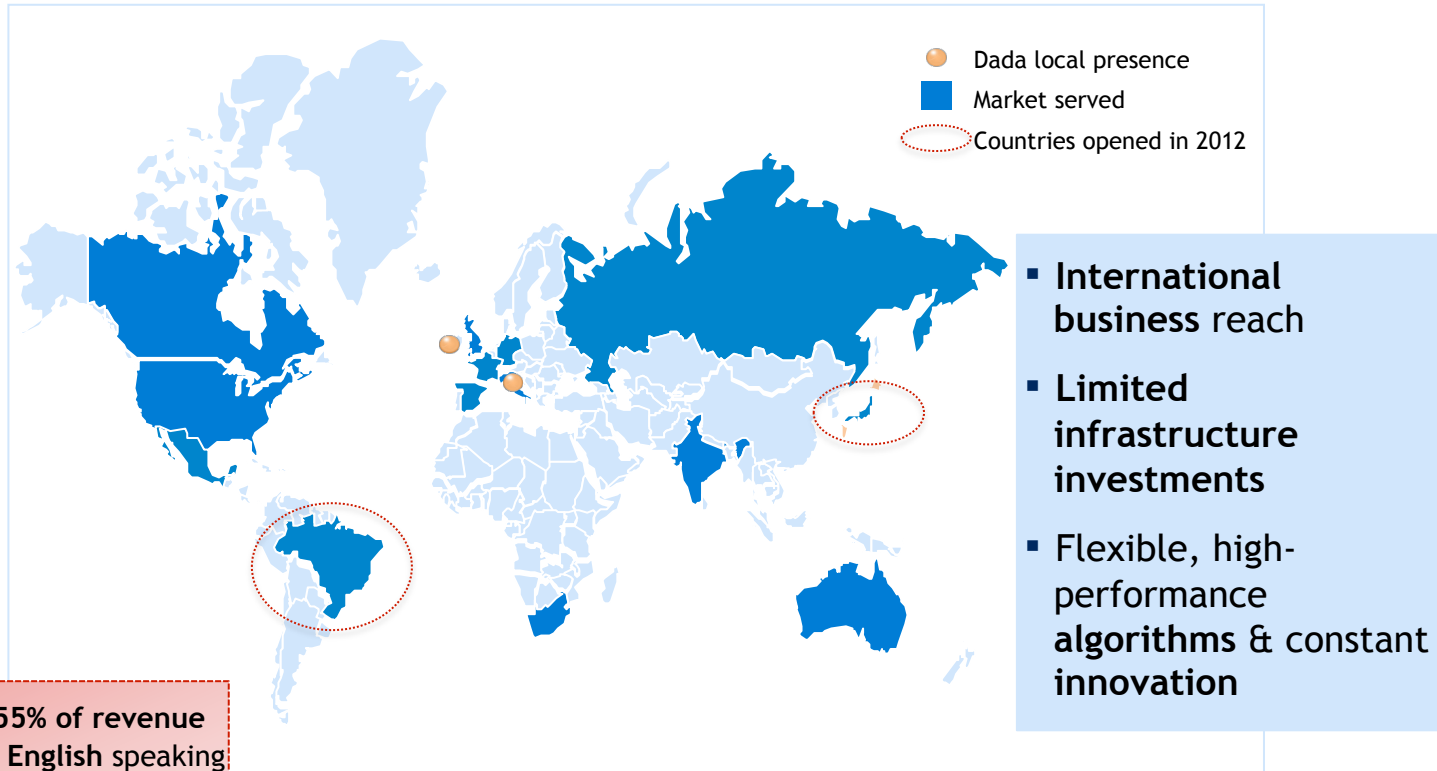
KPI

About 30 mn monthly U.V.:

The business model is based on **traffic monetization** through partnership with the most relevant search engines worldwide such as Google and Yahoo!

Performance Advertising

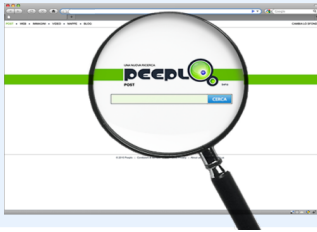
Key Success Factors



More than 55% of revenue generated in English speaking countries (i.e. USA, UK, Australia, India)

Performance Advertising

Growth Strategy



Consolidation and strengthening of current business (search engines), also on the basis of the new Google global policy



Geographical expansion of the current business in **new countries/ new languages** with focus on **Asian countries**



Launch of new international and scalable products in the:

- **Classified** segment
- **Mobile** segment

Agenda

DADA in a snapshot

Core Business Overview:
Domains & Hosting

New Business Overview:
Digital Advertising

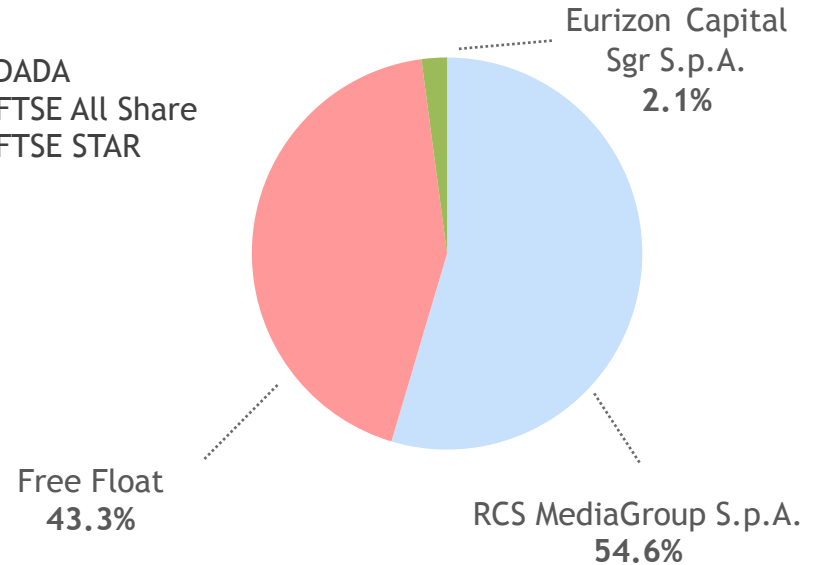
Financials & Outlook

Company Profile

1Y Stock Performance



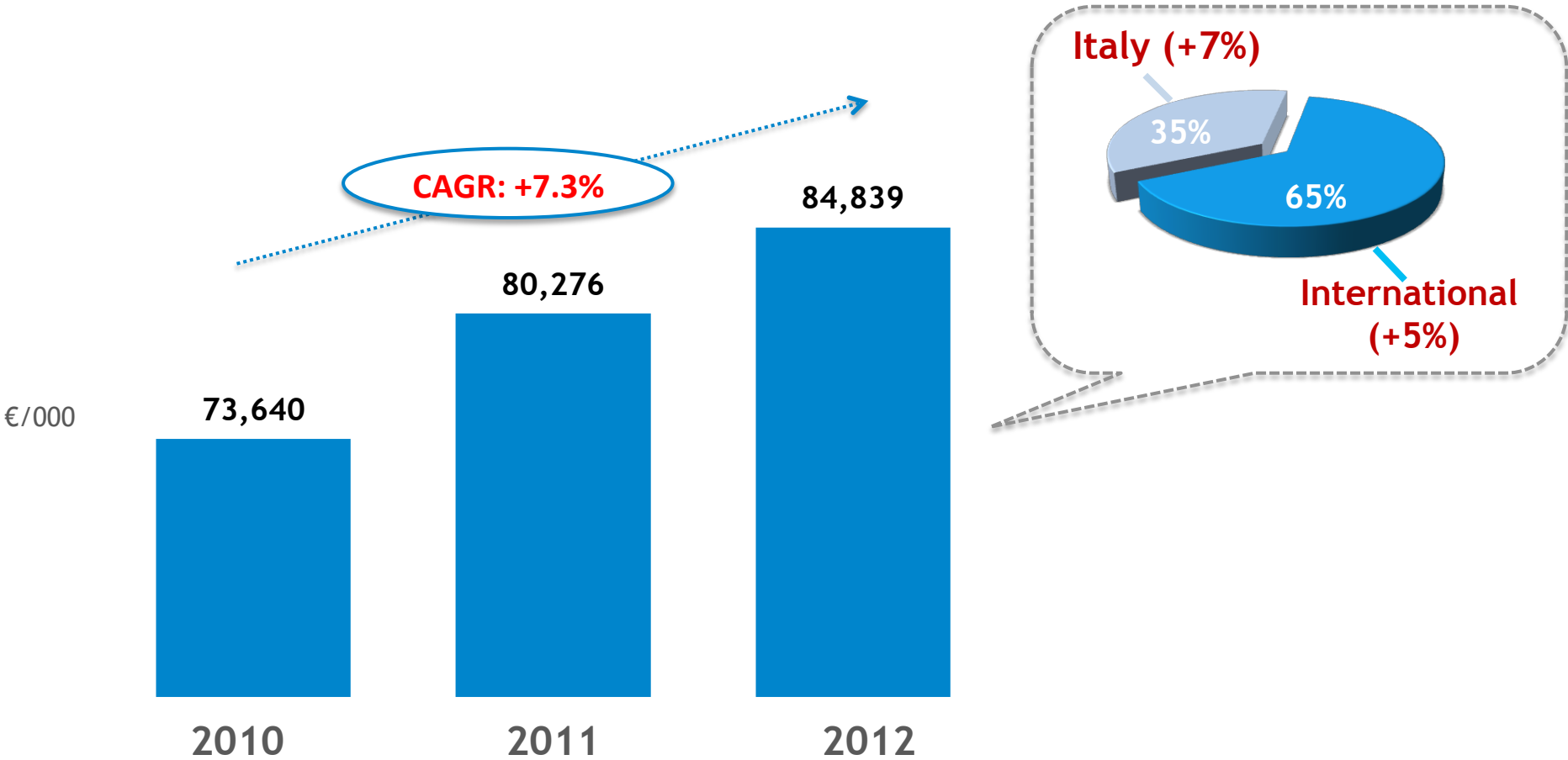
Shareholding Structure



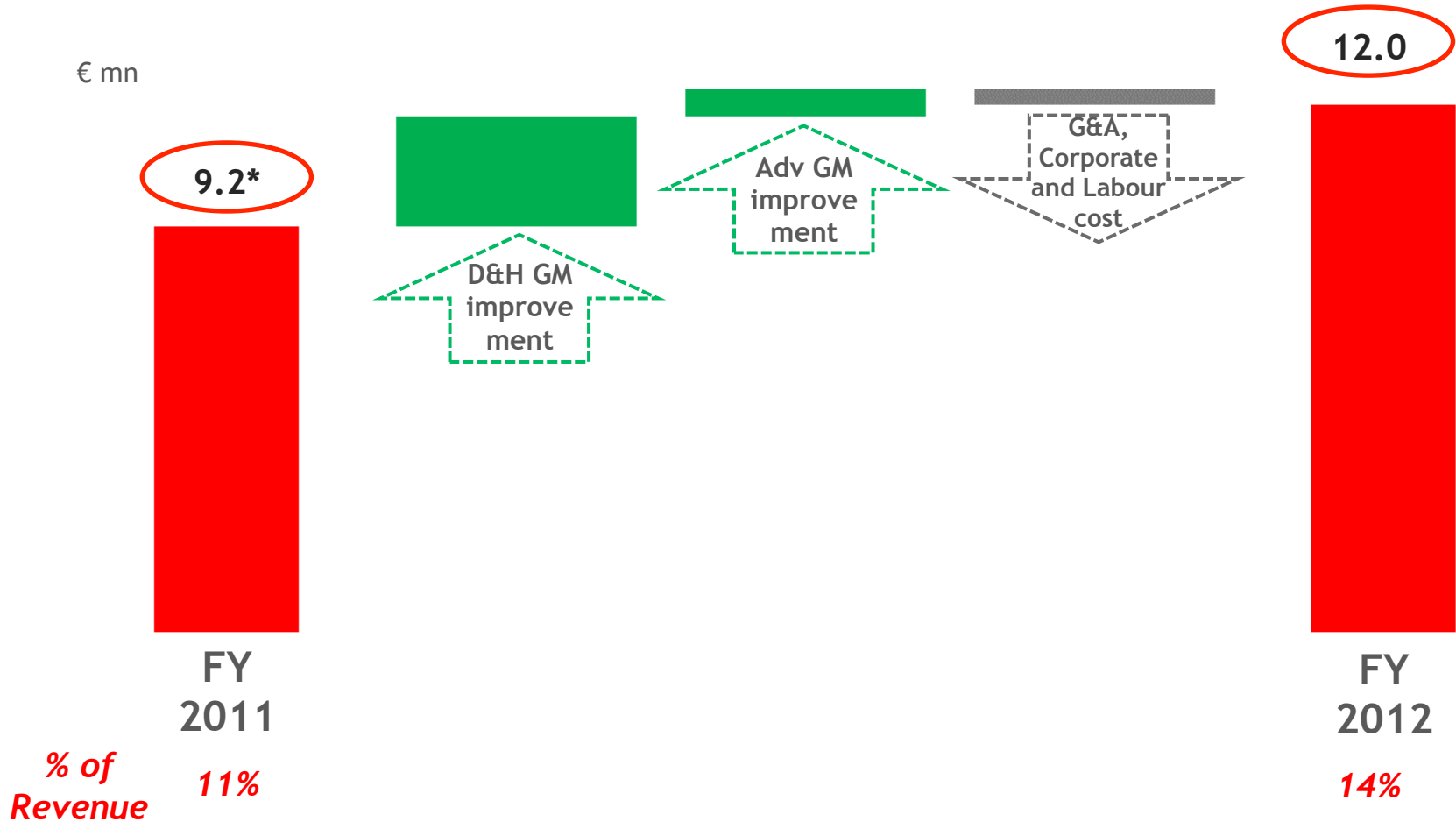
Share Information

