Press release pursuant to CONSOB Regulation 11971/1999, as subsequently amended

1Q14 CONSOLIDATED RESULTS APPROVED:

CONSOLIDATED REVENUE €17.9 MLN
(DOWN VS €20.6 MLN IN 1Q13, MOSTLY DUE TO DISCONTINUITY IN THE PERFORMANCE ADVERTISING BUSINESS)

EBITDA[1] €2.3 MLN (VS €3.3 MLN IN 1Q13, DUE ALSO TO COSTS FOR THE NEW DATACENTER IN THE UK)

EBIT AND NET PROFIT €0.4 MLN AND -€0.5 MLN (VS €1.7 MLN AND €0.4 MLN AT 31 MARCH 2013)

NET FINANCIAL POSITION AT 31 MARCH 2014 -€30.3 MLN (VS -€30.9 MLN AT 31 DECEMBER 2013)

Florence, 14 May 2014 - Today, the Board of Directors of DADA S.p.A., international leader in professional online presence and digital visibility services, approved the Consolidated Interim Financial Report of the DADA Group at 31 March 2014.

The quarter under review saw in particular:

- the focalization in the core business of professional services for the online presence of the Company's on the continuous improvement of service quality and before and after-sales assistance, and on the SMEs business segment at an international level;
- the persisting environment of stronger competitiveness across all the Group’s relevant geographies.

NB: for the sake of clarity, changes in percentage and absolute terms appearing in this Press Release have been calculated using exact amounts.

[1] EBITDA is before impairment losses and non-recurring items

GROUP RESULTS IN 1Q14

In 1Q14, the DADA Group achieved **consolidated revenue** of €17.9 million, down versus €20.6 million in 1Q13:

i) **Domain and Hosting**, which accounted for approximately 88% of consolidated revenue, dropped by about 2% versus 1Q13, mainly due to the negative trend of Simply (the online advertising product, €0.4 million in 1Q14 versus €0.8 million in 1Q13) and the disposal in August 2013 of some co-location services in the UK (which contributed €0.2 million to 1Q13 revenue); net of these two effects, revenue from the core business increased by about 1%. Italy and the UK were the countries that contributed the most to turnover, with approximately 75% of the division's revenue, followed by France, Spain, Ireland, Portugal and the Netherlands.

ii) **Performance Advertising** contributed the remaining 12% of the Group's revenue, declining versus revenue reported in 1Q13 (€2.1 million versus €4.3 million, -50%). Revenue was heavily impacted by the change on a global scale of the procedures that advertisers follow to acquire online traffic on the Google network, which has stifled the pace of growth ever since October 2012, and has further impacted the revenue trend since January 2014, especially on the portion generated by growing traffic on mobile phones and tablets.

Foreign-based activities accounted for 61% of consolidated revenue in 1Q14 (64% in 1Q13), confirming the predominance of these activities in the overall development of the Group, despite the discontinuity reported in the Performance Advertising division, whose turnover is entirely generated by foreign operations.

In 1Q14, **consolidated EBITDA** came to €2.3 million, down versus €3.3 million in 1Q13, with margins on revenue of 13% (16% in 1Q13). Specifically:

- ✓ for Domain and Hosting, margin on revenue was at 14% from 19% in 1Q13. Comparing the two quarters, mention should be made of:
  - the duplication of some costs associated with the creation of the new Datacenter in the UK (€0.6 million), arising from the charges incurred from the previous suppliers, whose procurement agreement will expire in the second half of 2014, in addition to the operating costs for the new facility. This overlapping effect is expected to dissolve in 2Q14;
  - a different corporate cost allocation process among segments, effective from 1 January 2014, which aims at assigning almost all common costs to each business. This led to a reduction of about €0.3 million in the division's margins (this has no impact on the consolidated level). Net of these effects, Domain and Hosting marginality on revenue would be basically in line with those in 1Q13 (19%).
- ✓ for Performance Advertising, the drop in revenue impacted on margins, which fell to 5% in 1Q14 from 11% in 1Q13, taking account of the breakdown of fixed and variable costs of the division compared to the drop in volumes, despite the measures taken to reduce traffic acquisition costs in 1Q14.

