



**DADA S.P.A. AND DADA GROUP
FINANCIAL STATEMENTS AT
DECEMBER 31, 2013**

(PREPARED IN ACCORDANCE WITH IAS/IFRS INTERNATIONAL ACCOUNTING STANDARDS)

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

CONTENTS

| | |
|---------------------------|----------|
| CORPORATE OFFICERS | 4 |
|---------------------------|----------|

| | |
|-----------------------------|----------|
| FINANCIAL HIGHLIGHTS | 5 |
|-----------------------------|----------|

DADA GROUP CONSOLIDATED FINANCIAL STATEMENTS:

| | |
|--|------------|
| <i>Directors' report</i> | 8 |
| <i>Consolidated financial statements</i> | 99 |
| <i>Explanatory notes</i> | 110 |
| <i>Statement on the consolidated financial statements at December 31, 2013</i> | 189 |
| <i>Auditors' Report</i> | 190 |

DADA S.P.A. FINANCIAL STATEMENTS:

| | |
|--|------------|
| <i>Directors' report</i> | 193 |
| <i>Financial statements</i> | 210 |
| <i>Explanatory notes</i> | 217 |
| <i>Statement on the separate financial statements at December 31, 2013</i> | 261 |
| <i>Auditors' Report</i> | 262 |
| <i>Board of Statutory Auditors' Report</i> | 264 |

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 (12 months)**

| (€/mn) | 31/12/2013 | 31/12/2012 | Total difference | % difference |
|--|------------|------------|------------------|--------------|
| Revenue | 75.3 | 84.8 | -9.5 | -11% |
| EBITDA* | 10.6 | 12.0 | -1.4 | -12% |
| Depreciation and amortization | -7.4 | -6.9 | -0.5 | 8% |
| Non-recurring charges and other impairment | -0.7 | -0.3 | -0.4 | 147% |
| EBIT | 2.4 | 4.7 | -2.3 | -49% |
| Group net profit/(loss) | -1.3 | 0.9 | -2.2 | -243% |

* Gross of impairment losses and other non-recurring items

Consolidated income statement (3 months)

| (€/mn) | 4 th quarter 2013 | 4 th quarter 2012 | Total difference | % difference |
|--|------------------------------|------------------------------|------------------|--------------|
| Revenue | 18.2 | 20.0 | -1.8 | -9% |
| EBITDA* | 2.5 | 2.7 | -0.2 | -7% |
| Depreciation and amortization | -2.0 | -1.9 | -0.1 | 3% |
| Non-recurring charges and other impairment | -0.3 | -0.2 | -0.1 | 50% |
| EBIT | 0.2 | 0.6 | -0.4 | -73% |
| Group net profit | -0.9 | -0.3 | -0.6 | -173% |

* Gross of impairment losses and other non-recurring items

Consolidated statement of financial position at 31 December 2013

| <i>(€/mn)</i> | 31/12/2013 | 31/12/2012 | Total difference | % difference |
|-----------------------------------|-------------------|-------------------|-----------------------------|-------------------------|
| Non-current assets | 94.0 | 91.9 | 2.1 | 2% |
| Net Working Capital | -11.7 | -12.8 | 1.1 | -9% |
| Net Capital Employed | 80.5 | 76.6 | 3.9 | 5% |
| Shareholders' Equity | 49.7 | 50.4 | -0.7 | -1% |
| Net short-term Financial Position | -9.6 | -7.5 | -2.1 | 27% |
| Total Net Financial Position | -30.9 | -26.2 | -4.7 | 18% |
| Number of employees | 395 | 372 | 23 | 6% |

FINANCIAL HIGHLIGHTS OF PARENT COMPANY DADA S.P.A.

2013 Income Statement of DADA S.p.A. (12 months)

| (€/mn) | 31/12/2013 | 31/12/2012 | Total Difference | % Difference |
|--------------------|------------|------------|------------------|--------------|
| Revenue | 5.1 | 5.2 | -0.1 | -3% |
| EBITDA | -0.9 | -1.9 | 1.0 | -54% |
| D&A | -0.5 | -0.6 | 0.1 | -23% |
| EBIT | -1.9 | -2.5 | 0.6 | -24% |
| Net Profit /(Loss) | -2.1 | -2.0 | -0.1 | 3% |

Statement of Financial Position of DADA S.p.A. at 31 December 2013

| (€/mn) | 31/12/2013 | 31/12/2012 | Total Difference | % Difference |
|-----------------------------------|------------|------------|------------------|--------------|
| Net Working Capital | 16.8 | 9.9 | 6.9 | 70% |
| Net Capital Employed | 47.2 | 40.3 | 6.9 | 17% |
| Shareholders' Equity | 55.4 | 56.2 | -0.8 | -1% |
| Net short-term Financial Position | 8.2 | 15.9 | -7.7 | -48% |

DIRECTORS' REPORT

INTRODUCTION

The Consolidated Financial Statements at 31 December 2013 have been prepared in accordance with IAS/IFRS issued by IASB and approved by the European Union, as per the Issuer Regulations n. 11971 issued by Consob on 14 May 1999, as amended.

It must be noted that the Consolidated Financial Statements were drafted in accordance with the accounting standards in force when they were prepared.

The financial statements at 31 December 2013 were approved by the Parent Company's Board of Directors on 19 March 2014, thus authorizing publication in accordance with the law.

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, as well as in several advanced online advertising solutions.

The DADA Group is organized around two separate businesses falling under the "Domain and Hosting" and "Performance Advertising" divisions. 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 2013, 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 user base at international level.

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 2013, the division continued to strengthen its international presence, thanks mostly to the expansion of the Peeplo brand and development of the Supereva.com vertical portal, despite the sharp fall in volumes versus 2012 caused by the change in Google's global policies starting from the end of 2012.

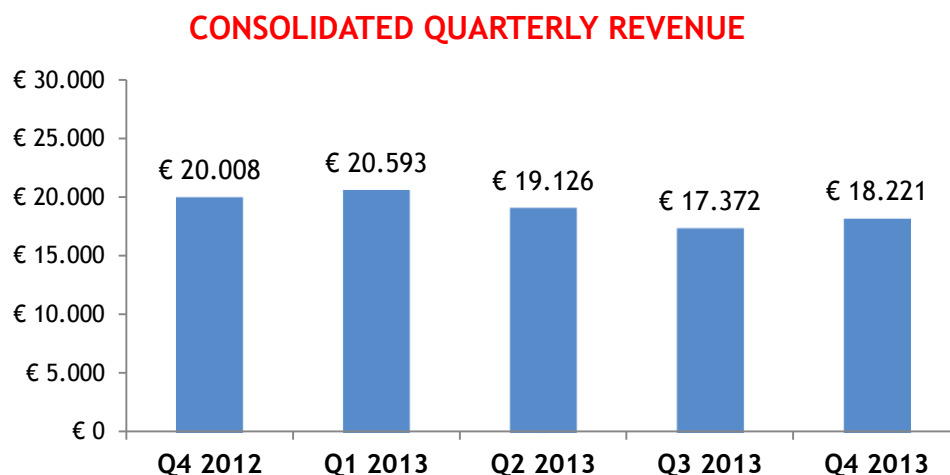
PERFORMANCE REVIEW

Dear Shareholders,

in 2013, the Dada Group achieved consolidated revenue of €75.3 million versus €84.8 million in 2012, dropping by 11%. Looking at 4Q13 alone, consolidated revenue amounted to €18.2 million, down 9% versus €20 million in 4Q12. The 4Q13 performance is explained in detail in the Results section.

Dada S.p.A., the parent company, ended 2013 with revenue of €5.1 million, in line with €5.2 million reported at end 2012. Revenue in 4Q13 amounted to €1.2 million, in line with the 4Q12 figure. Mention must be made that, for some years now, following corporate restructuring, Dada S.p.A.'s main activity has been the provision of centralized services to all of the Group companies. No meaningful changes were reported in this organizational structure versus the previous year.

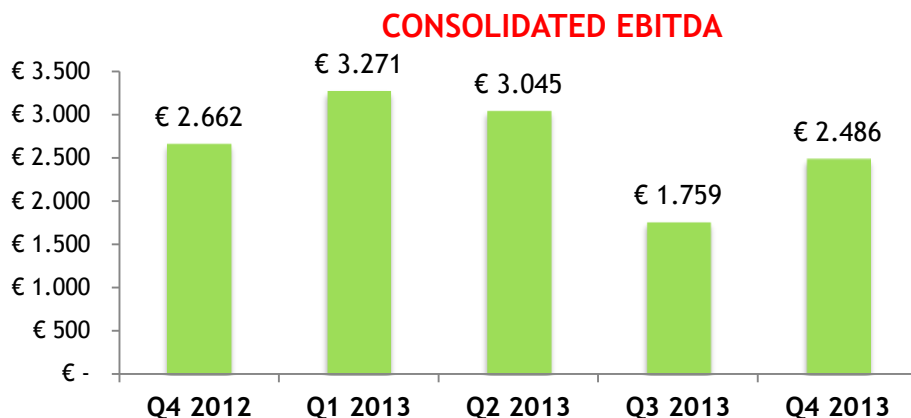
The following graph shows the trend in consolidated revenue of the Dada Group over the last 5 quarters:



Consolidated EBITDA achieved by the Dada Group in 2013 (gross of impairment losses and other non-recurring items) came to €10.6 million, accounting for 14% of revenue, versus €12 million in 2012 (14% of revenue).

In 4Q13 alone, consolidated EBITDA came to €2.5 million versus €2.7 million in 4Q12.

The following graph shows the trend in consolidated EBITDA over the last 5 quarters:

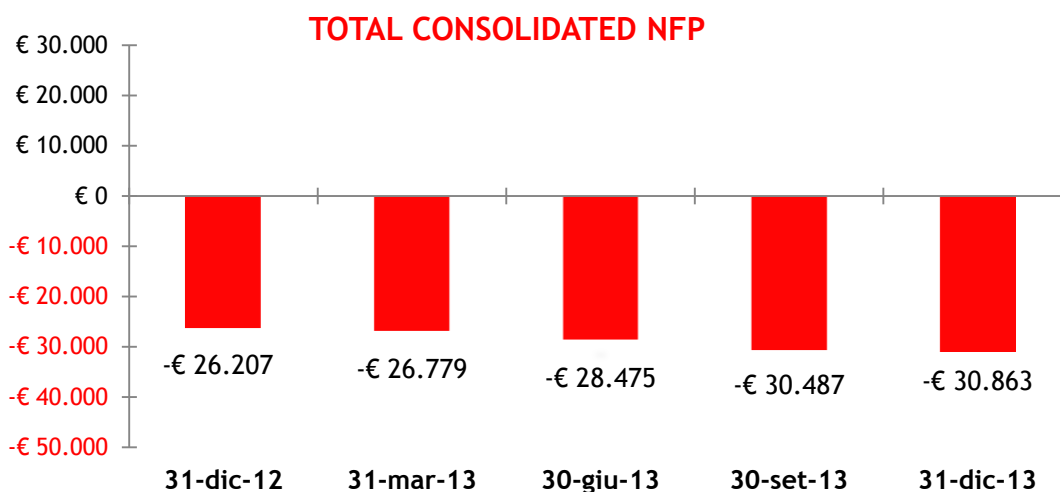


The total net financial position of the Dada Group at 31 December 2013, which includes funding to be repaid beyond one year, came to a negative €30.9 million versus a negative €26.2 million at 31 December 2012. Total cash absorption in 2013 amounted to €4.7 million.

This negative performance is mostly explained by the non-recurring investments incurred during the year in the development of the new Datacenter in the UK (approximately 2.7 million over the 12 months), and also by the outlays related to the extraordinary transaction involving the change of ownership 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 trend in the net financial position over the last 5 quarters:



Results

The following tables show the key results of the Dada Group in 2013 (full year and quarterly), compared with the previous year:

| (EUR/000) | 31-Dec-13 12 months | | 31-Dec-12 12 months | | DIFFERENCE | |
|---|------------------------|-------------|------------------------|-------------|---------------|-------------|
| | Amount | % of total | Amount | % of total | Absolute | % |
| Net revenue | 75,313 | 100% | 84,839 | 100% | -9,526 | -11% |
| Chg. in inventories & inc. in own wk. capitalized | 3,599 | 5% | 3,640 | 4% | -41 | -1% |
| Service costs and other operating expenses | -49,055 | -65% | -57,745 | -68% | 8,690 | -15% |
| Payroll costs | -19,296 | -26% | -18,761 | -22% | -535 | 3% |
| EBITDA * | 10,560 | 14% | 11,973 | 14% | -1,413 | -12% |
| Depreciation and amortization | -7,419 | -10% | -6,890 | -8% | -529 | 8% |
| Non-recurring income/(charges) | -122 | 0% | 0 | 0% | -122 | - |
| Impairment of fixed assets | -1 | 0% | -21 | 0% | 19 | -94% |
| Impairment losses and provisions | -619 | -1% | -315 | 0% | -304 | 97% |
| EBIT | 2,399 | 3% | 4,748 | 6% | -2,348 | -49% |

| (EUR/000) | 4 th quarter 2013 | | 4 th quarter 2012 | | DIFFERENCE | |
|---|---------------------------------|-------------|---------------------------------|-------------|---------------|-------------|
| | Amount | % of total | Amount | % of total | Absolute | % |
| Net revenue | 18,221 | 100% | 20,008 | 100% | -1,788 | -9% |
| Chg. in inventories & inc. in own wk. capitalized | 892 | 5% | 922 | 5% | -31 | -3% |
| Service costs and other operating expenses | -11,631 | -64% | -13,311 | -67% | 1,680 | -13% |
| Payroll costs | -4,995 | -27% | -4,957 | -25% | -38 | 1% |
| EBITDA * | 2,486 | 14% | 2,662 | 13% | -176 | -7% |
| Depreciation and amortization | -1,978 | -11% | -1,923 | -10% | -55 | 3% |
| Non-recurring income/(charges) | -19 | 0% | 0 | 0% | -19 | - |
| Impairment of fixed assets | -1 | 0% | -21 | 0% | 19 | -94% |
| Impairment losses and provisions | -326 | -2% | -165 | -1% | -161 | 98% |
| EBIT | 162 | 1% | 554 | 3% | -392 | -71% |

In 2013, the Dada Group achieved **consolidated revenue** of €75.3 million, dropping by 11% versus €84.8 million in 2012. Revenue generated by Domain and Hosting (accounting for 80% of total revenue, down 5% or 3% excluding the negative contribution of Simply) slightly dropped, while Performance Advertising reported a more negative performance (accounting for 20% of total revenue, down 29%). Looking at 4Q13 alone, revenue amounted to €18.2 million versus €20.0 million in 4Q12, dropping by 9% owing mainly to online advertising.

Despite the growing challenges on an international level in 2013, posed also by the entry of major competitors, particularly on the Italian market, the **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 for SMEs**, and for online brand protection: specifically, improvements were reported in the average renewal rate and in the upselling of services to the user base, which counted over **520 thousand business clients** and over **1.7 million total domains managed** at the end of the year. 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, France and Portugal 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-generation 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; the suite of dedicated servers has been renewed, elevating the hardware and security standards in order to provide customers with maximum stability and data protection, as well as accessibility 24/7;
- the launch of new **virtual servers** in Italy, Spain, France, Portugal and the UK; this is a brand-new product that leverages on cutting-edge hardware managed at the new Datacenter based in Reading. Innovative features allow customers to fully configure the server before purchase by choosing all the available features themselves, based on their needs. The result is a bespoke product that is able to securely host a large number of websites and mailboxes.
- 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 registration 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.

- Regarding, again, the release of new gTLDs, the launch of a “**watchlist**” of new domains in Italy, Spain, France and Portugal. This service allows clients and non-clients to freely create interest lists of new domain extensions to be released in the next three years. Users will be immediately informed as soon as one of the desired extensions is released for registration, so they can be the first to choose the best domains to grow their online business.