Ticker	DA IM (Bloomberg), DA.MI (Reuters)
Market cap (FTSE STAR Segment)	€60 mn
Shares issued	16,210,069
Last 30 days avg. daily trade	29,509

FY 2012 - Revenue Growth...



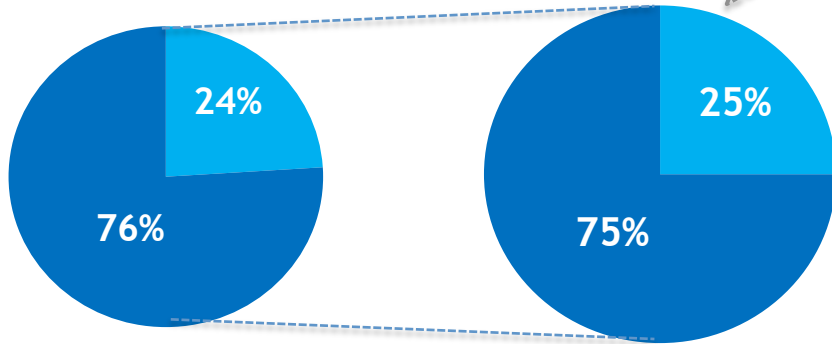
...and relevant EBITDA increase



* Figures after the application of IFRS 5 relating to non-current assets sold

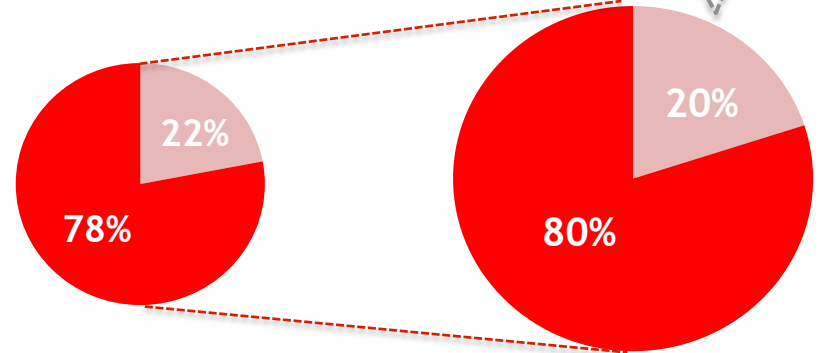
FY 2012 - Results Breakdown by Business Line