During the period under review, service costs decreased in absolute terms (from €13.3 million in 1Q13 to €11.2 million in 1Q14) and as a percentage of consolidated revenue (from 64% to 63%). Payroll costs increased in absolute terms (from €5.0 million in 1Q13 to €5.4 million in 1Q14) and as a percentage of revenue (from 24% to 30%), mostly attributable to the increase in the average number of employees in the period (at 31 March 2013, they were 381 versus 392.3 at 31 March 2014), to the effects of the adjustments provided for in the Collective National Labour Agreements, and to certain salary policies. The number of Group employees at 31 March 2014 amounted at 392 versus 395 registered at 31 December 2013.

The item "change in inventories and increase in own work capitalized", aimed at improving processes and optimizing the proprietary platforms used to provide DADA Group services, amounted to €1.0 million in 1Q14 (6% of consolidated revenue) versus €0.9 million in 1Q13.

In 1Q14, **consolidated EBIT** came to a positive €0.5 million versus €1.7 million in 1Q13.

EBIT's performance was mainly affected by:

- depreciation and amortization, amounting to €1.8 million (€0.9 million of which for property, plant and equipment, and €0.9 for intangible assets), increasing versus €1.6 million in 1Q13, mostly due to the investments incurred for the new Datacenter in the UK;
- impairment losses, provisions and other non-recurring charges of €0.1 million (in line with 1Q13), mostly deriving from the impairment of some trade receivables.

Overall **financial activities** (the difference between financial income and charges) showed a negative figure of €0.8 million in 1Q14 (versus a negative figure of €1.0 million in 1Q13). This figure was impacted by: i) financial charges of €0.8 million (€0.7 million in 1Q13), whose main components were interest expense on bank loans (€0.3 million versus €0.2 million in 1Q13) and charges for bank commissions on credit card payments (€0.3 million, in line with 1Q13); (ii) the impact of forex in 1Q14 was basically neutral versus a negative figure of €0.2 million reported in 1Q13, as a result of the negative trend of the Euro/British Pound exchange rate.

Tax in 1Q14 came to -€0.2 million (-€0.3 million in 1Q13), and reflects current tax of €0.2 million (the regional *IRAP* tax on some Italian companies and tax on foreign-based companies with positive pre-tax income), in line with 1Q13, and negative deferred tax of €0.1 million (basically in line with the effect in 1Q13).

In 1Q14, **consolidated Net Profit** showed a loss of €0.5 million (versus a profit of €0.4 million at 31 March 2013).

GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 MARCH 2014

The consolidated **Net Financial Position** at 31 March 2014 came to –€30.3 million, improving versus -€30.9 million at 31 December 2013. This aggregate was impacted by the cash flows from operating activities amounting to €3.0 million (€2.7 million in 1Q13), and from investing activities amounting to €1.9 million (€2.4 million in 1Q13).

Investments over the period regarded intangible assets (€1 million, in line with 1Q13) – mostly for the internal development of technological platforms – and tangible investments in technology for a total of €0.9 million, decreasing versus €1.3 million in 1Q13, which had been mainly related to the completion of the Datacenter in the UK. In this regard, mention should be made of the conclusion in the early months of 2014 of the migration process of the technological infrastructure of the UK area to the new facility.

Mention should also be made of the positive non-recurring cash flow of €0.2 million (-€0.1 million in 1Q13), resulting from the combined effect of the proceeds from the disposal of residual co-location activities in the UK (€0.3 million) and payment of non-recurring charges (€0.1 million), mainly for employee severance.

The Net Financial Position at 31 March 2014 includes current debt of €11.2 million, medium-long term loans of €21.4 million and bank overdrafts of €2.3 million; it should be noted that at the end of 2013, the loan agreement with Intesa Sanpaolo was rescheduled. The new schedule calls for bullet repayments for the first 18 months, with maturity starting on 30 June 2015. As a result, the non-current portion of Group debt has increased, while the current one has decreased.