A noteworthy point regarding an additional channel for customer acquisition is the TV debut of DADA with Register.it in Italy and Register365 in Ireland, through two major integrated advertising campaigns with a commercial that blends television and the Internet to reach a variety of targets. The aim is to raise awareness on a massive scale among viewers and users of the importance of the Internet for growth and development. The key message of the commercial revolves around the vital role played by web-based tools as an effective business strategy aimed at increasing opportunities for growth without the need for large investments and specific computer skills.

In 2013, the **Performance Advertising** division continued its development strategy through the expansion of its *Search* products, specifically of the Peeplo brand, the launch of the new superEva.com job search vertical portal, which marks the division’s landing in the Classifieds Ads segment, and the fine-tuning of its proprietary algorithms. Despite the sharp drop in volumes versus the same months of 2012, caused by the changes in Google’s global policies starting from October 2012 and continuing into September 2013, margins managed to hold ground versus 2012, thanks to the traffic acquisition cost-curbing measures adopted during the year.

Looking at the **geographical breakdown** of the DADA Group’s consolidated revenue, in 2013 foreign-based activities contributed 64% (65% in 2012). This clearly proves the predominance of these activities in the overall development of the Group, despite the discontinuity reported in the Performance Advertising division, whose turnover is almost entirely generated by foreign operations.

In 2013, consolidated **EBITDA** of the DADA Group, before impairment losses and other non-recurring items, came to a positive €10.6 million, down 12% versus 2012 (€12.0 million), confirming, however, the margins on consolidated turnover (14%).

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 curb general and overhead costs: specifically, Domain and Hosting’s margins on consolidated revenue came to 16% (18% excluding the negative contribution of Simply) versus 18% in 2012; mention must be made that the current project related to the construction of the new Datacenter in the UK generated, as expected, non-recurring costs for the division of approximately €1.1 million (€0.5 million of which in 4Q13). Performance Advertising, despite the drop in revenue, ended 2013 confirming margins on consolidated revenue at 13%.

Looking at each line of the income statement, service costs and other operating expenses dropped in 2013 both in absolute terms (-€8.7 million) and as a percentage of revenue (from 68% to 65%). Payroll costs amounted to €19.3 million versus €18.8 million in 2012, representing 26% of revenue (22% in 2012); employees increased by 23 units, from 372 at 31 December 2012 to 395 at 31 December 2013.

The item “change in inventories and increase in own work capitalized”, amounting to €3.6 million (in line with the 2012 figure), 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 4Q13 alone, EBITDA came to €2.5 million versus €2.7 million in 4Q12, again, badly affected by the drop in revenue.

In 2013, **consolidated EBIT of the Dada Group** came to a positive €2.4 million (3% of consolidated revenue) versus the positive €4.7 million in 2012 (6% of consolidated revenue), losing in absolute terms over €2 million (-49%). In addition to the above-mentioned elements that impacted on EBITDA, EBIT’s performance in 2013 can be explained as follows:

- depreciation amounted to €3.4 million, while amortization amounted to €4 million; in 2012, depreciation had amounted to €3.5 million, while amortization had amounted to €3.4 million, increasing in 2013 by €0.5 million, or 8%.

Depreciation and amortization are confirmed on the rise, a direct result of the investment policy pursued by DADA starting from the final part of 2012 and continued throughout 2013. For further details, reference should be made to the Financial position section below. Mention must be made that 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 levels of depreciation in the income statement starting from August); the internal development of new products and processes for intangible assets.

- consolidated EBIT in 2013 was impacted by impairment losses, provisions and other non-recurring charges of €0.7 million. Impairment losses and provisions amounted to €0.54 million, resulting from the combined net effect of the impairment of trade receivables of €0.57 million and other items included in current assets of €0.12 million, and of the positive release to the income statement of a portion of the provisions for risks and charges (€0.15 million) made in prior years though later reported at lower-than-forecast levels.

Non-recurring items impacted negatively on the income statement and amounted to €0.12 million. Non-recurring charges from the extraordinary transaction regarding the change of ownership of the parent Dada S.p.A. impacted negatively and amounted to €0.6 million, while non-recurring income from the disposal of the remaining portfolio of assets by a UK subsidiary impacted positively and amounted to €0.5 million. All these effects were felt mainly in 3Q13.

In 2012, this item had amounted to €0.3 million, the net result of the impairment of trade receivables of €0.4 million in 2012, and of the benefits from the release to the income statement of previously made provisions for risks and charges.

In 2013, no impairment of goodwill was reported following the impairment tests carried out at year end as required by IAS 36.

Looking at 4Q13 alone, consolidated EBIT of the Dada Group showed a positive €0.2 million (1% of consolidated revenue) versus a positive €0.6 million in 4Q12 (+3% of consolidated revenue), dropping in absolute terms by €0.4 million.

The weight of amortization and depreciation on EBIT in 4Q13 came to €0.8 million for property, plant and equipment, and to €1.1 million for intangible assets, in line with 4Q12.

Impairment losses, provisions and non-recurring charges amounted to €0.4 million in 4Q13 versus €0.2 million in 4Q12. In both quarters, non-recurring costs consist exclusively of impairment of receivables made at year-end.

In 2013, the DADA Group's consolidated pre-tax profit came to -€0.6 million, dropping in absolute terms by €2.4 million versus the positive figure of €1.8 million in 2012 (2% of consolidated revenue). This aggregate was affected by the previously mentioned points regarding the impairment of fixed assets and the costs for non-recurring charges recorded in the income statement in 2012.

Looking at overall financial activities of the Dada Group in 2013 (the difference between financial income and charges), these showed a negative figure of €3 million, in line with 2012 (less than 1% difference). A figure affected by total financial charges (net of exchange activities) of €2.9 million (versus €3.0 million in 2012) ascribable to:

- interest expense on bank loans to finance acquisitions made in prior years and in 2013 amounting to €1 million (€1.1 million in 2012);
- other bank commissions and interest owed on bank overdrafts amounting to €1.6 million (basically unchanged versus 2012), linked primarily to bank commissions on credit card payments;
- derivative differentials of €0.2 million (versus €0.3 million in 2012).

Financial income in 2013 amounted to €0.1 million (basically unchanged versus 2012).

The interest expense trend is due, on the one hand, to the different use of credit lines and, on the other, to variations in the increase in spreads applied by banks. For further details on the variations in the net financial position, reference should be made to the specific section found in this report.

Forex in 2013 came to -€0.2 million versus the neutral figure of 2012, hence ending with a negative difference of €0.2 million. The Dada Group, for some years now, has adopted an exchange risk hedging policy also using plain vanilla derivatives, which have alleviated the negative effects of exchange trends.

Looking at 4Q13 alone, pre-tax profit showed a negative figure of €0.6 million versus a negative figure of €0.4 million in 4Q12, deteriorating in absolute terms by €0.2 million.

Comparing the quarters, overall net financial activities came to -€0.7 million in 4Q13 versus -€0.9 million in 4Q12.

The quarterly figure was impacted by financial charges (net of exchange activities) of €0.7 million (€0.8 million in 2012) due to: interest expense on bank loans amounting to €0.3 million (basically unchanged versus 4Q12); interest owed on bank overdrafts amounting to €0.1 million (basically unchanged versus 4Q12); banking expenses of €0.4 million (€0.3 million in 4Q12).

Net exchange activities in 4Q13 reported no variation versus a negative figure of €0.2 million in 4Q12, as a result of the virtually stable trend of the Euro versus the British pound starting from the final months of 2013, and of exchange rate hedging applied to trade payables denominated in U.S. Dollars.

These financial figures were also affected by the renegotiation made in the final part of the year of the outstanding loan with Banca Intesa Sanpaolo. As explained more in detail in the section on the statement of financial position, this negotiation led to the extension and partial repayment of the current loan.

The Dada Group's net profit in 2013 amounted to -€1.3 million (-2% of revenue) versus a positive €1 million in 2012 (+1% of revenue), dropping in absolute terms by roughly €2.3 million.

The consolidated tax burden in 2013 amounted to -€0.8 million versus a -€0.7 million. Consolidated tax was positively affected by the results achieved by certain Italian and foreign-based companies of the Dada Group.

Breaking down taxes into current and deferred, current taxes amounted to €1.1 million versus €1.3 million in 2012, decreasing by €0.2 million (14%).

This item includes IRAP on some Italian companies, which amounted to €0.4 million (€0.3 million in 2012), and the tax burden on foreign-based companies which posted positive pre-tax income, amounting to €0.4 million (€1.1 million in 2012). The sum of these items explains how, in spite of the presence of a consolidated pre-tax loss, current taxes were recorded in the income statement. This was also the case in 2012, although to a smaller extent, owing to the presence of a positive pre-tax result, and to the economic benefits from the positive outcome of the talks with the tax authorities, which led to a reduction of €0.2 million on the provisions, posted under taxes, made in 2011.

With regard to deferred tax assets recognized in the 2013 income statement, these had a positive impact of €0.6 million on the result, while deferred tax assets in the previous years released in 2013 had a negative impact of €0.2 million. In 2012, the net effect of deferred tax assets came to a positive figure of €0.4 million. It must be noted that deferred tax assets recognized in the consolidated financial statements of the Dada Group have been calculated on the basis of temporary differences relating to provisions, impairment losses and other tax adjustments that are expected to be reabsorbed in the future, and the portion of carry-forward tax losses likely to be recovered.

This calculation was made at year-end 2013, considering the actual possibility of generating positive future taxable income, as resulting from the forecasts on financial results envisaged in the plans approved by the meetings of the Board of Directors and also used for the impairment tests.

This calculation was made in accordance with the current laws relating in particular to the recovery of tax losses in each year, as well as the carrying-forward of tax losses in subsequent years, and to the possibility of recovering Irap not deducted for Ires purposes in the previous tax returns.

It must be noted that the Dada Group has accrued tax losses of €38 million (€35.4 million in 2012), which, in accordance with the changes made to Italian tax law on loss recovery, may be fully carried forward indefinitely.

Tax losses on which deferred tax assets have been calculated amounted to €16.5 million (€14.8 million in 2012). The tax burden in 2013 also included €0.3 million in contingent liabilities referring to prior-year tax burdens.

This annual income statement does not include any non-controlling interests as a result of the extraordinary transactions completed in the previous year and referred to in the introduction to the consolidated financial statements.

Looking at 4Q13 alone, the Group's portion of net loss amounted to -€0.9 million versus -€0.3 million in 4Q12, decreasing by €0.6 million.

In 4Q13, tax totaled €0.3 million versus a basically neutral figure in 4Q12. Current taxes amounted to €0.2 million (€0.6 million in 4Q12), while no provisions were made for deferred tax assets (€0.6 million in 4Q12).

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.. Corporate activities are considered so completely integrated with the two business segments that they no longer require qualification as a separate division. For further details, reference should be made to Note 4 to the consolidated financial statements of the Dada Group.

Main results by segment

The following tables show the main results of the “Domain and Hosting” and “Performance Advertising” divisions in 2013 versus those in 2012:

| Segment | 31/12/2013 (12 months) | | | | | 31/12/2012 (12 months) | | | | |
|-------------------------|------------------------|---------------|------------|--------------|-----------|------------------------|---------------|------------|--------------|-----------|
| | Revenue | EBITDA | Margin % | EBIT | Margin % | Revenue | EBITDA | Margin % | EBIT | Margin % |
| Domain and Hosting | 60,404 | 9,873 | 16% | 3,304 | 5% | 63,473 | 11,226 | 18% | 5,181 | 8% |
| Performance Advertising | 14,602 | 1,852 | 13% | 1,276 | 9% | 20,654 | 2,728 | 13% | 2,287 | 11% |
| Adjustments* | 307 | -1,165 | n.a. | -2,181 | n.a. | 712 | -1,981 | n.a. | -2,719 | n.a. |
| Total | 75,313 | 10,560 | 14% | 2,399 | 3% | 84,839 | 11,973 | 14% | 4,749 | 6% |

* 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)

Geographical breakdown of consolidated revenue

The following tables show the breakdown of Italian and international consolidated revenue in 2013 versus 2012:

| | 31/12/2013 (12 months) | | 31/12/2012 (12 months) | |
|-----------------------|------------------------|------------|------------------------|------------|
| | Amount | % of total | Amount | % of total |
| Revenue Italy | 27,264 | 36% | 29,928 | 35% |
| Revenue international | 48,049 | 64% | 54,911 | 65% |
| Total | 75,313 | | 84,839 | |

Domain and Hosting Services

“Domain and Hosting” is the DADA Group division that offers self-provisioning digital and professional services mainly to European SMEs. In this business the Group, which now has over 520 thousand customers and roughly 1.7 million domains under its management, operates in Europe through its subsidiaries in their respective geographical areas: Register.it in Italy (headquartered in Florence, with branches in Milan and Bergamo), Nominalia in Spain, Namesco and Poundhost in the UK, Amen 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 and 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), which enables advertisers to effectively plan their campaigns. Their sale is managed on an exclusive basis in Italy by an external agency.

In 2013, the division's revenue amounted to €60.4 million, down 5% versus 2012, or 3% excluding the negative contribution of approximately €1.5 million by 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 €9.9 million versus €11.2 million in 2012, due mainly to the negative contribution by Simply and to the non-recurring costs incurred for the construction of the new Datacenter in the UK (approximately €1.1 million in 2013). The percentage of service costs and other operating expenses on revenue was in line with 2012 (64%), while payroll costs grew in absolute terms (€0.6 million) and in terms of the percentage on revenue (from 23% to 25%). The segment's margins on consolidated revenue came to 16% (18% excluding the negative

contribution of Simply). Capitalized research and development costs amounted to €3 million, slightly increasing (€0.1 million) versus 2012.

EBIT came to €3.3 million, net of depreciation and amortization, impairments and other non-operating items of €6.6 million.

Looking at 4Q13 alone, revenue amounted to €15.4 million versus €16.0 million in 2012, with EBITDA at €2.6 million versus €3.0 million in 4Q12. EBIT came to €0.6 million, net of depreciation and amortization, impairments and other non-operating items of €2.0 million.

Performance Advertising Services

“**Performance Advertising**” is the Dada Group division dedicated to the management of a range of innovative online advertising solutions for 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 traditionally search products such as Peeplo and Save’n Keep, which counted about 35 million unique monthly users in 2013, joined, in 2013, by Supereva.com, the new job search vertical portal, which marks the division’s landing in the vertical Classified Ads segment.

In 2013, the division’s **revenue** amounted to €14.6 million, losing about €6 million (-29%) versus 2012. 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 capture traffic on the Google network - generally considered the main hub of online advertising worldwide - which has stifled the pace of growth ever since October 2012, and has further impacted on the revenue trend since September 2013, specifically on revenue generated by the growing traffic from handsets and tablets.

EBITDA fell accordingly from €2.7 million in 2012 to €1.9 million in 2013, despite the fact that margins on consolidated revenue managed to hold ground at around 13% thanks to the measures adopted in 2013 to cut traffic acquisition costs. Capitalized costs for research and development amounted to €0.6 million, falling slightly versus 2012.

EBIT came to €1.3 million, net of depreciation and amortization, impairments and other non-operating items of €0.6 million.

Looking at 4Q13 alone, the division’s revenue amounted to €2.9 million versus €3.8 million in 2012, while EBITDA came to €0.2 million, losing roughly 50% versus €0.4 million in 4Q12. EBIT came to €0.1 million, net of depreciation and amortization, impairments and other non-operating items of €0.2 million.