**Revenue
+6%**



Digital Adv:
+10%

**EBITDA
+30%**



Digital Adv:
+16%

FY 2011

FY 2012

FY 2011

FY 2012

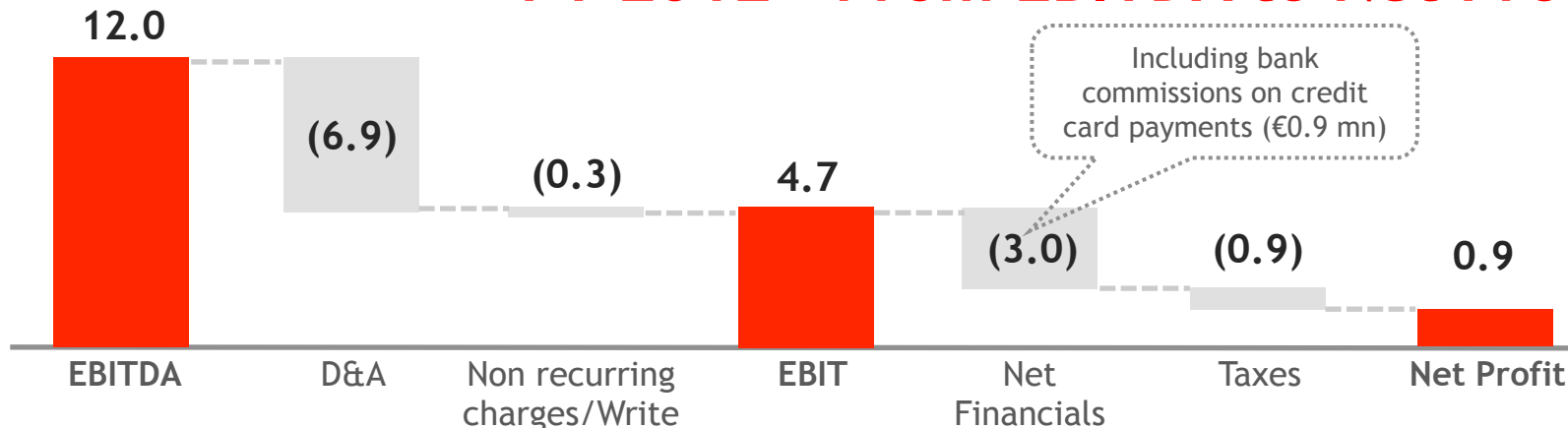
Domains &
Hosting +5%

Domains &
Hosting: +32%

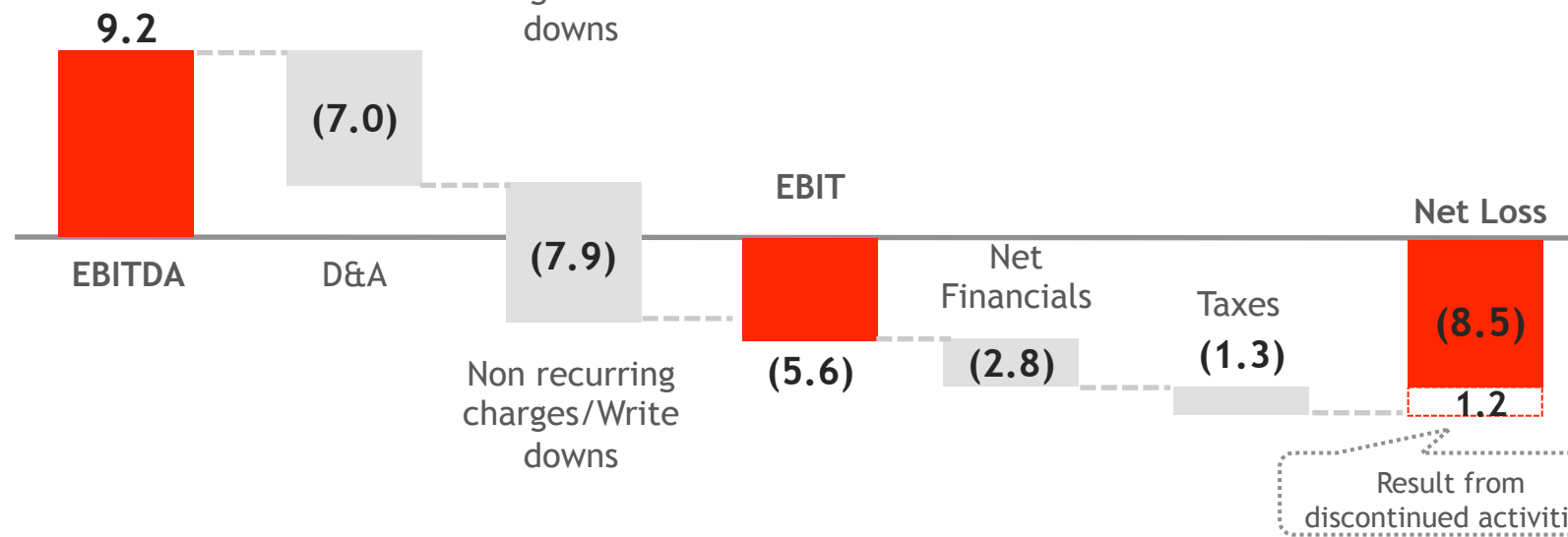
FY 2012 - From EBITDA to Net Profit

€ mn

FY 2012

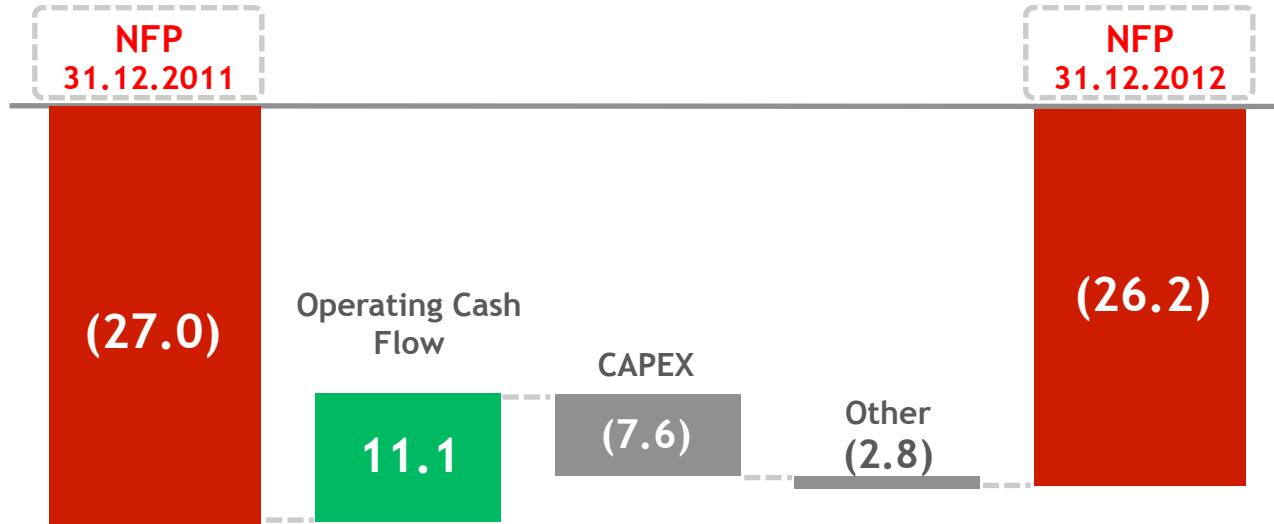


FY 2011