BUSINESS PERFORMANCE IN 1Q14

Despite the growing challenges at an international level over the period under review, 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**, boasting a user base of more than **520 thousand business clients** and over **1.7 million domains managed**. Noteworthy points during the period under review:

- besides offering dedicated Online Brand Protection consulting to companies of every size and from every industry through accreditation with the Trademark Clearinghouse, the leading online brand protection service developed by ICANN, starting from February, when the new gTLDs (Generic Top Level Domains) were actually released on the market, DADA reported a steady rise in pre-registration and registration applications: the Group's stores have received so far[2] a total of about 6,000 registrations and the same number of pre-registrations (the most requested have been .email, .photography and .bike). To date[3], about 250 extensions are globally available for registration and over 750,000 registrations have been made worldwide;
- the partnership with SiteLock, international leader in advanced website protection solutions. Thanks to this agreement, DADA has strengthened its offering at an international level, by providing clients with new security services and a high level of stability, integrity and protection of their websites and of information stored and managed on them;
- with the primary and ongoing goal of improving customer service quality, customer care activities have been stepped up through phone support and a dedicated service launched to assist clients in the development and management of their

[2] At 13 May 2014.

[3] At 13 May 2014.

website, by customized content and design that enables effective communication aimed at increasing online business opportunities.

The **Performance Advertising** division continued the strategy of international consolidation of its web traffic monetization solutions, specifically of the Peeplo brand, and of superEva.com, the job search vertical portal, which marked the division's recent landing in the Classifieds Ads segment. Volumes dropped sharply in 1Q14 versus 1Q13, due mainly to the changes in Google's global policies in October 2012 and later in January 2014. These changes also drove margins down versus 1Q13.

BUSINESS OUTLOOK FOR THE CURRENT YEAR

Early indications on the Group's performance in the first three months of 2014 basically confirm the already announced forecasts for both business lines. Specifically:

- for the **Domain and Hosting** division, in the absence of any currently unforeseeable event, and despite increasing competitive pressure, it is reasonable to expect an annual "mid-single" digit average growth in revenue over the 2014-2016 period (on a like-for-like basis and net of the negative contribution of Simply), with a higher rate in the second part of the three-year period, and a more than proportional increase in profitability, thanks to a further optimization of the operating costs; specifically, the new Datacenter in the UK will allow DADA to have adequate space to support the future growth of the Group and to achieve significant benefits starting from the second half of 2014;
- for the **Performance Advertising** division, in light of the further changes in the Google network over the past few months, which impacted negatively on monetization from web traffic generated through mobile phones and tablets, further changes on a global scale cannot be ruled out to date and therefore, it is not currently possible to predict the medium to long term impact of these changes. Revenue and margins for the current year may, therefore, presumably end lower than the figures reported in 2013.

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OTHER RESOLUTIONS

Today the Board of Directors has also appointed Mr. Khaled Bishara, already confirmed by the Shareholders' Meeting held on 28 April 2014 as Director of DADA S.p.A., as the Chairman of the Company.

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Statement by the Manager responsible for preparing the Company's Financial Reports

Mr. Federico Bronzi, the manager responsible for preparing the company's financial reports, declares pursuant to Art. 154 bis (2) of the Uniform Finance Act (Testo Unico della Finanza or TUF) that the financial information contained in this press release corresponds to the Company's records, ledgers and accounting entries.

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The Consolidated Interim Financial Report of the Dada Group at 31 March 2014 will be made available to the public at the Company's registered office as well as on the Company's website www.dada.eu (Investor Relations/Financial Reports section) in accordance with the law.