Financial position

The following table shows the net financial position of the Dada Group at 31 December 2013 versus the position at 31 December 2012:

| NET FINANCIAL POSITION | | | | | |
|------------------------|--|----------------|----------------|---------------|-------------|
| (EUR/000) | | 31-Dec-13 | 31-Dec-12 | DIFFERENCE | |
| | | | | Absolute | % |
| A | Cash on hand | 19 | 9 | 10 | 111% |
| B | Bank and post office deposits | 1,641 | 2,997 | -1,356 | -45% |
| C | Liquidity (A+B) | 1,660 | 3,006 | -1,346 | -45% |
| D | Time deposits and other receivables | | 1,000 | -1000 | -100% |
| E | Derivatives | | | 0 | |
| F | Other financial receivables (D + E) | 0 | 1,000 | -1,000 | -100% |
| G | Total Financial Assets (C+F) | 1,660 | 4,006 | -2,346 | -59% |
| H | Current credit lines and account overdrafts with banks | -10,457 | -6,913 | -3,544 | 51% |
| I | Current bank borrowings | -716 | -3,811 | 3,095 | -81% |
| L | Other current financial payables | | -561 | 561 | -100% |
| M | Current portion of derivatives | -47 | -210 | 163 | -78% |
| N | Current debt (H+I+L+M) | -11,220 | -11,495 | 275 | -2% |
| O | Non-current bank borrowings | -21,303 | -18,679 | -2,624 | 14% |
| P | Other non-current financial payables | | | | |
| Q | Non-current portion of derivatives | | -39 | 39 | 100% |
| R | Non-current debt (O+P+Q) | -21,303 | -18,718 | -2,585 | 14% |
| S | Total Financial Liabilities (N+R) | -32,523 | -30,213 | -2,310 | 8% |
| T | Total net financial position (G+S) | -30,863 | -26,207 | -4,656 | 18% |

The Dada Group's net financial position at 31 December 2013, which includes short and medium/long term funding and loans, **came to a negative figure of €30.9 million** versus a negative figure of €26.2 million at 31 December 2012, generating an overall cash flow of €4.7 million.

The current net financial position at 31 December 2013 came to a negative figure of €9.5 million versus a negative figure of €7.5 million at 31 December 2012, and a negative figure of €14.8 million at 30 September 2013. These current and non-current debt patterns are explained by Group cash flows (reference should be made to the consolidated cash flow statement and to the other sections below) and by the rescheduling at end 2013 of the loan agreement with Banca Intesa San Paolo. Specifically, as a result of the new schedule of the bullet payment with initial maturity set at 18 months (30 June 2015), from the end of 3Q13, when a larger portion was classified within one year, to the close of 31 December 2013, a similar increase in the non-current portion of the loan was recorded with the same bank. Such a change (decrease in current portion versus increase in non-current portion) is by no means completely neutral as the renegotiation of the loan has also implied repayment of a portion of the principal of €2.4 million. More details on the new loan structure are found in Note 19 to the consolidated financial statements.

The item "time deposits and other receivables" included at 31 December 2012 the final instalment amount of €1 million for the transaction completed with Buongiorno in 2011, released, 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 31 December 2013 of the IRS hedging the mortgage with Banca Intesa expiring in 12 months, while no residual portions are included in "non-current derivatives". Details on this hedging structure are found in the specific section of the notes to the consolidated financial statements.

Non-recurring cash outflows in 2013 amounted to €1.3 million and consist 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. (€0.8 million), and payments related to the repayment plan for settlement of the dispute with the DRE (€0.2 million). Non-recurring cash inflows amounted to €2.3 million and consist of: proceeds from the exercise of the stock option plan (€1.1 million), proceeds from the extraordinary transaction involving the parent company Dada S.p.A. (€0.2 million), proceeds from part of the sale of the remaining assets of a business line in the UK (0.4 million), and proceeds from a VAT refund (€0.5 million).

The negative cash flow from non-recurring cash outflows in 2012 had amounted to €0.6 million.

A positive contribution of €1.1 million in 2013 to cash flow came from the capital increase for the subscription of stock options granted under the Stock Option Plan approved by the Board of Directors on 28 October 2011 (pursuant to the resolution of the Extraordinary Shareholders' Meeting of 25 October 2011). For details, see the section on significant events during the year below.

It must be noted that cash absorption in DADA's consolidated net financial position is mainly attributable to the significant increase in investments made by the Group in 2013, particularly to the construction of the Datacenter in the UK.

The following table shows a summary of cash flow movements in 2013 related to cash and cash equivalents compared with those in 2012. For further details, reference should be made to the Cash Flow Statement included in the Consolidated Financial Statements and the relevant notes:

| (EUR/000) | 31 December 2013 (12 months) | 31 December 2012 (12 months) |
|--|---------------------------------|---------------------------------|
| Cash flow from operating activities | 8,621 | 11,092 |
| Cash flow from taxes and interest paid | -3,792 | -3,674 |
| Cash flow from investing activities | -10,592 | -7,577 |
| Cash flow from financing activities | 3,967 | 832 |
| Net cash flow (cash and cash equivalents) | -1,796 | 674 |

Cash flow from operating activities in 2013 decreased versus the 2012 figure, due mainly to the Dada Group's decrease in EBITDA mentioned above.

Financing activities

The Group's cash flow statement at 31 December 2013 shows a positive figure of €3.9 million relating to "net difference in cash flow from financing activities", the sum of the new loans taken out by the Group for €2.6 million, in addition to the previously-mentioned positive contribution from the share capital increase from the stock option plan for €1.1 million, while the residual 0.2 million comes from variations in financial liabilities (IRS differential in 2013).

The cash flow from financing activities in 2012 had shown a positive contribution of €0.8 million to the net current financial position. Specifically, a positive contribution of €0.9 million was recorded from the new loans taken out by the Group.

These differences impact solely on "cash, cash equivalents and current bank borrowings", which is used to build the cash flow statement appearing in the consolidated financial statements, but are neutral on the "total Net Financial Position" explained in the Directors' report as alternative performance indicator.

The reconciliation of the net financial position with the change in cash and cash equivalents is explained in Note 19.

The following tables show the breakdown of non-current assets, net working capital and net capital employed at 31 December 2013 versus 31 December 2012:

| (EUR/000)* | 31-Dec-13 | 31-Dec-12 | DIFFERENCE | |
|---|----------------|----------------|---------------|-------------|
| | | | Absolute | % |
| Intangible assets | 84,131 | 84,763 | -632 | -1% |
| Property, plant and equipment | 9,634 | 6,893 | 2,741 | 40% |
| Non-current financial assets | 217 | 216 | 1 | 1% |
| Non-current assets (A) | 93,981 | 91,872 | 2,110 | 2% |
| Trade receivables | 5,501 | 8,070 | -2,569 | -32% |
| Tax and other receivables | 10,834 | 10,755 | 79 | 1% |
| Current assets | 16,335 | 18,825 | -2,489 | -13% |
| Trade payables | -10,320 | -13,572 | 3,252 | -24% |
| Other payables | -15,370 | -15,630 | 261 | -2% |
| Tax payables | -2,333 | -2,413 | 80 | -3% |
| Current liabilities | -28,022 | -31,615 | 3,592 | -11% |
| Net working capital (B) | -11,687 | -12,790 | 1,103 | -9% |
| Severance | -760 | -849 | 89 | -10% |
| Provisions for risks and charges | -1,007 | -1,461 | 453 | -31% |
| Other payables due beyond one year | | -166 | 166 | -100% |
| Other consolidated liabilities (C) | -1,767 | -2,476 | 709 | -29% |
| | | | | |
| Net capital employed (A+B+C) | 80,527 | 76,606 | 3,921 | 5% |

* For further information on the reclassified statement of financial position, refer to the table at page 94

Investing activities

In 2013, as mentioned above, the DADA Group made significant investments for a total of approximately €10.5 million (€2.7 million of which in 4Q13 alone) versus €7.7 million in 2012, with an increase of 37%.

The following table shows a summary of the investments made in property, plant and equipment and in intangible assets in 2013 and 2012:

| INVESTMENTS | | | | |
|--|---------------|--------------|--------------|------------|
| | 2013 | 2012 | Change | % change |
| Systems and electronic equipment | 3,864 | 2,667 | 1,197 | 45% |
| Furniture and fittings | 96 | 87 | 9 | 10% |
| Other | 246 | 17 | 229 | 1347% |
| Other assets under development | 2,075 | 735 | 1,340 | 182% |
| TOTAL property, plant and equipment | 6,281 | 3,506 | 2,775 | 79% |
| Development of products/services | 3,579 | 3,641 | -62 | -2% |
| Concessions, licenses and brands | 303 | 294 | 9 | 3% |
| Other | 369 | 224 | 145 | 65% |
| TOTAL intangible assets | 4,251 | 4,159 | 92 | 2% |
| TOTAL INVESTMENTS | 10,532 | 7,665 | 2,867 | 37% |

Main investing activities in 2013:

- investments in property, plant and equipment: they represent about 60% (46% in 2012) of the Group's total investments and, as in previous years, this item consists primarily in investments in technology (€3.9 million versus €2.7 million in 2012), mainly for the purchase of servers and other electronic equipment needed to provide the domain registration and hosting services. The largest portion of these investments regards the new Datacenter in the UK. 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 2013.

At 31 December 2012, the investment was still classified under assets under development and advances as it had yet to be completed at that date, For accounting purposes, the investment was eliminated from assets under development and advances and recognized under systems and electronic equipment. The smaller portion of investments is ascribable to furniture and fittings, which increase in 2013 as a result of restructuring costs regarding certain Dada Group business premises.

- Investments in intangible assets: in 2013 they amounted to €4.3 million (5% of revenue and 40% of the year's investments), slightly increasing in absolute terms versus €4.2 million in 2012 (5% of revenue and 54% of the year's investments).

As for 2012, a very large portion of investments was made in the internal development of products and processes, namely in the development of proprietary platforms needed

to provide hosting and advertising services. These investments came to approximately €3.6 million, accounting for 84% of investments in intangible assets and for 35% of total investments.

Mention must be made in this regard to the investments made in the development of a few products which include: in the Performance Advertising division, developments on the platforms (Peeplo, Save'n'keep and Kuindle) to manage and provide digital advertising services; in the Domain and Hosting division, developments in 2013 regarded software for the management of the new certified e-mail services, dedicated servers, Cloudlinux and the new Gtlds.

The purchase of licences and brands amounted to €0.3 million, in line with 2012 and relating to the purchase of new extensions for the management and provision of domain registration services.

“Other” includes, for the most part, purchase of third-party software amounting to €0.3 million in 2013, slightly increasing versus 2012 (€0.2 million) and relating to the purchase of software for the provision of business services and implementation on corporate management systems.

Net working capital

The Dada Group's Net Working Capital was -€11.7 million at 31 December 2013 versus -€12.8 million at 31 December 2012 and -€11.5 million at 30 September 2013.

The decreasing trend in 2013 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, business results (decrease in turnover and main direct costs), 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 16) on trade receivables and bad debts provisions. The result of this position was the recognition in the income statement of a sizeable impairment of the relating trade receivables.

Mention must also be made of the effect of the changed procedures regarding the provision of services and business relationships with certain business partners (especially with Google).

Looking at the single items forming the net working capital, it must be noted that trade receivables at 31 December 2013 amounted to €5.5 million versus €8.1 million at 31 December 2012, and mainly include receivables from online advertising services referred to Simply and Performance Advertising. The trend in trade receivables is closely tied to the downward pattern of these two services in 2013 versus 2012. Likewise, trade payables from these two products showed a downward movement, falling from €13.6 million at 31 December 2012 to €10.3 million at 31 December 2013.

Current liabilities include deferred income of approximately €11.3 million from web hosting services in the year; these will not entail future financial outlays, but rather the recognition of revenue in the income statement. Deferred income at 31 December 2013 amounted to €11.9 million, the same figure recorded at 30 September 2013.

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, and the various receivables, are explained in the notes to the consolidated financial statements.

Other consolidated liabilities

No significant changes were reported versus the previous year for the other items included in net capital employed not commented on above, such as severance and provisions for risks and charges. Severance variations are based on revaluations made during the year and on actuarial assessments. The provision for risks and charges decreased in 2013 owing to disputes settled during the year and to the release to the income statement of part of the provision deemed no longer necessary. The residual balance at 31 December 2013 includes assessments for severance outlays made in the previous periods and still pending settlement at year-end 2013, as well as legal disputes expected to be settled in the medium term. There was no increase reported in the provisions in 2013. For further details, reference should be made to the specific sections in the notes to the consolidated financial statements.

In prior years, this item had been largely impacted by the effects of assets and liabilities disposed of as part of the extraordinary disposal of major investments in subsidiaries.

Group employees

Group employees and geographical breakdown

The Dada Group's headcount at 31 December 2013 totaled 395 employees:

| Segment | At 31-12-2013 | At 31-12-2012* | Difference |
|--------------------------------|---------------|----------------|------------|
| <i>D&H</i> | 326 | 306 | 20 |
| <i>Performance Advertising</i> | 24 | 29 | -5 |
| <i>Corporate</i> | 45 | 37 | 8 |
| Total | 395 | 372 | 23 |

* including an RCS employee seconded to Dada S.p.A.

The geographical breakdown of employees is shown below (at 31 December 2013 and 2012):

| | Italy | | International | | TOTAL | |
|------------------|------------|------------|---------------|------------|------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Employees | 222 | 209 | 173 | 163 | 395 | 372 |

* 2012 includes an RCS employee seconded to Dada S.p.A.

Changes in the organizational structure

2013 saw the completion of the process launched in 2012 for the transition from the traditional (functional) organizational structure to small cross-functional teams with strong accountability on the results of managed products. The adoption of these methodologies was also extended to the UK.

Within this organizational context, in 2013 efforts were made to improve the ways professional families are managed, continuing the in-depth analysis and timely assessment of the impacts on product development. This continuous improvement led to the optimization of product structures, aligning them closer to corporate interests and objectives, and preparing the Group for the release of the new organizational structure, which took place in December 2013.

Information on environmental policy and safety

Environmental policy

The objectives of the Dada Group's environmental policy are:

- to optimize the use of renewable energy and natural resources by improving the technologies used in the Group's offices and spaces;
- to increase environmental awareness including through the use of specific in-house initiatives;
- to implement sustainable purchasing policies.

Waste

The Group companies provide services which produce a limited quantity of waste managed as follows:

| | |
|--|--|
| Paper | Recycled |
| Toner | Given to a specialized firm for disposal |
| Obsolete hardware | Given to a specialized firm for disposal |
| Non separated waste mixed with urban waste | Collected in communal containers |

Water

The Group companies consume a limited amount of water for sanitary needs and personal hygiene.

Energy

The Dada Group pays careful attention to energy consumption. With regard to electricity, low consumption lighting systems, which still comply with regulations lighting requirements, have been installed at all the Dada Group company offices.

Safety

The Group's policy with regard to safety in the workplace is focused on continuous improvement and dedicating the utmost attention to related issues.

All the Group's companies are involved in and dedicated to office work.

Dada constantly complies with applicable norms and regulations, updates its risk assessment report and keeps addendums constantly in order to reflect any organizational and technical changes that have taken place.

The Group's Integrated Workplace Safety Management System is part of the Group's overall Management System.

MAIN RISKS AND UNCERTAINTIES

Market 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 was the case in both 2012 and 2013. 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.

Management of financial risks

Financial risk

The Dada Group's international expansion, also through the acquisition of important operating companies in previous 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 previously mentioned 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. Following the above renegotiation of the loan, the covenants do not apply to financial year 2013 and, therefore, the new financial ratios take effect from 2014.

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.

Mention must be made that to hedge interest rate risk, the subsidiary Register.it took out a 3.81% IRS with a major bank, with an amortizing notional amount at 31 December 2013 of €2.1 million. 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 (still in effect) were also arranged with major banks: one with a strike rate of 3.5% on principal of €0.8 million, and one with a strike rate of 3% on principal of €2.3 million. The fair value adjustment relating to both caps was posted in full to the income statement as the rules of hedge accounting do not apply.