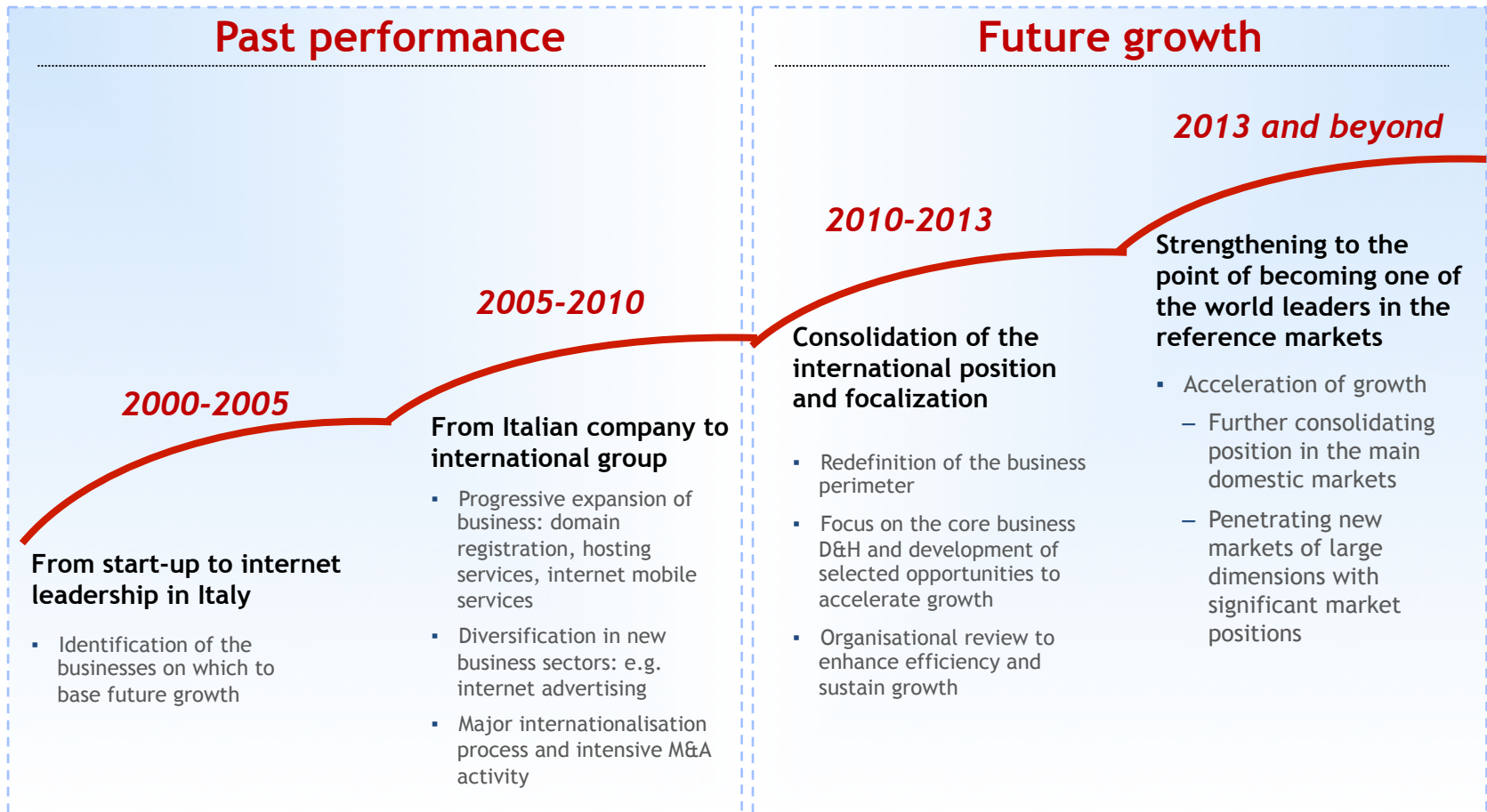
FY 2012 - NFP reduction

€ mn



	31.12.2012	31.12.2011
Cash and Cash Equivalents	3.0	4.3
Other Financial Assets	1.0	3.3
Financial Assets	4.0	7.6
Current Financial Liabilities	(11.5)	(16.7)
Long Term Financial Liabilities	(18.7)	(18.0)
Financial Liabilities	(30.2)	(34.7)
Net Financial Position	(26.2)	(27.0)