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For additional information

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DADA
DOMAINS & ADVERTISING

ANNEXES

DADA GROUP'S RECLASSIFIED CONSOLIDATED INCOME STATEMENT - 1Q 2014

In EUR/000	31-March-14 3 months		31-March-13 3 months		DIFFERENCE	
	Amount	%	Amount		Amount	%
Net revenue	**17,930**	**100%**	**20,593**	**100%**	**-2,663**	**-13%**
Chg, in inventories & inc, in own wk, capitalized	991	6%	899	4%	92	10%
Service costs and other operating expenses	-11,240	-63%	-13,264	-64%	2,025	-15%
Payroll costs	-5,357	-30%	-4,958	-24%	-399	8%
EBITDA*	**2,325**	**13%**	**3,271**	**16%**	**-945**	**-29%**
Depreciation and amortizations	-1,826	-10%	-1,595	-8%	-230	14%
Write-downs & Other provisions	-53	0%	-21	0%	-32	156%
EBIT	**446**	**2%**	**1,654**	**8%**	**-1,208**	**-73%**
Financial income	127	1%	279	1%	-152	-54%
Financial charges	-880	-5%	-1,231	-6%	352	-29%
Profit/(loss) before taxes	**-307**	**-2%**	**702**	**3%**	**-1,009**	**-144%**
Taxes	-215	-1%	-317	-2%	102	-32%
Net Profit/(loss)	**-521**	**-3%**	**385**	**2%**	**-907**	**-235%**

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

DOMAINS & ADVERTISING

HIGHLIGHTS ON CONSOLIDATED RESULTS BY BUSINESS UNITS

	31/03/2014 (3 months)					31/03/2013 (3 months)				
Segment	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**
Domain and Hosting	15,794	2,171	14%	534	3%	16,130	3,131	19%	1,757	11%
Performance Advertising	2,136	105	5%	-30	-1%	4,295	452	11%	336	8%
Adjustments*	-	50	-	-58	-	168	-312	-185%	-439	-261%
Total	**17,930**	**2,325**	**13%**	**446**	**2%**	**20,593**	**3,271**	**16%**	**1,654**	**8%**

* Adjustments refer to intercompany between business units and between them and the parent company DADA S.p.A. (which provides corporate services to Group companies)

HIGHLIGHTS ON CONSOLIDATED RESULTS BY GEOGRAPHY

	31/03/2014 (3 Months)		31/03/2013 (3 Months)	
	Amount	% of total	Amount	% of total
Revenue Italy	7,065	39%	7,479	36%
Revenue international	10,865	61%	13,114	64%
Total	**17,930**		**20,593**	

DADA GROUP’S NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 MARCH 2014

(EUR/000)	31-mar-14	31-dic-13	DIFFERENCE	
			Absolute	%
Fixed assets (A)	**93,924**	**93,981**	**-57**	**0%**
Current operating assets (B)	16,874	16,335	539	3%
Current operating liabilities (C)	-29,410	-28,022	-1,387	5%
Net working capital (D)=(B)-(C)	**-12,535**	**-11,687**	**-848**	**7%**
Provision for termination indemnities (E)	-760	-760	-1	0%
Provision for risks and charges (F)	-957	-1,007	50	-5%
Other payables due beyond one year (G)	0	0	0	-
Net capital employed (A+D+E+F+G)	**79,672**	**80,527**	**-856**	**-1%**
Bank loans (due beyond one year)	-21,368	-21,302	-65	0%
Shareholders’ equity	**-49,404**	**-49,664**	**260**	**-1%**
Current bank borrowings	-11,127	-11,173	46	0%
Current financial receivables and derivatives	6	0	6	n,s,
Current financial payables and derivatives	-50	-47	-3	6%
Cash and cash equivalents	2,271	1,660	611	37%
Current Net Financial Position	**-8,900**	**-9,561**	**661**	**-7%**
Total Net Financial Position	**-30,268**	**-30,863**	**595**	**-2%**

DADA GROUP'S RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF MARCH, 31 2014

In EUR/000	31-Mar-2014	31-Mar-2013
Cash flow from (used in) operating activities before changes in working capital	**2,275**	**3,163**
(Increase)/decrease in receivables	-517	-448
Increase/(decrease) in payables	1,230	18
Cash flow from (used in) operating activities	**2,988**	**2,734**
Income taxes paid	-41	-51
Interest paid	-416	-884
Net Cash flow from (used in) operating activities	**2,531**	**1,799**
Investing Activities		
Purchase of property, plant and equipment	-914	-1,315
Other changes in fixed assets	0	-1
Purchase of intangible assets	-40	-155
Product development costs	-991	-900
Cash flow from (used in) investing activities	**-1,945**	**-2,372**
Financing Activities		
Change in financing	65	532
Other changes	6	-666
Payments arising from share capital increase		
Cash flow from (used in) financing activities	**71**	**-134**
Net increase/(Decrease) in cash and cash equivalents	**657**	**-706**