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., Moqu ADV srl, Fueps S.p.A. and Clarence srl.. Register.it S.p.A. also has a cash pooling agreement with its wholly-owned subsidiaries, as well as Moqu ADV srl with MOQU ADV Ireland ltd. At 31 December 2013, the Group had bank credit lines (excluding unsecured credit and exchange and interest rate derivatives) of €36.8 million, approximately €34.5 million of which drawn down.

Exchange risk

The Group's international expansion and scope of operations now expose it to fluctuations in exchange rates, especially 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 (the euro), while about 30% of its service costs are expressed in foreign currency (USD). In 2013, the Group engaged in 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 & hosting business is more limited as fees are generally paid in advance. With regard to financial receivables, liquidity is only invested 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 31 December 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 16.

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 2013.

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

Terms of payment

Out of the full provisional price for the sale of Dada.net, an instalment 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 instalment 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, when 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 paid in full 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 Group has given the buyer certain representations and warranties, typical of this kind of transaction, with respect to Dada.net, Dada.net 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 of the seller

By contract the seller is prohibited from doing significant business, directly or indirectly, that competes with the business currently 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 31 May 2011. 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, is essentially 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 tangible and intangible, 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, wholly-owned by Dada.net, and relating to the 2008 tax return for a total disputed amount of 13.4 million Brazilian Reais (approximately €4.1 million). The Company, under the sale contract and in conjunction with the buyer, has established defense against such claim and has reserved the right, more specifically, 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 involve: an investigation conducted by the Attorney General of the State of Minnesota on the potential violation, in the provision of client services, of State laws by Dada Entertainment LLC, sold to the Buongiorno Group along with Dada.net; the start of a preliminary audit by NYC tax authorities on Dada Entertainment LLC; and a claim involving a transaction entered into on a case allegedly within the scope of the contractual guarantees (quantified in \$100,000). Regarding these claims, in respect of which the likelihood that the

Group may incur liabilities cannot currently be quantified. the Company has reserved the right to rebut, more specifically, the claim for compensation received from the buyer. 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 to which the Parent Company Dada S.p.A. is exposed

The Parent Company is, in the main, exposed to the same risks and uncertainties described above in relation to the Dada Group.

Alternative performance indicators:

This report provides the following economic and financial indicators (in addition to those generally used) 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. EBITDA: As the composition of EBITDA is not governed by the accounting policies, the Dada Group's method of calculating it may differ from that used by others and may therefore make comparisons unreliable.

Below is a summary of how the Dada Group calculates EBITDA.

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

Operating profit

+ 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 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.

RELATED PARTY TRANSACTIONS

For more information on related party transactions, reference should be made to Note 26 of the explanatory notes.

SIGNIFICANT EVENTS IN 2013

The events which had the most significant impact on the Dada Group in 2013 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 Center started operations in August, while in September work began on migrating the entire UK technological infrastructure, which is expected to end by 1Q14 and will need investments totaling €0.7 million and operating charges of roughly €0.6 million.

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.”

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 Alberto Bianchi, 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 Beshara 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., also taking into consideration the opinion of the Independent Directors (the "Opinion of the Independent Directors") prepared in accordance with article 39-bis of Consob Regulation n. 11971/1999, approved the press release prepared in accordance with article 103, paragraph 3 of Legislative 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 wholly owned company Libero Acquisition S. à r.l., having as its object n. 7,354,968 ordinary shares of Dada S.p.A., plus the maximum additional n. 470,000 shares that may be issued in case of a full subscription to the stock option plan. The Issuer's Press Release was published on 11 September, together with the Offer Document, and the annexes thereof, namely (i) the opinion expressed by the independent financial advisor Rothschild S.p.A., appointed by the Board Of Directors of the Company and by the Independent Directors; (ii) the Opinion of the Independent Directors.

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. (OTMTI) 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 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 (Issuer Regulations), 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 communicated by Banca IMI S.p.A., acting as intermediary appointed for the purposes of assembling acceptances to the Offer, 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.

SUBSEQUENT EVENTS AFTER YEAR END

On 19 March 2014, the Board of Directors of the Company, besides approving the 2013 draft budget and calling the Shareholders' Meeting of 24 April 2014 for this purpose, also called the Shareholders' Meeting to appoint a number of members of the Board of Directors, to renew the authorization to purchase and dispose of treasury shares, for the Remuneration Report pursuant to art. 123 *ter* of the TUF, and for certain amendments to the bylaws. It also resolved to submit to the Shareholders' Meeting a new stock option plan intended for Dada Group employees, and the consequent request for the delegation of powers to undertake the relating capital increase, pursuant to art. 2443 and art. 2441, paragraph 8, for a maximum of 750,000 new shares.

BUSINESS OUTLOOK

STRATEGIC GUIDELINES AND OUTLOOK FOR THE NEXT YEARS

Today, the Board of Directors also reviewed the strategic guidelines for the Group's development in the next three years. Those regarding the **Domain & Hosting** division, for both the EU and UK business areas, aim at the:

- i) inclusion of new products in the portfolio of offerings, with a view to providing a one-stop-shop experience of business services, in line with the latest trends in technology and based on the increasingly strategic role of mobility, to satisfy every need to optimize management and grow business opportunities on the web;
- ii) improvement of service quality, with the aim of providing clients with outstanding before and after-sales service and, more specifically, with full-circle support in the management of their online presence, visibility and brand protection;
- iii) increased focus on the business client segment of SMEs, traditionally the segment boasting the highest retention rates and ARPU;

with the primary goal of retaining the existing clients and gaining new ones, to further strengthen the international customer base.

Investments will continue in the renewal, consolidation and integration of the technology platforms to ensure the offer stays competitive: specifically, the new Datacenter in the UK, which started operations in 4Q13, will allow DADA to have adequate space to support the future growth of the Group and to achieve significant economic benefits starting from the second half of 2014; parallel to that, further efficiencies will be generated by the dismissal of the less relevant datacenters, once the relating migration process has been completed.

Based on market trends and on the outlined strategic directions, in absence of any currently unforeseeable events and despite increasing competition, it is reasonable to expect over the years 2014-2016 an annual “mid-single digit” average growth of revenue for the division (on a like-for-like basis and net of the negative contribution of Simply) with a higher rate from the second part of the three-year period, and a more than proportional increase in profitability, also thanks to the steady improvement of structural efficiency and a further optimization of all operating costs.

The **Performance Advertising** division will focus on developing its portfolio of solutions and releasing new portals that leverage on the opportunities from the Classified Ads segment, specifically in the automotive, shopping and travel areas, with the aim of offering more appealing services to end users while minimizing risks related to each product. 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 mobiles 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, which are a rather cyclical issue for the industry and involve the entire business sector. Revenue and margins for the current year may presumably be estimated lower than the figures reported in 2013.

STOCK OPTION PLANS

The following is a description of: (i) the nature of the only stock option plan outstanding at 30 July 2013 (ii) the events after that date.

PLAN DATED 28 OCTOBER 2011

On 25 October 2011 Dada's shareholders approved, pursuant to Art. 114-bis of Legislative Decree n. 58 of 24 February 1998, the stock option plan for the period 2011-2013 (the "2011-2013 Incentive Plan" or the "Plan") proposed by the Board of Directors for Executives with strategic business responsibilities and Managers of Dada S.p.A. and/or its subsidiaries, designed to motivate and ensure the retention of the beneficiaries by making them active participants in and jointly responsible for Dada Group's value creation, excluding pre-emption rights pursuant to Art. 2441, par. 8 of the Italian Civil Code, for a maximum amount of €85,000, through the issue of a maximum of 500,000 ordinary shares with a par value of €0.17 each.

On 28 October 2011 the Board of Directors of Dada S.p.A., pursuant to the powers granted by the shareholders, executed the Stock Option Incentive Plan for the period 2011-2013 (the "Plan")

benefiting Dada Group employees, in particular executives and managers of Dada Spa and/or its subsidiaries. The content and characteristics of the Plan and its Regulations are detailed in the information document prepared pursuant to art. 84 *bis* of Regulation 11971/99 appearing on www.dada.eu.

The Board, in accordance with the recommendations received from the Company's Compensation Committee, approved the Plan Regulations and assignment of a total of 500,000 options on the same number of ordinary Dada shares at an exercise price of € 2.356 per share, equal to the average price of Dada's ordinary shares recorded at the close of each Italian Stock Exchange trading session during the period between the grant date of the Options and the same day in the previous month. The assignees of options waived all rights associated with any options already assigned under the Company's previous incentive plans.

The Board also established that the exercise of the vested Options is subject to a performance condition, meaning the Options may be exercised if the Dada Group achieves a minimum level of EBITDA in the three-year period 2011-2013 and may, by law, take place during predetermined exercise periods, subsequent to when the Company's shareholders approve the financial statements for the year ended 31 December 2013 and, in any case, not later than 19 December 2016, save for a few exceptions set out in the plan's regulations.

The Board, in accordance with Art. 2441, par. 8 of the Italian Civil Code, then approved a paid-in increase of the share capital, excluding option rights, of up to a total maximum nominal amount of €85,000 to service the Plan.

As required by IFRS 2, the actuarial valuation of this plan was carried out by an independent actuary using the binomial method, resulting in a unit value of €0.927 per option.

On 30 July 2013, in view of and subject to the final contract for the disposal of the investment in Dada S.p.A. by RCS MediaGroup S.p.A. to Libero Acquisition S.à.r.l. (as further explained in the relating section), notice was given to the Board of Directors that the Company's Compensation Committee, at its meeting on 26 July, given that Article 5.3 paragraph 2) of the foregoing Stock Option Plan Regulations, as well as the deferred cash plan regulations, provided for accelerated vesting in the event of a change of ownership of the Company or of Public Tender Offer procedures, thus annulling the Performance condition, had viewed the signing of the final contract for the disposal of the controlling investment from RCS to the Orascom Group through Libero Acquisitions scheduled on the following 7 August, as an event relevant for the purposes of the enforcement of such article of the Regulations.

The Board of Directors, given the similar proposal by the Compensation Committee, was called to confirm that the finalization of the disposal and purchase contract between Libero Acquisitions and RCS Media Group scheduled for the following 7 August represented in actual fact the trigger event for the enforcement of Article 5.3 - 2) of the 2011/2013 Stock Option Plan Regulations, the beneficiaries of which were a number of Company executives, including two executives with strategic responsibilities, with the resulting acceleration of the exercise period of the options for all beneficiaries, and without assessing the Performance condition set out in the Stock Option Plan. A similar assessment of the deferred cash plan would then be made by the Company, clearly in light of the decisions taken by the Board.

Notice was given that the Board of Directors, if it found that the conditions for the enforcement of Article 5.3 - 2) of the 2011/2013 Stock Option Plan Regulations had been met, would also be also called to assess the proposal by the Compensation Committee on the timeframe in which such options could be exercised.

It was noted in this regard that under art. 40 of Reg. 11971/99, the acceptance period of the Public Tender Offer was to last from a minimum of 15 to a maximum of 25 working days, while the Stock Option Plan Regulations provided that the exercise period of the options was to be promptly allowed and for a minimum of 20 working days.

Under the proposal by the Compensation Committee, the timeframe for the subscription of the stock options was to take place in accordance with the acceptance period of the Public Tender Offer and thus begin concurrent to the beginning of the acceptance period of the Public Tender Offer, lasting a minimum of 20 working days to ensure compatibility with the Stock Option Plan Regulations.

It specified that CONSOB could extend the acceptance period up to a maximum of 5 working days under art. 40-bis of Reg. 11971/99, and that, in this case, it would also be appropriate to maintain coherence of the subscription period of the options with the acceptance period of the Offer.

In this regard, the Board, acting unanimously, except for the statement of interest and abstention of Lorenzo Lepri and Claudio Corbetta, with the consent of the Board of Statutory Auditors, within the scope of their responsibilities, expressed on behalf of the Board by Auditor Santi, who also stated that he had attended the aforesaid meeting of the Compensation Committee, resolved to consider the conditions for the enforcement of Article 5.3 paragraph 2) of the 2011/2013 Stock Option Plan Regulations as being verified and, therefore, subject to actual occurrence of the Closing, namely the signing of the contract between Libero Acquisitions Sàrl and RCS Mediagroup Spa, scheduled for the following 7 August, to promptly allow exercise of the options of the Plan in advance of the normal exercise periods and, specifically, to allow the exercise of the options for an exercise period of at least twenty working days concurrent to the entire duration of the acceptance period of the Public Tender Offer that would open as a result of the aforementioned Closing, including the above extension of the acceptance period and notwithstanding the deadline of 19 December 2016 set out in Article 6.1 of the Regulations, all this without enforcing prior approval of the meeting of the performance condition of the Plan. On 7 August 2013, the acquisition by Libero Acquisition S.à.r.l. of the controlling investment held in Dada S.p.A. by RCS MediaGroup S.p.A. was finalized, and on the same day Libero Acquisition S.à.r.l. launched a mandatory Public Tender Offer on the entire amount of Dada S.p.A. securities, thus meeting the above condition.

On 12 September 2013, the Company sent a letter to all the beneficiaries of the Plan, informing them on the implementation of the Plan by the Board of Directors, and on their right to exercise the entitled Options, within the indicated period: (i) subscription price of € 2.356 per share (ii) exercise of the Options under the Plan in advance of the normal exercise periods, to allow exercise of the Options for an exercise period concurrent to the entire duration of the period of acceptance of the Public Tender Offer launched by Libero Acquisition S.à r.l. (including the possible reopening of the terms under art. 40 bis of the Issuer Regulations ~~and as hereinafter also referred to in this letter~~) (iii) the acceptance period begins at 8:00 AM on 30 September 2013 and will end at 5.40 PM on 25 October 2013, specifying that the terms of the acceptance period may be reopened by CONSOB for a further five trading days (i.e. 31 October, 1 November, 4 November, 5 November, and 6 November 2013), should the conditions under Article 40-bis, paragraph 1, letter b), no. 1 of the Issuer Regulations be met, and indicating

that, should the conditions for the extension of the deadline not be met, any options not subscribed during the Acceptance Period may no longer be subscribed.

The acceptance period for the above mandatory Public Tender Offer began on 30 September 2013 at 8:00 AM and ended on 25 October 2013 at 5.40 PM.

On 28 October 2013, pursuant to Article 41, paragraph 6, of the Issuer Regulations, Libero Acquisition S.à.r.l. published the final results of the Tender Offer and the full exercise by the beneficiaries of the options granted under the stock option plan, at the end of the Acceptance Period.

The following tables show the movements in the Stock Option Plans:

| | 2013 Number of options | Average exercise price | Market price | 2012 Number of options | Average exercise price | Market price |
|---|---------------------------------|------------------------------|-----------------|---------------------------------|------------------------------|-----------------|
| (1) Unexercised options at 1/1 | 470,000 | 2.356 | - | 710,150 | 6.082 | - |
| (2) New options granted | - | - | - | - | - | - |
| (3) Options exercised in period | 470,000- | 2.356- | 3.322- | - | - | - |
| Options expiring in period (relating to the plan dated 3 February 2006) | | | - | 160,150 | 14.782 | - |
| Options expiring in period (relating to the plan dated 28 July 2006) | | | - | 50,000 - | 15.47 - | - |
| | | | | | | |
| | | | | | | |
| Options expiring in period (relating to the plan dated 25 October 2011) | 470,000 | 2.356 | - | , 30,000 | 2.356 | - |
| (5) Unexercised options at 31/12/2013 | - | - | - | 470,000 | 2.356 | - |

The options have a residual average life of 3 years.