DADA outlook



Appendix



DADA

DOMAINS & ADVERTISING

FY 2012 Results - Profit & Loss

€ mn	FY 2012	% on sales	FY 2011*	% on sales
Net Revenues	84.8		80.3	
EBITDA	12.0	14%	9.2	11%
EBIT	4.7	6%	(5.6)	<i>n.m.</i>
Profit before Tax	1.8	2%	(8.5)	<i>n.m.</i>
Profit after Tax	0.9	1%	(9.8)	<i>n.m.</i>
Profit from assets held for sale	0	0%	1.2	2%
Group Net Profit	0.9	1%	(8.5)	<i>n.m.</i>

* Figures after the application of IFRS 5 relating to non-current assets sold

FY 2012 Results - Revenues & EBITDA Breakdown

€ mn		FY 2012	EBITDA margin %	FY 2011*	EBITDA margin %
Domains & Advertising	Revenues	63.5	18%	60.5	14%
	EBITDA	11.2		8.5	
Performance Advertising	Revenues	20.7	13%	18.7	13%
	EBITDA	2.7		2.4	
Adjustments	Revenues	0.7		1.0	
	EBITDA	(2.0)		(1.6)	
DADA Group	Revenues	84.8	14%	80.3	11%
	EBITDA	12.0		9.2	

* Figures after the application of IFRS 5 relating to non-current assets sold

FY 2012 Results - Balance Sheet

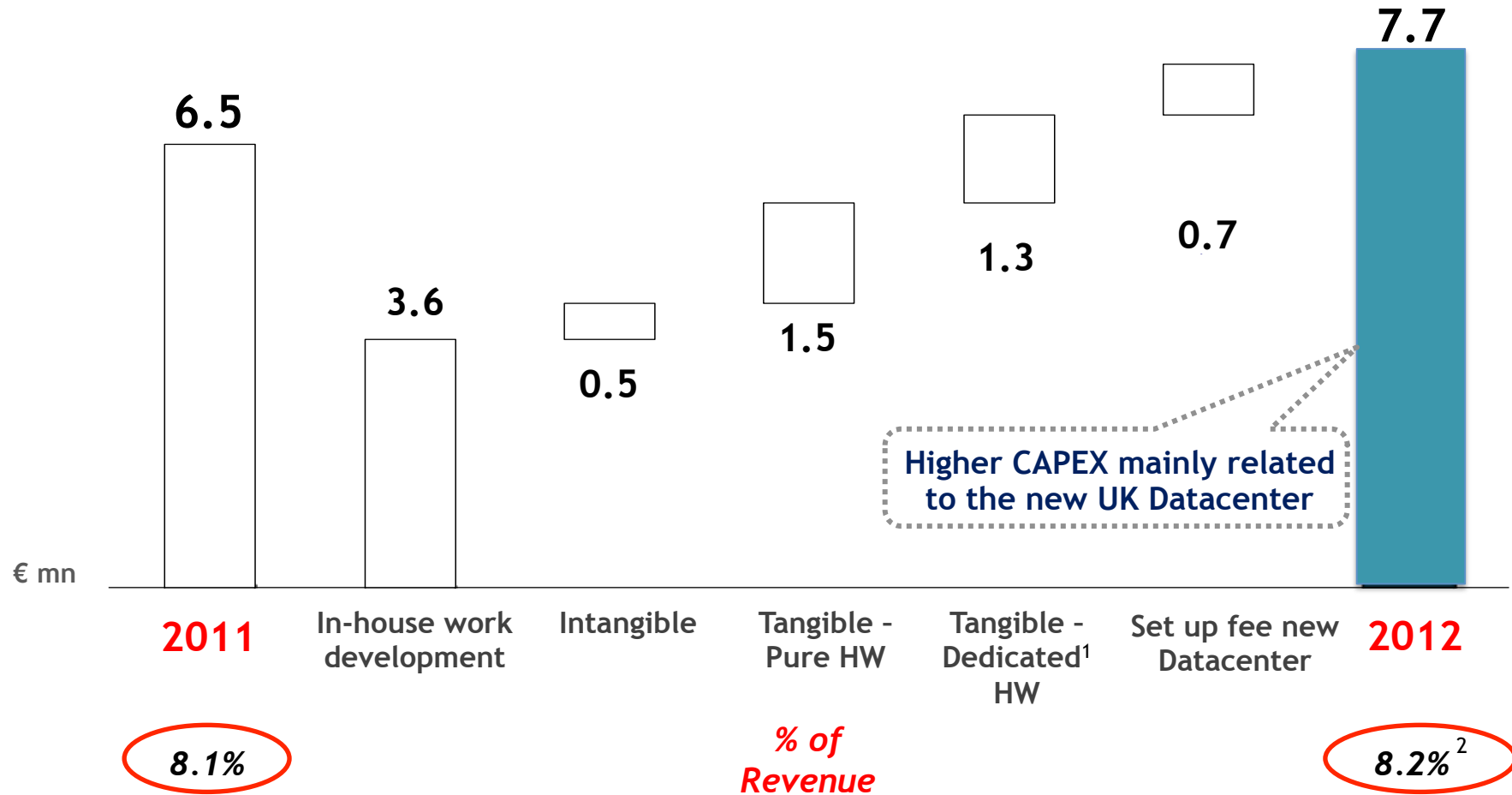
€ mn	31.12.2012	31.12.2011
Net Working Capital	(12.8)	(12.0)
Fixed Assets	91.9	90.9
Severance and Other Funds	(2.3)	(3.7)
Other Payables beyond one year	(0.2)	0.0
Net Capital Employed	76.6	75.3
Net Financial Position	(26.2)	(27.0)
Total Shareholders' Equity	(50.4)	(48.3)