PURCHASE OF TREASURY SHARES

Reference should be made to the Directors' Report accompanying the separate financial statements of Dada S.p.A.

Investments held directly or indirectly by Directors, Statutory

Auditors and by the General Manager

| Name | Company | Number of shares held at 31.12.2013 | Number of shares held at 31.12.2012 |
|------------------|-------------|-------------------------------------|-------------------------------------|
| Claudio Corbetta | Dada S.p.A. | - | 1,580 |
| Lorenzo Lepri | Dada S.p.A. | - | 7,400 |

Options granted to Directors during the year

In 2013, the following beneficiaries exercised the options below

| Beneficiary | Position held | Options exercised during the year | | |
|------------------|-----------------|-----------------------------------|------------------------|---------------------------------------|
| | | Number of options | Average exercise price | Market price and option exercise date |
| | | | | |
| Claudio Corbetta | CEO | 145,000 | 2,356 | 3,324/ 18 October 2013 |
| Lorenzo Lepri | General Manager | 145,000 | 2,356 | 3,323/ 17 October 2013 |

Florence, 19 March 2014

For the Board of Directors
The Chief Executive Officer Claudio Corbetta

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

INTRODUCTION

The Corporate Governance Code of Listed Companies (the "Code") drawn up by the Corporate Governance Committee of Listed Companies, and available on Borsa Italiana's website (www.borsaitaliana.it), contains a suitable corporate organizational model for correctly managing the Company, business risks and potential conflicts of interest that might arise between directors and shareholders and between majority and minority shareholders. This model is therefore in line with the principles of best international practice; its adoption is voluntary and not compulsory.

Section IA.2.6 of the instructions that accompany the New Market Rules issued by Borsa Italiana S.p.A. establish that listed companies must prepare a specific annual report on their organizational decisions relative to the Corporate Governance Committee's recommendations; this report must be made available to shareholders together with the documentation required for the Annual General Meeting called to approve the annual financial statements. The Boards of Directors of listed companies that have not applied or have partly applied the Code's recommendations, must provide information in this report on the reasons for such decisions. Similar requirements are contained in Art. 123-bis of Legislative Decree 58/98 (hereinafter also referred to as "TUF") and in Art. 89-bis of CONSOB Regulation 11971/99.

The Chairman of the Board of Directors of Dada S.p.A. reports, on the Board's behalf, that on 9 November 2006 the Company approved an internal corporate governance code, which reflects the corporate governance rules adopted by Dada's Board of Directors and by its Board of Statutory Auditors in relation to the rules applying to the latter, in compliance with the Corporate Governance Code of Listed Companies as revised in March 2006.

In 2011 the Board of Directors adopted, within the timeframe referred to in this Corporate Governance Report and in the Remuneration Report called for under Art. 123-ter of TUF, Art. 7 of the Corporate Governance Code of Listed Companies, as amended by the Corporate Governance Committee during the meeting held on 3 March 2010 at Borsa Italiana.

In 2012, the Board of Directors of the Company adopted the Corporate Governance Code of Listed Companies, in accordance with the Code's time limits, updated to a large extent by the Corporate Governance Committee in December 2011. The Code is available at http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codicecorpgov2011clean_pdf.htm.

For the sake of ensuring adequate corporate disclosure, the following report will provide a description of the corporate governance system adopted by the Company and the Group and of its ownership structure, as well as information on compliance with the Corporate Governance Code of Listed Companies, indicating which of the recommendations have been applied and how, and providing suitable information on the reasons why some of the recommendations have not been applied or have been only partly applied.

PART 1. OWNERSHIP STRUCTURES

INTRODUCTION

Pursuant to the requirements of art. 123-bis par. 1 of Legislative Decree n. 58/1998, this Part contains information on the Ownership Structures of Dada S.p.A. (hereinafter the "Company"), and provides appropriate references to information and documents available on or through the Company's website (www.dada.eu). The information, while referring to financial year 2013, has been updated to the date of approval of this Report.

1.1. Shareholder structure; Authority to increase share capital and authorization to purchase treasury shares

The share capital of Dada S.p.A. amounts to €2,835,611.73 divided into 16,680,069 ordinary shares with a par value of €0.17 each.

Regarding this section, reference should be made to Table 1 in this report.

In accordance with the By-laws:

- The shares are indivisible and freely transferable. Every share carries the right to one vote. The shares are registered securities and, if fully paid and permitted by law, can be bearer securities. They may be converted from one type to another at the shareholder's expense. The Company can issue shares (in special classes) and financial instruments to employees of the Company or its subsidiaries in accordance with the provisions of Art. 2349 of the Italian Civil Code. If, for any reason, a share or rights to it belong to more than one person, the joint ownership rights shall be exercised by a common representative (Art. 7: "Shares");
- in addition to ordinary shares, that give shareholders equal rights, classes of shares may be created, in compliance with legal requirements, with different rights, including where the allocation of losses is concerned (Art. 8: "Class of shares");
- The Company is able to issue registered or bearer bonds, including convertible bonds in accordance with the law, and to determine conditions relating to their placement. The Company can also issue, in accordance with the law, financial instruments with or without voting rights (Art. 10: "Bonds and financial instruments").

At 31 December 2013, the share capital of Dada S.p.A. consists entirely of ordinary shares; there are, therefore, no other classes of shares nor any restrictions on the associated rights. The Company has not issued any bonds or any other financial instruments.

The information on the authority to increase share capital under Art. 2443 of the Italian Civil Code. is contained in the Stock Option Plans section of these financial statements at 31 December 2013, in the notices on the plans set out in the information documents prepared under art. 84-bis of the Consob Issuer Regulations, and in the Compensation Report prepared under art. 84-quater of the Issuer Regulations.

The General Meeting on 11 April 2013 revoked the authorization of 24 April 2012 to purchase and sell treasury shares and renewed the authorization for the Board of Directors to buy, on one or more occasions, in full or in part, up to a maximum number of ordinary shares representing 10% of share capital, within 18 months from the date of the resolution at a price no more than 20% below and no more than 10% above the official quoted price on the trading day before each purchase and, in any case, for a total amount that could exceed the distributable reserves reported in the most recently approved financial statements or the amount of distributable profits; the same General Meeting also authorized the Board of Directors to use the treasury shares already held or acquired as a result of the new authorization, to undertake sales/purchases, exchanges, contributions etc., as well as, if needed, in order to create beneficial interests, including for the acquisition of equity investments.

Treasury shares already held or acquired under the new authorization may be disposed of within three years of the shareholders' resolution at a price, or valuation, no less than 95% of the average official price reported in the 30 trading days before the instructions to sell, or the official commitment to sell, if earlier. This authorization will expire on 11 October 2014.

The Company did not hold any treasury shares at 31 December 2013.

1.2. Restrictions on share transfer

Under Art. 7 of the By-laws, the shares of Dada S.p.A. are freely transferable.

To date, also in consideration of paragraph 1.5 below, there are no agreements regarding restrictions on share transfer.

1.3 Significant shareholdings

Based on the contents of the shareholders' register of Dada S.p.A. at 31 December 2013 and notices received under art. 120 of Legislative Decree 58/1998, up until such date, the only shareholding in excess of 2% of share capital is as follows:

| Shareholder | Number of shares held | Percentage of share capital |
|-----------------------------|-----------------------|-----------------------------|
| Libero Acquisition S.à.r.l. | 11,581,325 | 69.432% |

On 11 July 2013, RCS MediaGroup S.p.A. (holder at the time of 54.627% of the share capital of Dada S.p.A., equal to 8,855,101 ordinary shares) and Libero Acquisition Sàrl informed the market - each publishing a press release - of the signing of the preliminary contract under which RCS undertook to sell Libero Acquisitions Sàrl its 54.627% shareholding in Dada. The press releases announced that the transaction would be completed within the first 10 days of August with the signing of the final contract involving the sale of the above shareholding in Dada by RCS MediaGroup to Libero Acquisition Sàrl.

On 7 August 2013, RCS MediaGroup and Libero Acquisition Sàrl. signed the final contract and completed the sale of the 54.63% shareholding in Dada S.p.A. held by RCS MediaGroup S.p.A.

On the same date and in light of the above, Libero Acquisition Sàrl launched a mandatory Public Tender Offer (publishing the relating disclosure and the main terms of the offer), pursuant to article 102, article 106, paragraph 1, and article 109 of Legislative Decree No. 58 of 24 February 1998, and to the applicable implementing provisions contained in Regulation n. 11971 approved by Consob Resolution on 14 May 1999, as amended, with the object of: (i) all of the ordinary shares of Dada S.p.A., minus the 8,855,101 Dada S.p.A. ordinary shares already held by Libero Acquisition Sàrl on the date of the Offer Document approved by Consob, therefore 7,354,968 ordinary shares, equal to 45.373% of the share capital of Dada and (ii) a maximum of no. 470,000 newly-issued ordinary shares arising from the possible exercise of outstanding stock options, under the stock option plan implemented by the Board of Directors of the Issuer on 28 October 2011, the exercise of which had been regulated by the Board of Directors at its meeting on 30 July 2013, and had been established to coincide with the Offer Period.

The Acceptance Period for the mandatory Public Tender Offer started on 30 September 2013 at 8:00 AM and ended on 25 October 2013 at 5.40 PM.

On 28 October 2013, pursuant to Article 41, paragraph 6, of the Issuer Regulations, Libero Acquisition S.à.r.l. published the final results of the Tender Offer, namely (i) the full exercise by the beneficiaries of the stock option plan, at the end of the Acceptance Period (ii) the acquisition by Libero Acquisition S.à.r.l. of a total of 11,211,382 Dada shares, equal to 67.214% of the share capital of Dada, as increased following full exercise of the stock option plan, taking account of the Shares tendered in the Offer and the shares already held directly in Dada at the start of the Offer (iii) in consideration of Libero Acquisition S.à.r.l.'s ownership of more than two thirds of the capital of Dada S.p.A., the meeting of the conditions to re-open the terms, that is, the reopening of the Acceptance Period for five trading days (specifically, 31 October, 1 November, 4 November, 5 November, and 6 November 2013).

Finally, on 7 November 2013, notice was given of the overall results of the Public Tender Offer following the re-opening of the terms. The results were that Libero Acquisition S.à.r.l., considering the shares already held directly in Dada at the start of the Offer (no. 8,855,101 shares, or 54.627% of the share capital of the Issuer at the start of the Offer, and 53.087% of the Issuer's share capital as increased following full exercise of the stock option plan), and the shares tendered in the Offer during the Reopening of the Terms and, previously, during the Acceptance Period, had come to hold a total of 11,581,325 Dada shares, or 69.432% of the Issuer's share capital.

On the same day, notice was given that since Libero Acquisition Sàrl had not reached a shareholding of over 90% of the share capital of Dada, the conditions had not been met for Libero Acquisition Sàrl to fulfill the purchase obligation under Article 108, paragraphs 1 and 2 of the TUF, or to exercise the right of purchase, pursuant to article 111 of the TUF. Therefore, Dada S.p.A. shares were not delisted from the MTA.

Mention must also be made that on 23 January 2014, Oyster Sicav announced it had exceeded the 5% shareholding threshold. As from this date, both Oyster Sicav and Libero Acquisition S.a.r.l. have shareholdings in excess of 5% of the share capital.

1.4. Securities with special rights; Employee share ownership: method of exercising voting rights; Voting restrictions

No shares have been issued which confer special rights of control nor are there any employee share ownership schemes involving specific mechanisms for exercising voting rights. The Company's By-laws do not contain any restrictions on voting rights.

1.5. Shareholder agreements under Art. 122 of Legislative Decree 98/1998

At 31 December 2013, the Company was not aware of any shareholder agreement falling within the scope of Art. 122 of Legislative Decree 98/1998.

On 7 August 2013, and on finalization of the disposal of the majority shareholding held by RCS Mediagroup S.p.A. to Libero Acquisition Sàrl, through the transaction referred to in paragraph 1.3. Dada S.p.A. and RCS MediaGroup S.p.A. terminated their agreement dated 10 October 2002 relating to 2,417,957 ordinary shares of Dada S.p.A.. Based on this agreement the maximum amount of these shares that RCS could sell each day, with the exception of block sale transactions, was equal to 20% of the Dada shares traded on the market managed by Borsa Italiana S.p.A. during the day prior to the transaction and, at any rate, these same shares could not be sold (with the exception of block sales) at a price which is less than 95% of the average official price of Dada's shares on the same market on the day prior to the transaction.

1.6 Change of control clauses

There are no significant agreements to which Dada or its subsidiaries, as defined by Art. 93 of Legislative Decree 58/1998, are parties and which could become effective, be amended or cancelled following a change of control of Dada S.p.A., except for the following agreements, the effects of which are not disclosed for reasons of confidentiality and protection of the Issuer:

“Google Search and Advertising Services Agreement”, signed ~~on 30 June 2011~~ (effective as from 1 August 2011) by Google Ireland Ltd and Moqu Adv Ireland Ltd;

“Google Search and Advertising Services Agreement”, signed ~~on 5 July 2012~~ (effective as from 1 July 2012) by Google Ireland Ltd and Register.it S.p.A..

loan agreement entered into ~~on 23 December 2013~~ by the Company and Intesa Sanpaolo S.p.A.

1.7 Direction and coordination

As required by Art. 37, no. 2 of the Consob Market Regulations, and as resolved by the Board of Directors of the Company at its meeting on 12 November 2013, mention must be made that Dada S.p.A., to date, is not subject to the direction and coordination of the parent Libero Acquisition S.à.r.l.. According to the Board, Libero Acquisition S.à.r.l. does not exercise either formally or de-facto any such influence over Dada. In this regard, the Board of Directors has deemed that Dada S.p.A. has its own operational, trading and financial autonomy and

independently examines and approves its own transactions and strategic plans, as well as its own procedures and organizational, management and control models. Up to the date of finalization of the acquisition by Libero Acquisition S.à.r.l. of the shareholding owned by RCS MediaGroup (until 7 August 2013), the Company had been subject to the direction and coordination of the parent RCS MediaGroup S.p.A., pursuant to art. 2497 et seq of the Italian Civil Code, possessing, however, independent negotiation powers with regard to clients and suppliers, fulfillment of disclosure requirements pursuant to Art. 2497-bis of the Italian Civil Code, and the absence of cash pooling arrangements with the Parent Company. Dada S.p.A., therefore, still qualifies, pursuant to Art. 37, par. 1 of the Market Regulations (Reg. 16191 of 2007, as subsequently amended), as a listed company.

1.8. Rules applying to amendments of the By-laws

The By-laws can be amended:

- by resolution of the Extraordinary General Meeting (EGM) which, under Art. 18 of the By-laws, must be properly formed, in first and second call with participation by the percentage of share capital respectively established by Art. 2368 par. 2 and Art. 2369 par. 3 of the Italian Civil Code, and in third call with participation of shareholders representing at least one-fifth of share capital. The EGM adopts resolutions, in first, second or third call, with the favourable vote of at least two-thirds of the share capital represented at the meeting;
- by resolution of the Board of Directors, as permitted by Art. 2365 of the Italian Civil Code and Art. 22 of the By-laws, for resolutions relating to:
 - i. mergers in cases specified in Art. 2505 and Art. 2505 bis of the Italian Civil Code, including for spin-offs under Art. 2506 ter of the Italian Civil Code;
 - ii. reductions of share capital following shareholder withdrawal;
 - iii. revisions of the By-laws to comply with new regulatory provisions;
 - iv. transfer of the Company's registered office elsewhere within Italy.

Mention must be made that no agreements have been signed between the Company and the Directors which provide indemnity in the event of resignation or revocation of office without just cause or termination of employment following a public purchase offer.

On 24 July 2012, the Board of Directors of the Company amended the By-laws to comply with Law 120 of 12 July 2011. These changes introduced the principle of gender equality on the boards of directors and statutory auditors of listed companies. Law 120 requires listed companies to reserve at least one third of the members of the above mentioned bodies, once effective, to the less represented gender. Toward this end, amendments were made to Articles 19, 25 and 31 of the current By-laws in the manners explained below.

On 25 October 2013, the new Bylaws were registered with the Florence Company Register, following filing of the certification, pursuant to art. 2444 of the Italian Civil Code, regarding the share capital increase of Dada S.p.A..

On 28 October 2011, the Board of Directors of the Company, through deed by notary Filippo Russo, resolved, in implementation of the authority granted by the Shareholders' Meeting on 25 October 2011, on a capital increase for a maximum amount of Euro 85,000 by issuing a maximum number of 500,000 ordinary shares with a par value of Euro 0.17 each servicing the 2011-2013 stock option plan.

On 18 October 2013, the last subscription was made, followed by the full subscription and payment of 470,000 shares relating to such stock option plan. The share capital was increased to Euro 2,835,611.73.

At its meeting on 19 March 2014, the Board of Directors decided to convene the Shareholders' Meeting in order to resolve on the Board's proposal to make amendments to those Bylaws referring to (i) art. 13 (Convening of the Shareholders' Meeting) and, specifically, on the proposal to eliminate the specific indication of the newspaper in which the notice of call of the Shareholders' Meeting is to be published, thereby allowing the selection of other newspapers from time to time; (ii) art. 6 (share capital), an amendment that is consequential to the proposed delegation of powers to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase the share capital to service the stock option plan, and to the proposed elimination of any references related to shareholder and board resolutions regarding the share capital that are no longer able to produce effects on the share capital.

PART 2. CORPORATE GOVERNANCE

INTRODUCTION

This Part contains the information set forth in Art. 123-bis par. 2 of Legislative Decree n. 58/1998.

It provides a description of the rules adopted by the Board of Directors and, to the extent directly applicable, by the Board of Statutory Auditors of Dada S.p.A. relating to the recommendations held in the Corporate Governance Code of Listed Companies approved in March 2006 and amended in March 2010 and in December 2011 by the Corporate Governance Committee set up by Borsa Italiana S.p.A. (hereinafter "Code"), to which the Company conforms (except for very few exceptions and some additions/clarifications), which is available on the website of Borsa Italiana S.p.A.: www.borsaitaliana.it. For information sake, reference should be made to the principles and application guidelines adopted by the Company in order to indicate which of its recommendations have been adopted and how, with details of the work performed during the year or up to the date of approving this report (providing updates if need be).

The corporate governance system adopted by the Company is a “traditional” one, based on the presence of a Board of Directors, a Board of Statutory Auditors, and the Shareholders’ Meeting. Role, composition and operations of these bodies are governed by the laws in force and by the By-laws (available on the Company’s website).

2. Board of Directors

2.1. Role and functions of the Board of Directors

Art. 1 of the Corporate Governance Code states that:

1. The company shall be governed by a Board of Directors that meets at regular intervals, and which organizes itself and operates in such a way as to ensure that its duties are conducted both effectively and efficiently.

2. The directors shall behave and pass resolutions autonomously and in full knowledge of the facts, in pursuit of the priority goal of creating value for the shareholders in a medium to long-term time frame.

APPLICATION GUIDELINES

i) In discharging its responsibility of determining and pursuing the strategic goals of the Company and Group it heads, and in addition to those duties falling to it under the By-laws, the Board of Directors is also, if appropriate, by way of internal limitation on the delegated powers to be exercised in respect of third parties, the exclusive body which:

a) examines and approves the Company’s strategic, operational and financial plans and the corporate structure of the Group it heads, overseeing their implementation on a regular basis, defines the Company’s corporate governance system and the structure of the Group;

b) defines the nature and level of risk compatible with the Issuer’s strategic targets

c) evaluates the adequacy of the organizational, administration and accounting system of the Company and its subsidiaries having strategic importance, with particular regard to the internal control and risk management system;

d) establishes the frequency, usually not more than three months, through which the delegated bodies must report to the directors on the activities performed in relation to the delegated powers conferred;

e) evaluates the Company’s general performance, paying particular attention to the information received from the executive bodies, and periodically comparing the results achieved against budget;

f) resolves on the transactions carried out by the Company and its subsidiaries, when these transactions have a significant strategic importance in terms of operating results, capital or financial position for the Company; toward this end, it establishes general guidelines for identifying transactions which might have a significant impact;

g) evaluates, at least once a year, the operation, size and composition of the Board and its committees, taking into account elements such as professional competence, experience, including executive experience, and gender of its members, as well as length of service. If the Board avails itself of external consultants for self-assessment, the Corporate Governance Report shall provide information on other services, if any, provided by these consultants to the Company or its subsidiaries;

h) taking into account the outcome of the evaluation mentioned in letter g), reports its opinion to the shareholders on the personal profiles deemed appropriate for the composition of the Board of Directors, prior to the appointment of the new board;

i) provides information in the Corporate Governance Report: (1) on its composition, indicating for each member the qualification (executive, non-executive, independent), relevant role held within the Board of Directors (including by way of example, chairman or chief executive officer), main professional characteristics and length of service, on the application of Art. 1 and, specifically, on the number of meetings of the Board and of the Executive Committee if any, held during the year, as well as the related percentage of attendance of each director.

j) in order to ensure the correct management of corporate information, adopts, upon proposal of the Chief Executive Officer or the Chairman of the Board of Directors, procedures for the internal management and disclosure to third parties of documents and information concerning the Issuer, with particular regard to price-sensitive information.

The recommendations of the Corporate Governance Code described above are reflected in the Company's corporate governance system which attributes a central role to the Board of Directors; in fact, Art. 22 par. 1 of Dada's By-laws establishes that "The governing body is invested with the widest powers for the Company's ordinary and extraordinary administration and can therefore carry out every action deemed necessary to implement and achieve the corporate purpose, with the sole exception of those operations that, under law or these By-laws, are the prerogative of the General Meeting", while Art. 20 (e) of the By-laws, in keeping with the internal corporate governance code, establishes that "The Board of Directors can delegate its powers to an Executive Committee and/or to one or more directors, determining limits on the power delegated. The powers specified in Art. 2381 of the Italian Civil Code cannot be delegated, nor those forbidden by current legislation. The Executive Committee and the Executive Directors report to the Board of Directors at the earliest subsequent board meeting on transactions they have carried out with the greatest impact on the Company's balance sheet, income statement and cash flows.

In particular, they report on transactions involving potential conflicts of interests or on those of an atypical or unusual nature relative to the Company's ordinary operations. The same information must be provided to the Board of Statutory Auditors.

In addition to the powers that cannot be delegated by law, the following matters are the exclusive prerogative of the Board of Directors.

- the determination of general management strategy;
- the remuneration of directors appointed to carry out particular duties, and where the General Meeting has not already done so, the division of the overall compensation approved for directors between individual members of the Board of Directors and the Executive Committee;
- the formation of committees and commissions, determining their duties, responsibilities and rules of procedure, including with the purpose of shaping the corporate governance model to that established by the Corporate Governance Code;
- the approval of transactions with a significant impact on the Company's balance sheet, income statement and cash flows, with particular reference to related party transactions.

The governing body can also appoint general managers, determining their duties and powers, and can also grant powers of attorney for individual deeds or categories of deed".

It must be noted that the Board of Directors has also been tasked with defining the nature and level of corporate risks consistent with the Company's strategic targets. Toward this end, mention must be made that the Board of Directors has approved and updated the current plan for the identification of risks and risk assessment, based on which these risks are assessed by the Board and by the relevant bodies.

The criteria for determining particularly significant transactions that cannot be delegated were already indirectly established, qualitatively and quantitatively, through the structure of delegated powers decided by the previous Board of Directors in its meeting of 3 December 2008 and later confirmed in the meeting of 8 May 2009, following appointment of the new Board of Directors at the General Meeting on 23 April 2009, and in the recent meeting held on 10 May 2012 following appointment of the new Board of Directors on 24 April 2012; quantitatively, significant transactions were defined as all those transactions whose value exceeded €3 million, while, qualitatively, they were defined, irrespective of amount, as the approval of the Company's strategic, business and financial plans and of the Group's corporate structure, as spin-offs, mergers, acquisitions, disposals and contributions of equity interests, shares, companies, and business lines, the formation of joint ventures, the purchase of property and other fixed assets, the grant and receipt of material loans.

For the sake of clarifying identification of significant transactions, although still applying the above criteria, on 12 February 2007, the Board of Directors approved a set of procedures for completing and executing significant transactions, transactions with related parties or in which a director has an interest.

Although the criteria for determining significant transactions were and are already partly defined indirectly through the structure of delegated powers and particularly by the qualitative and quantitative limits, they were specifically set out in the above procedures for significant transactions, transactions with related parties or in which a director has an interest; these procedures, which have been changed according to the terms explained below, specify the criteria for identifying significant transactions, which include the most significant extraordinary transactions, whose value nonetheless exceeds €3 million, and at the same time, they set out

the procedures for approval of such transactions by the Board or with the prior involvement of third-party experts and the Internal Control Committee.

Lastly, Art. 22 par. 2 of the By-laws makes the governing body responsible, under Art. 2365 of the Italian Civil Code, except where otherwise provided by Art. 2420-ter and Art. 2443 of the Italian Civil Code, for resolutions concerning:

- a) mergers in cases specified in Art. 2505 and Art. 2505-bis of the Italian Civil Code, including for spin-offs under Art. 2506-ter of the Italian Civil Code;
- b) opening or closure of branch offices;
- c) reduction of share capital following shareholder withdrawal;
- d) revision of the By-laws to comply with new regulatory provisions;
- e) transfer of the company's registered office elsewhere within Italy.

Under Art. 24 of the By-laws, the Board of Directors appoints, with the prior obligatory approval of the Board of Statutory Auditors, the Financial Reporting Officer as per Art. 154-bis of Legislative Decree 58/98. The person appointed must have adequate accounting and financial expertise gained in senior management positions in reporting/accounting and/or finance and/or control functions within the Company and/or other public limited companies. The Board of Directors can establish the term of the appointment and may, again with the prior obligatory but non-binding opinion of the Board of Statutory Auditors, revoke the Financial Reporting Officer's appointment and nominate a replacement.

The Board of Directors appointed Mr. Federico Bronzi as Financial Reporting Officer under Art. 154-bis of Legislative Decree 58/98.

During its meetings (particularly that on 24 April 2012, which will be discussed more in detail in par. 2.3) the Board of Directors has approved a corporate governance system in compliance with the foregoing principles and reflected in the current system of delegated powers and proxies.

During its meetings the Board has also examined and approved strategically important transactions and those with a significant impact on the balance sheet, income statement and cash flows of the Company and its subsidiaries.

The Board has also approved the Group's structure and, during the meeting to approve the present report, has positively evaluated the organizational, administrative and general accounting structure of the Company and its strategic subsidiaries; the administrative structure has been examined in various ways, including through the activities of the Control and Risk Committee, and is based on a system of procedures and controls, partly centralized with the Parent company's head office; it is also reported that Dada S.p.A. and its strategic subsidiaries have an internal control and risk system reflected in a series of analyses and procedures.

As confirmed at the meeting to approve the present report, the Board defines strategic subsidiaries as every subsidiary defined in law whose principal business is in the sectors of

internet and communications and whose financial statements must be audited in accordance with the TUF, or every subsidiary defined as strategic by the company's Chairman by virtue of the size of its earnings, balance sheet or cash flows or other particular characteristics of its business. In 2013, the subsidiaries defined as strategic were Register.it Spa, Namesco Ltd, Nominalia Internet SL, Amen France Sas and Moqu Ireland Ltd.

The Board has also established that executive bodies must report at least every quarter on the activities performed in the exercise of the powers delegated to them.

The Board assesses the general operating trend taking into account, in particular, the information received from the corporate bodies, as well as periodically comparing the results received with the budget.

With reference to significant transactions, related party transactions and conflicts of interest, the procedures already applied under the Corporate Governance Code have been confirmed with approval of the specific procedures for completing and executing significant transactions, transactions with related parties or in which a director has an interest.

Consob has adopted, in Resolution no. 17221 of 12 March 2010, as later amended by Resolution no. 17389 of 23 June 2010, a set of "Regulations governing related party transactions" for issuers of listed shares (directly or through their subsidiaries), in order to reflect the new rules aimed at ensuring the transparency and substantive and procedural fairness of such transactions. These regulations are structured around two key areas: rules governing public disclosure, including in relation to transactions independently conducted by subsidiaries, which came into force on 1 December 2010, and procedural rules governing the conduct of related party transactions, which came into force on 1 January 2011. Given these new rules, the Board of Directors has adopted new procedures, based on the Consob Regulations, governing related party transactions and in compliance with the adoption process envisaged by these regulations, procedures that can be found at http://www.dada.eu/files/docs/corporate_governance/ProceduraperladisciplinadellaOperazioniconPartiCorrelate.pdf. With regard to this adoption process, in its meeting on 20 October 2010 the Board of Directors voted to appoint Salvatore Amato, Danilo Vivarelli and Alessandro Foti, by virtue of their status as independent directors, as members of the committee required to express an opinion on the procedures for related party transactions, in accordance with Art. 4 par. 3 of the Consob Regulations. This committee met on 2 November 2010, in the presence of the Board of Statutory Auditors, and expressed a favourable opinion on the proposed procedures for related party transactions, which were then examined and approved by the Board of Directors in its meeting on 8 November 2010; as a result, the previous procedures for completing and executing significant transactions, transactions with related parties or in which a director has an interest have been partially amended and repealed, so that only the part relating to significant transactions or transactions in which a director has an interest still remain in force. These procedures also serve to guide the conduct of every subsidiary, to the extent applicable. More details about the new procedures can be found in the subsequent section on "Directors' interests and related party transactions".

On 24 April 2012, new members of the Related Party Transactions Committee were appointed: Vincenzo Russi (Chairman), Stanislao Chimenti and Alessandro Foti. On 2 July 2013,

Alessandro Foti resigned for personal reasons from all positions held in Dada S.p.A.. He was replaced as new member of the Committee for Related Party Transactions by Maria Oliva Scaramuzzi, former director of the Company.

With regard to the maximum number of other appointments which each director of Dada S.p.A. may hold in companies listed on regulated markets or whose shares are listed on regulated markets (including overseas), or in financial, banking, insurance or other large companies, the Board has carefully evaluated the limits that are compatible with effectively performing the duty of director.

Further to this evaluation, it was decided to introduce a limit on the maximum number of other appointments that each director of Dada S.p.A. could hold in companies listed on regulated markets or whose shares are listed on regulated markets (including overseas), in financial, banking, insurance or other large companies, and which takes account of the role covered by the director and whether or not the companies involved are members of the Dada Group or otherwise. The limits introduced have not given rise to any problems or incompatibilities with the offices effectively held by directors of Dada S.p.A..

Firstly, acceptance of any office by the Company directors implies their prior assessment of the possibility of dedicating the time required to diligently perform the important duties assigned to them and the resulting responsibilities, taking also into account the commitment to their own work and professional activities.

In detail, no executive director of Dada may hold any other executive director positions in other large companies (as listed above), but are permitted to hold up to seven appointments as non-executive director, including as independent director, or standing statutory auditor (or member of another supervisory body) of large companies.

Every Dada non-executive director is permitted to hold up to 5 executive directorships in other companies listed on regulated markets as specified above, and up to 12 non-executive directorships.

It must be noted however that the Board of Directors, on 11 December 2012, while taking into account guideline 1.C.3. of the Corporate Governance Code as amended in December 2011, requesting Directors to carefully assess the possibility of appropriately performing their duties in light of their participation in the Committees established under the Corporate Governance Code, decided to confirm the above mentioned calculation guideline.