FY 2012 Results - Cash Flow Statement

€ mn	FY 2012	FY 2011
Cash and Cash Equivalents at the Beginning of Period	(8.4)	(21.0)
Group Net Profit (Loss)	0.9	(8.5)
Gross Operating Cash Flow	11.1	7.2
Income taxes and Interest paid	(3.7)	(4.5)
Net Operating Cash Flow	7.4	2.6
Capex & Investing Activities	(7.6)	20.9*
Financing Activities	0.8	(11.0)
Free Cash Flow	0.7	12.6
Cash and Cash Equivalents at the End of Period	(7.7)	(8.4)

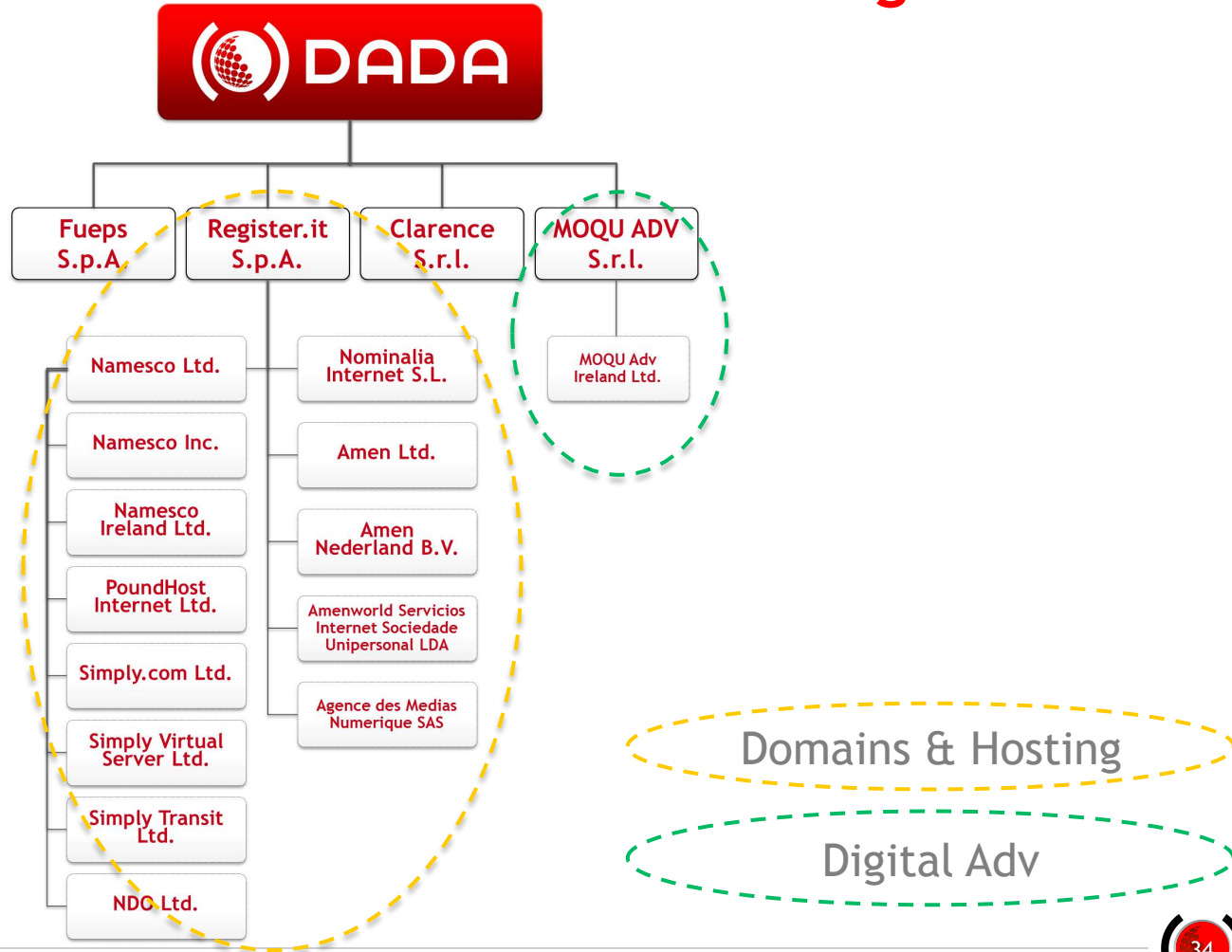
* Figure comprises the cash-in deriving from the extraordinary transactions (Dada.net and E-Box disposals)

FY 2012 Results - CAPEX breakdown by kind



1 Hardware expenditures (mainly server) directly allocated to single customers
 2 Excluding the investment in the new Datacenter in UK (9% including the set up fee for the Datacenter)

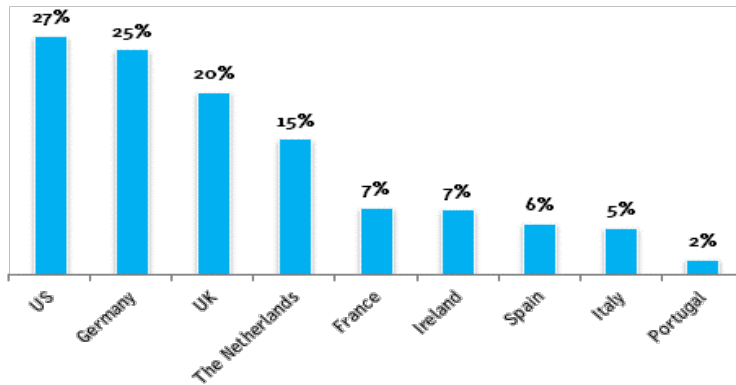
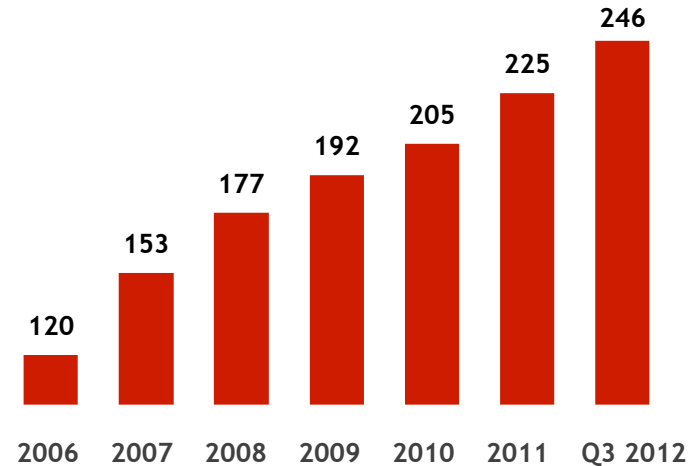
New Group Structure in line with the New Organization



Domains & Hosting - Market Overview

The third quarter of 2012¹ showed 246 million domain name registrations worldwide, a growth of 12% yoy:

- the .com and .net TLDs reached a combined total of 120 mn names (+7% yoy, renewal rate up to 72.5%)
- the base of ccTLDs was 105 mn names (+21% yoy) for more than 280 extensions globally



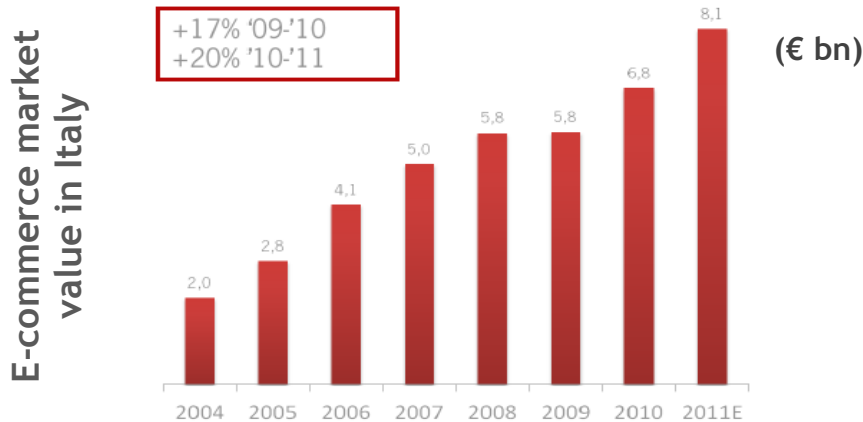
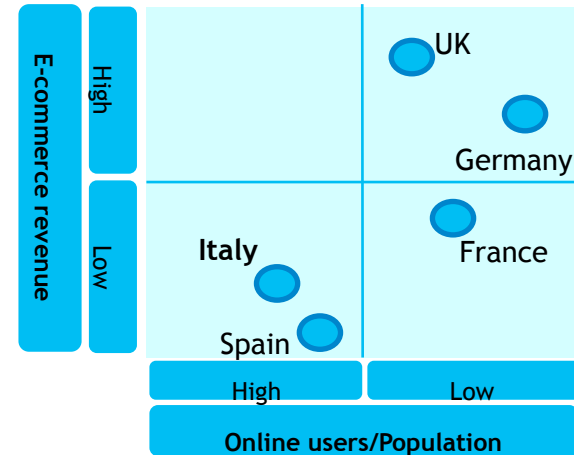
U.S. and **Germany** are the first countries worldwide in terms of **domain registration penetration**^{1,2}: the top ten TLDs in terms of base size are .com, .de, .net, .tk, .uk, .org, .info, .cn, .nl, .ru and .eu (comprising almost 60% of all registrations)

¹ “The Domain Name Industry Brief”, Verisign, Dec 2012

² webhosting.info, local registers

E-commerce - Market Overview

- Only about **25%** of all Italian companies have a **website**; the percentage drops to only **20%** for businesses with **under 10 employees** ¹
- A recent in-house study shows that the number of users who set-up **virtual shops in Italy** has more than tripled since 2010 and of these more than **67%** were **SMEs**
- Only 6% of Italian companies are currently **selling online** ²



- The **European e-commerce market** is expected to grow overall between 2010 and 2015 by an average annual rate of **10%** approx. (**Italy by 13%**)³

1 "Fattore Internet" - The Boston Consulting Group, 2011

2 ISTAT, "Report Statistiche", Dec 2012

3 "Online Retail Forecast" - Forrester Research, 2010

M&A activity in Domains & Hosting

 **register.it**
July 2006
Last 3% acquisition

 **nominalia**
August 2006
100% acquisition

 **amen**
July 2008
100% acquisition












 **names.co.uk**
July 2007
100% acquisition

 **register365**
May 2008
100% acquisition

 **poundhost**
January 2010
100% acquisition

Over time Dada has proved that it can grow in new markets both organically and by external growth

M&A history

Country	Brand	Year	Acquisition Multiple	Dada Trading Multiple
 Spain	 nominalia	2006	2.7X	12.8X
 UK	 names.co.uk	2007	8.6X	15.1X
 Ireland	 register365	2008	4.9X	6.7X
 France	 amen	2008	6.8X	5.6X
 Portugal				
 UK	 poundhost	2010	2.7X	4.5X

Many thanks!

All forecasts included in this document are subject to risks and uncertainties of Dada itself and of Internet, media and Telco markets.

All forecasts are based on currently available information and reflect Dada Group management expectations.

All forecasts reflect market parameters, assumptions and other fundamentals which could change and therefore influence the future results.

All the forecasts are based on an hypothesis of organic growth and commercial and regulatory stability, particularly in the mobile market.

This document does not constitute solicitation of public saving.