A number of exceptions apply to these rules:

- appointments held within the Dada Group or in direct or indirect subsidiaries of Dada S.p.A. are not calculated;
- appointments held in parents, subsidiaries or companies under common control with the company are treated like a single appointment.

Lastly, it should be noted that these limits are not mandatory since the Board of Directors has reserved the right to make exceptions to such limits through adoption of a justified resolution.

After examining the proposals of the Compensation Committee and consulting the Board of Statutory Auditors, the Board has also determined, as better described in the rest of this report, the remuneration of the Chairman and the Chief Executive Officer, as well as dividing the overall compensation for directors approved by the General Meeting between the individual Board members. Chairman Khaled Bishara and Directors Karim Beshara, Aldo ~~Mereuse~~Mareuse, Sophie Sursock, Abdel Meguid Hanan, Antonio Converti, as well as Maurizio Mongardi, have decided to waive their emoluments as proposed by the Shareholders' Meeting from their appointment.

In accordance with the By-laws, the Board of Directors meets at least once every quarter, also to inform the Board of Statutory Auditors on the activities undertaken and on the most important economic and financial transactions carried out by the Company or its subsidiaries, and to report on any transactions involving potential conflicts of interest or that are influenced by any entity that exercises direction and coordination over the Company.

The frequency of Board meetings must ensure consistent exercise of all the powers delegated by the Board of Directors to the Executive Committee, if formed, to Executive Directors, to General Managers and to individual special proxies.

In 2013, the Board of Directors held 10 meetings; at the date of preparing this document, the Board of Directors held no meeting in 2014, while it plans to meet at least four times this year; the By-laws establish that the Board shall meet at least on a quarterly basis. The attendance record of each director at meetings is presented in table 1 appended to this report.

Under guideline 1.C.5. of the Corporate Governance Code, the Board of Directors has established that all members of the Board of Directors be provided, with three days' notice before Board meetings, except in the event of necessity and urgency, with the relevant documentation and information - including through full and detailed notes on the items on the agenda - to allow them to express themselves on an informed basis about the matters being examined, in compliance with Art. 20 (b) of the By-laws. This deadline is usually complied with.

2.2. Rules applying to appointment and replacement of Directors

Under the Corporate Governance Code, the Board of Directors shall establish a Nominations Committee, the majority of whose members are independent directors. The Nominations Committee shall submit opinions to the Board of Directors on the size and composition of the Board and, where appropriate, make recommendations on the professional figures whose presence on the Board is deemed appropriate, and on the items set out in Articles 1.C.3 and 1.C.4 of the Code of Corporate Governance of Listed Companies;

b) submit proposals to the Board on candidates to the position of director in the event of co-option and, if necessary, replace independent directors.

Under the Corporate Governance Code of Listed Companies, the Board of Directors shall also assess whether to adopt a succession plan for executive directors. In the event such plan has been adopted, the Issuer shall provide disclosure in the Report on Corporate Governance.

The review on the preparation of the plan shall be carried out by the Nominations Committee or by another committee established within the Board of Directors in charge of this task.

The By-laws, as last revised on 25 October 2013, establish in Art. 19 that the Company shall be governed by a Board of Directors, comprising a minimum of 3 up to a maximum of 15 members appointed, including from non-shareholders, by the General Meeting which decides its size on each occasion.

Members of the Board of Directors remain in office for three years, with their mandate expiring on the date of the General Meeting that approves the financial statements for their last year in office, or for a period decided by the General Meeting in compliance with Art. 2383, par. 2 of the Italian Civil Code.

The directors must satisfy the requirements of current legal regulations and of the By-laws and are eligible for re-election. In addition, a certain number of directors, in any case not less than the legal minimum, must qualify as independent, as defined in Art. 148 par. 3 of Legislative Decree 58/1998. In the meeting held on 11 December 2012, the Board did not deem it appropriate to adopt a succession plan for executive directors.

The Board of Directors is appointed by the General Meeting on the basis of voting lists presented by shareholders who own at least 2.5% of subscribed share capital at the date of presenting the list or such lower percentage established by statutory and regulatory provisions. Each list must contain a number of candidates qualifying as independent, as defined in law, corresponding to at least the minimum required by applicable legislation.

The lists for the appointment of the Board of Directors may also be filed via fax or electronically by sending an e-mail to the Company's certified e-mail address. In the event lists are filed via fax or electronically, they must be accompanied by a copy of the filers' valid identification.

The By-laws do not require that in order to qualify as a director, candidates meet qualifications as independent other than those established for Statutory Auditors pursuant to Art. 148 TUF, and/or integrity and/or professional background, including with regard to the code of ethics prepared by companies managing regulated markets or sector associations.

Lists that contain three or more candidates must also include candidates of both genders, so that the less represented gender has a number of candidates corresponding at least to the minimum required by law (rounding any fractions up to the next whole number), such as to allow a composition of the Board of Directors in accordance with prevailing laws on gender equality.

The Company is not subject to other norms and regulations relating to the composition of the Board, with the exception of the rules set by Borsa Italiana regarding the STAR segment.

The lists of candidates for the office of director, accompanied by comprehensive information on the personal details and professional qualifications of the candidates, accompanied by any

statements of their eligibility to qualify as independent directors in the sense of the Code, are filed at the Company's registered office at least 25 days before the date set for the General Meeting. The lists, accompanied by the candidates' details, are promptly published on the Company's website. The directors are elected as follows:

a) all the directors, based on the size of the Board established by the General Meeting, except for the minimum number reserved by law to the minority list, are taken from the list obtaining the majority of votes, in the sequential number order in which the candidates appear therein;

b) the minimum number of directors reserved by law to the minority list are elected, in sequential number order, from the list which obtained the second highest number of votes and which is not connected, either directly or indirectly, with the list in a) or with the shareholders who submitted or voted for the list in a).

For the above purposes, any lists which fail to obtain a percentage of votes equal to at least half of the percentage required to submit such lists, are not taken into account.

If only one list is presented, or no lists at all, or if the list voting mechanism does not ensure the election of the legal minimum number of directors under the By-laws, the General Meeting appoints the Board of Directors or additional members to make up its number in accordance with the legally required majority.

Under these procedures, should the composition of the Board of Directors fail to comply with:

- the laws governing gender equality, the candidate/s lacking such requirements and elected last in sequential number order in the list which obtained the highest number of votes, as referred to in letter a) above shall be replaced by the first candidate/s, based on the respective sequential order number, of the less represented gender unelected in the same list, or should this fail to suffice for any reason, from lists that have obtained the next highest number of votes, starting with the one referred to in letter b) above, and continuing with the following in decreasing order of number of votes obtained;

- the appointment of a number of directors who meet the independence requirements set out in Art. 148, par. 3 of Legislative Decree no. 58/1998, equal to the minimum amount required by law regarding the total number of directors, the candidate/s lacking such requirements elected last in sequential number order in the list which obtained the highest number of votes, as referred to in letter a) above, shall be replaced by the first candidate/s, based on the respective sequential order number, meeting such requirements unelected in the same list or, should this fail to suffice for any reason, from lists that have obtained the next highest number of votes, starting with the one referred to in letter b) above, and continuing with the following in decreasing order of number of votes obtained.

If, during the financial year, one or more directors should leave office, the By-laws allow the Board of Directors to replace them, under Art. 2386 of the Italian Civil Code, by adopting resolutions, approved by the Board of Statutory Auditors, as follows:

a) the Board of Directors replaces the outgoing director with someone from the same list, with this appointment confirmed by majority vote of the General Meeting;

b) if this list contains no unelected candidates, or candidates with the required qualifications, or if, for whatever reason it is not possible to proceed in accordance with a), the Board of Directors makes the replacement, which will be subsequently approved by the General Meeting, voting with the legally-required majority and without list voting.

In relation to the present point, it should be noted that in its meeting of 9 May 2006, the Board exercised a right included in the Corporate Governance Code, and voted not to re-elect a Nominations Committee, also in view of changes in the Company's ownership structure. The Corporate Governance Code of Listed Companies still recognizes that this committee is usually formed in companies with widely held shares, in order to ensure a suitable degree of director independence with respect to management, and that it plays an important role in identifying candidates for the office of director in companies with a wide shareholder base.

However, the Corporate Governance Code, as amended in December 2011, acknowledges also for issuers characterized by a high level of proprietary concentration, that the Nominations Committee may perform a useful consultative and advisory role in the identification of the best composition of the Board, indicating the professional figures whose presence may favour correct and effective operation, also giving their contribution to the preparation of the succession plan of executive directors.

The Board of Directors, in the meeting held on 24 April 2012 (and on 11 December 2012 and 19 March 2014) confirmed, however, the decision taken in 2006 not to establish a Nominations Committee, given that the Board is formed of an appropriate number of directors, with a significant presence of independent directors, under the Corporate Governance Code of Listed Companies, and is therefore in a position to ensure that the review and decision-making tasks performed by the Committee can be duly performed within the Board.

2.3. Composition of the Board of Directors

The current Board of Directors of Dada S.p.A. was appointed by the shareholders during the General Meeting held on 24 April 2012. It has the 13 members in the chart below, whose term of office expires at the General Meeting to approve the financial statements for the year ended 31 December 2014. Mention must be made that the General Meeting held on 24 April 2012 appointed two new directors, Maria Oliva Scaramuzzi and Silvia Michela Candiani. Alberto Bigliardi, Salvatore Amato and Matteo Novello, instead, were not re-elected and therefore vacated their position as directors of Dada S.p.A. on such date.

The Annual General Meeting also confirmed Alberto Bianchi as Director of the Company - subsequently appointed him Chairman of the Board of Directors of the Company in the meeting of the Board of Directors held on 24 April 2012 - and also passed a resolution to exempt the Directors from the non-compete obligations under Art. 2390 of the Italian Civil Code. The Board intends to assess any such situations individually and report on any problem areas during the next meeting of the shareholders indicating any instances examined by the Board and those submitted to shareholders during the year.

Specifically, at the Shareholders' Meeting on 24 April 2012, only one list was filed with the Company, containing the above 13 candidates to the position of Director, submitted by

shareholder RCS Mediagroup S.p.A., owner of a total of n. 8,855,101 Dada S.p.A. shares, or 54.63% of the ordinary share capital. Together with the list, for each candidate, all the documentation required by law, regulations and by-laws for the members of the Board of Directors was filed. The Shareholders' Meeting on 24 April 2012 resolved on the appointment of the persons contained in the list with the favorable vote of shareholders owning n. 8,855,110 ordinary shares and the dissenting vote of five shares.

At the meeting of the Board of Directors on 24 April 2012, Director Claudio Corbetta was appointed Managing Director and General Manager, and the Company granted him powers over all areas, with the authority to sign a maximum of € 1,000,000 per individual transaction and with the authority to grant third parties power of attorney, while with regard to f)2 he was granted the power to represent the Company with single signature up to a maximum of € 3,000,000 per individual transaction.

The meeting also appointed Director Lorenzo Lepri General Manager and Chief Financial Officer of the Company, granting him, through power of attorney of the Company, replaced on 20 December 2013 by equal powers in nature and amount directly delegated by the Board, signatory powers up to a maximum limit of €500,000 per single transaction in the following areas: market and investor relations; control, administration, finance and tax; procurement, resources, logistics and offices; legal affairs and disputes; mergers & acquisitions; strategic planning.

The meeting also resolved to identify as executive directors of the Company, pursuant to the Corporate Governance Code, Managing Director and General Manager Claudio Corbetta, and General Manager and CFO Lorenzo Lepri.

On 6 February 2013, Director Monica Alessandra Possa resigned from the Board with immediate effect. On 22 February 2013, the Board of Directors co-opted Maurizio Mongardi as new director of Dada S.p.A.. On 21 February 2013, Director Riccardo Stilli resigned as Director of the Company effective 1 March 2013.

On 11 April 2013, the Shareholders' Meeting of Dada S.p.A. confirmed Director Mongardi and appointed Riccardo Taranto as new director following the resignation of Riccardo Stilli.

On 2 July 2013, Director Alessandro Foti resigned with immediate effect from his position as Director of the Company, member of the Control and Risk Committee, Committee for Related Party Transactions and the Compensation Committee,

On 7 August 2013, following the sale by RCS MediaGroup S.p.A. of its majority shareholding to Libero Acquisition S.à.r.l., and following the resignation of directors: Alberto Bianchi (also from the position of Chairman), Silvia Michela Candiani, Giorgio Cogliati, Riccardo Taranto and Claudio Cappon, the Board of Directors of the Company co-opted six new directors: Khaled Bishara, Karim Beshara, Antonio Converti, Hanan Meguid, Aldo Mareuse and Sophie Sursock. The Board also appointed Khaled Bishara as Chairman of the Board of Directors.

| Members of the Board of Directors | |
|--------------------------------------|---|
| Name and Position | Place and date of birth |
| Khaled Bishara (Chairman) | Cairo (Egypt) 27/07/1971 |
| Claudio Corbetta (CEO) | Monza (MB), 01/08/1972 |
| Lorenzo Lepri (GM and CFO) | Rome 11/12/1971 |
| Karim Galal Guirgis Beshara | Cairo 30/07/1974 |
| Maria Oliva Scaramuzzi | Florence 23/10/1957 |
| Antonio Converti | Catanzaro 10/05/1955 |
| Hanan Mohamed Taiser Abdel Moquid | Cairo 10/11/1970 |
| Rodolphe Aldo Mario Mareuse | Boulogne-Billancourt (France) 11/02/1964 |
| Sophie Sursock | Paris 07/11/1979 |
| Vincenzo Russi | Lanciano (CH) 01/01/1959 |
| Maurizio Mongardi | Imola (BO) 29/03/1964 |
| Stanislao Chimenti | Rome, 19/04/1965 |
| Danilo Vivarelli | La Spezia 06/06/1964 |

Under application guideline 1.C.1. i) of the Corporate Governance Code, here are the professional profiles of the members of the Board of Directors with length of service from their first appointment:

Alberto Bianchi: lawyer, has complemented his legal profession with assignments as provisional liquidator for many joint-stock companies, some listed on the stock exchange (Finanziaria Ernesto Breda S.p.A), and as chief executive officer of companies of national relevance (such as RAI New Media S.p.A). In 2007 he was appointed member of the Board of Arbitrators of Confindustria Firenze. In 2010 he was appointed member of the Watchdog Board of Regione Toscana. He is currently member of management boards and boards of statutory auditors of numerous companies, such as Dada S.p.a as Chairman of the Board of Directors, Terna S.p.A., and in associations and foundations such as Fondazione Teatro del Maggio Musicale Fiorentino.

He was member of the Board of Directors of Dada S.p.A. from 21/4/2011, when he was appointed Chairman of the Board, up to 7 August 2013.

Khaled Bishara: currently managing partner of Accelero Capital. Prior to that, he served as Group President and Chief Operating Officer of VimpelCom Ltd. and as Group Executive Chairman of Orascom Telecom Holding S.A.E. and Chairman of Wind Telecomunicazioni S.p.A.. As such, he led a great deal of transactions, and reorganized and developed these companies. He boasts vast experience in the telecom and IT fields, combined with an equally important management and entrepreneurial experience. Before joining Wind Telecomunicazioni S.p.A., in 2005 he was co-founder, Chairman and CEO of LINKdotNET one of the leading Internet Service Providers in the Middle East. In 2001, Microsoft chose to become partner of LINKdotNET. Chairman Bishara holds senior positions in IT and telecom companies operating at an international level.

He was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Claudio Corbetta: a graduate in mathematics, in 1994 started his professional career in the Strategic Services Division of Andersen Consulting (now Accenture). From 1998 to 2000, he worked at McKinsey&Company dealing with a number of projects in the banking and telecommunications fields. In 2000 he joined the Dada Group as SME Business Unit Director. In 2002 he was appointed to his current position of Chief Executive Officer of Register.it S.p.A.. He was later appointed Chief Executive Officer of Register.it subsidiaries. In 2011 he was also appointed Chief Executive Officer of Dada S.p.A.

He was appointed member of the Board of Directors of Dada S.p.A. on 22/9/2011

Lorenzo Lepri: a graduate in business administration, from 1996 to 2000 he worked with Mediobanca dealing with extraordinary finance transactions, and reached the position of deputy director of the Financial Department. In 2000 he joined the Dada Group, holding roles of increasing responsibility to reach his current position of General Manager and Chief Financial Officer.

He was appointed member of the Board of Directors of Dada S.p.A. on 11/4/2003.

Antonio Converti: a graduate in computer science from the University of Pisa, he began his career at Olivetti, where he was involved in R&D and attended management training programs. He has focused his career ever since 1995 on the Internet world, firstly at Italia Online, where he created the Arianna search engine, then at Wind, where he managed the start-up of the Internet division. He was involved for one year in the start-up of 3 Italia and then returned to Wind to hold various top management positions. In 2011, he managed the spin-off from Wind of the Libero portal and of the Itnet service provider. A year later, he finalized the acquisition of Matrix from Telecom Italia with the birth of the new Italiaonline, the leading Internet player in Italy.

He was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Silvia Michela Candiani: a graduate in business administration, she started her professional career at McKinsey&Company where she managed a number of strategic and organizational projects for leading Italian and multinational companies. In 1999 she joined Omnitel (later Vodafone), where she held various sales and marketing responsibilities becoming Marketing

Director in 2002. In 2010 she joined Microsoft Italia as Manager Consumer & Online and in 2011 was Marketing and Operations Director.

She was member of the Board of Directors of Dada S.p.A. from 24/4/2012 to 7 August 2013, when her resignation became effective.

Hanan Mohamed Taiser Abdel Meguid is CEO of OTVentures, wholly owned by Orascom Telecom and founded to deliver digital solutions to the mobile and online fields, operating in over seventeen countries. In 1996, he served as Chief Solution Officer at Linkdotnet, an Internet Solutions provider in Egypt. He was also CEO of Link Development, born of a spinoff from Linkdotnet. Hanan boasts over 25 years of experience in the IT world and is involved in many projects in Egypt to help develop new young talent. He is member of many business and academic associations in Egypt.

He was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Claudio Cappon: a graduate in economics, he held for many years senior positions in management control at IRI (Istituto per la Ricostruzione Industriale). In 1994 he was put in charge of industrial activities at FINTECNA, becoming Chief Executive Officer in 1996. In 1998 he joined RAI, initially as Deputy General Manager, then as General Manager until 2001. In 2002, he was appointed General Manager and Chief Executive Officer of CONSAP until 2006, when he was re-appointed General Manager of RAI, a position he held until 2009. In the same year he was appointed Vice President of the UER (European Broadcasting Union). He is currently member of the Board of Directors of Dada S.p.A. and Chairman of RAI World S.p.A.

He was member of the Board of Directors of Dada S.p.A. from 27/7/2009 to 7 August 2013, when his resignation became effective.

Stanislao Chimenti Caracciolo di Nicastro: a lawyer, he has always practiced the legal profession and is author of many scientific publications on trade and bankruptcy law. He was member of numerous institutional study commissions set up to prepare reform projects on the special administration of large companies in crisis and on bankruptcy law and related institutions. He is currently member of the Board of Directors of Dada S.p.A. and of Nucleco S.p.A.

He was appointed member of the Board of Directors of Dada S.p.A. on 8/11/2010

Rodolphe Aldo Mario Mareuse: a graduate in engineering from Ecole Centrale de Lyon, he is currently Managing Partner of Accelero Capital. From 2002 to 2011 he was CFO of Orascom Telecom Holding S.A.E. and of Wind Telecom S.p.A., leading major financial transactions: project finance, private equity restructurings, convertible bonds, etc.. Before joining Orascom, Aldo Mareuse held senior positions in the investment banking division of Credit Suisse First Boston in Paris, London and New York. As Managing Director and Co-founder of the Wireless sector in Europe of the aforementioned company, he was consultant in strategic acquisitions and capital market restructurings for the top European telecom operators. He was board member of various European companies and in 2011 was named "Telecom CFO of the Year" by World Finance.

He was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Giorgio Cogliati: lawyer, during his career, he practiced with various law firms and in the Legal Department of Benetton Group S.p.A., Telecom Italia Group and Manuli Rubber Industries S.p.A., dealing mainly with corporate law and listed companies. In 2001, he joined the Legal Department of RCS MediaGroup S.p.A. where he is currently Corporate Affairs Director as well as Secretary of the Board of Directors.

He was member of the Board of Directors of Dada S.p.A. from 23/4/2009 to 7 August 2013, when his resignation became effective.

Alessandro Foti: a graduate in economic and social disciplines, from 1996 to 2002, he worked in London with Lehman Brothers International as Chief Executive Officer, dealing with Mergers and Acquisitions, then with Media&Telecom. In 2002, he joined UBS Corporate Finance (Italia), remaining until 2007 as Chief Executive Officer, then as Vice-Chairman. In 2007, he was appointed General Manager and Chief Executive Officer of Euraleo, dealing with private equity investments, and board member of Intercos and Sirti. In 2009 he was appointed Vice-Chairman of Ferretti S.p.A., a position he still holds together with the position of independent director of Dada S.p.A. and of Camfin. In 2011 he was appointed member of the management board of Banca Popolare di Milano.

He was member of the Board of Directors of Dada S.p.A. from 23/4/2009 to 2 July 2013, when his resignation became effective.

Sophie Sursock: a graduate from the Paris Graduate School of Management, since November 2011 she has served as VP and Equity Holder at Accelero Capital. Prior to that, she was Corporate Finance Manager at Orascom Telecom (Weather Investments) and before that Senior M&A analyst with Deloitte Corporate Finance in Paris.

She was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Karim Galal Guirgis Beshara: a graduate from the American University in Cairo (Bachelor of Arts in Business Administration), since June 2012 he has served as CEO of Orascom Telecom Media&Technologies. Prior to that he was CEO of Linkdotnet, the major service provider in the Middle East, where he held senior positions in business development, sales, commercial activities, etc... He followed the merger of Linkdotnet in Mobinil, the leading mobile player in Egypt.

He was appointed member of the Board of Directors of Dada S.p.A. on 7 August 2013.

Monica Alessandra Possa: a graduate in economic and social disciplines, she worked from 1990 to 1993 at Gemini Consulting as Senior Analyst. Until 1998 she was Recruitment Director at Boston Consulting Group (Milan). In 1999 she joined Omnitel (later Vodafone), where she held senior positions of increasing responsibility in the HR Department. In 2004 she became HR and Organization Director of RCS MediaGroup, a position she currently holds together with her role as member of the Board of Directors of Dada S.p.a., and of Unidad Editorial S.A., a subsidiary of the RCS Group.

She was member of the Board of Directors of Dada S.p.A. from 27/7/2007 to 6 February 2013, when her resignation became effective.

Vincenzo Russi: a graduate in computer science, he has been working in the ICT business for the past 30 years, author of numerous publications on technology and business, during his career he has dealt with numerous technology projects, leading a research team of international prominence and creating application solutions for a wide range of markets. He worked at Olivetti Solution holding business line responsibilities. In 1997 he joined Ernst&Young (E&Y) becoming Partner in 1999 of E&Y Consultants and Vice-Chairman of Cap Gemini E&Y. Until 2002, he held top management positions in the Fila Group. He was later involved in management consulting and in corporate operational and strategic management and set up new businesses. In 2002 he joined CEFRIEL as Chief Technology Officer becoming General Manager in 2005, the position he holds today. In 2010, he assisted leading Italian publishers (RCS, Messaggerie Italiane and Feltrinelli Group) in the establishment of Edigita, the company specialized in the development of the digital book market. He is member of the Board of Directors of Dada S.p.A., and of CEFRIEL Usa Inc, and Vice-Chairman of Nesting s.c. a r.l., and member of Consorzio Universitario Poliedra of the Milan Polytechnic.

He was appointed member of the Board of Directors of Dada S.p.A. on 23/4/2009.

Maria Oliva Scaramuzzi: a graduate in biology, entrepreneur, in her professional career she has dealt with various business projects, specializing in the organization of congresses, trips and events. Since 2000, she has held numerous senior positions in cultural committees and associations in the Florence area.

She was appointed member of the Board of Directors of Dada S.p.A. on 24/4/2012.

Riccardo Stilli: a graduate in economics, public accountant and auditor, from 1988 to 1999 he was partner of PriceWaterhouseCoopers. He later joined Prada S.p.A as Chief Financial Officer. In 2005 he was appointed Chief Financial Officer of the RCS Group, becoming the Financial Reporting Manager and Deputy General Manager in 2009. He is currently member of the Board of Directors of Dada S.p.A. and of many companies belonging to RCS MediaGroup S.p.A.

He was member of the Board of Directors of Dada S.p.A. from 9/11/2006 to 21 February 2013, when his resignation became effective.

Danilo Vivarelli: a graduate in information science, he started his career at Marconi, where he dealt with marketing and product development in the IT systems division. In 1997, he joined Omnitel (now Vodafone), as Business Development Manager and Marketing Manager for value added services. In 2000, he joined Fastweb (former Gruppo e.Biscom) dealing with the launch and development of TV services; he later held positions of increasing responsibility becoming in 2007 Strategy Director and currently Consumer&Microbusiness Business Unit Director, and member of the steering committee of Fastweb.

He was appointed member of the Board of Directors of Dada S.p.A. on 21/4/2006.

Riccardo Taranto: a graduate in Business Administration from the Bocconi University of Milan. He is currently Chief Financial Officer of the RCS Group and since September 2013 has held the position of CEO of RCS Sport S.p.A.. Prior to that, he served as Chief Financial Officer of Prelios and worked for 9 years in Telecom Italia S.p.A., where he held positions of responsibility in administration and control, including those of Group Controller and Chief

Accounting Officer, reaching the position of Group Compliance Officer. Before that, he worked at Cisco Systems, Pirelli, Roche, Alivar and Honeywell Information Systems Italia.

He was member of the Board of Directors of Dada S.p.A. from 11 April 2013 to 7 August 2013.

Maurizio Mongardi: a graduate in Business Administration in 1989 from Università Commerciale "Luigi Bocconi" of Milan. He joined RCS MediaGroup S.p.A. on 3 December 2012 as HR and Organization Director. He began his career at IPSOA - Business School as a manager of business management training programs. In 1992 he joined Sony Italia as Head of HR Selection, Training and Development. In 1995 he moved to Koln (Germany) at the European Headquarters of Sony as Compensation & Benefits Manager. Two years later, he returned to Italy as HR Director at Sony maintaining the policy oversight of Employee Benefits for the entire Sony Group in Europe. In January 2000 he left Sony to join the Italian multinational Fila Sport (sports clothing and footwear), at the time part of HdP Group, where he served for 4 years as Vice President, Group HR & Organization. In 2004, he joined the De'Longhi Group where for two and a half years he was Group HR & Organization Director. In 2006, he joined Wind Telecomunicazioni (initially Orascom Group then since 2011 part of the VimpelCom Group) as HR Director, where he worked for 6 years.

He was appointed member of the Board of Directors of Dada S.p.A. on 11 April 2013.

Mention must be made that the other information regarding the provisions of application guideline 1.C.1. i) of the Corporate Governance Code is found in the table 1 below.

The executive directors report during Board meetings on the most important activities performed in relation to the powers delegated and on the most important activities undertaken by the Company and its subsidiaries in a timely matter, both periodically and in general when said meetings are held to approve targets, budgets and preliminary figures.

In compliance with the requirements of Art. 1.C.2 of the Corporate Governance Code, the most significant positions held by members of the Board of Directors of Dada S.p.A. at 31 December 2013 (including therefore appointments in other listed companies and in financial, banking, insurance and other large companies) are listed below.

Directors Lepri, Corbetta, Russi, Vivarelli, Mongardi, Scaramuzzi, Mareuse, Chimenti, Hanan, Sursock and Converti declare that, as at 31 December 2013, they held no significant positions in other listed companies and in financial, banking, insurance and other large companies. Instead, Chairman Khaled Bishara serves as Director of Orascom Telecom Media and Technology Holding S.A.E. and Egyptian Company for Mobile Services S.A.E., both listed on the Egyptian Stock Market, and Director Karim Beshara serves as CEO of Orascom Telecom Media and Technology Holding S.A.E.

The Board of Directors has expressed, and confirmed with the approval of the present report, a positive evaluation concerning its size, composition and operation. The Board has completed the annual self-assessment of its size, composition and operation and that of its sub-committees.

Toward this end, the Board of Directors used a questionnaire that contains questions to assess the operation, size and composition of the Board and its committees, considering elements such as experience, including management experience, professional qualifications, gender of its members and length of service. At the end of the questionnaire, each Director included a short self-assessment.

The directors' responses to this questionnaire were then examined by the Control and Risk Committee, which brought them to the attention of the Board during the meeting on 19 March 2014.

The Committee acknowledged that the answers given by the directors were largely positive and did not reveal any disparities with the Corporate Governance Code of Listed Companies. Regarding this section, reference should also be made to table 2 below.

3. Independent Directors

The Corporate Governance Code states that an adequate number of non-executive directors must be independent, in the sense that they do not maintain, nor have recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to it, such as to influence their independence of judgment.

The Board of Directors must evaluate directors' independence following their appointment and on an annual basis. The results of the Board's evaluation must be disclosed to the market.

Art. 3 of the Corporate Governance Code recommends that the Board of Directors should have an adequate number of independent directors and requires the Board of Directors to evaluate the independence of its non-executive members, placing more emphasis on substance rather than form and bearing in mind that a director is usually not regarded as being independent in the following circumstances:

- a) if he/she controls, directly or indirectly, the issuer also through companies under their control, trustees or through a third party, or is able to exercise a significant influence over the issuer, or participates in a shareholder agreement under which one or more persons may exercise control or significant influence over the issuer;
- b) if he/she is, or has been in the preceding three financial years, a top representative of the issuer, of a strategically important subsidiary, or of a company under the same control as the issuer, or of a company or entity which, including jointly with others through a shareholder agreement, controls the issuer or is able to exercise over the same a significant influence;
- c) if he/she has, or had in the preceding financial year, directly or indirectly (e.g. through companies under their control or companies of which he/she is a top representative, or in a capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:
 - with the issuer, one of its subsidiaries, or any of its top representatives;
 - with a party who, jointly with others through a shareholder agreement, controls the issuer, or
 - in the case of a company or an entity - with the related top representatives; or is, or has been in the preceding three financial years, an employee of one of the aforementioned parties; with

- a party who, jointly with others through a shareholder agreement, controls the issuer, or - in the case of a company or an entity - with the related top representatives; or is, or has been in the preceding three financial years, an employee of one of the aforementioned parties;
- d) if he/she receives, or has received in the preceding three financial years, from the issuer or one of its subsidiaries or parent companies, significant additional remuneration apart from the "fixed" fee as a non-executive director of the issuer, and from remuneration for the participation in committees recommended by the Corporate Governance Code, including participation in performance-related incentive schemes, including equity-settled ones;
- e) if he/she has been a director of the issuer for more than nine years in the last twelve years;
- f) if he/she is an executive director of another company in which one of the issuer's executive directors is a director;
- g) if he/she is a shareholder or director of a company or entity belonging to the same network as the firm appointed to audit the issuer's financial statements;
- h) if he/she is a close relative of a person fitting the description contained in any of the above points.

The Board of Directors of Dada S.p.A. appointed by the General Meeting on 24 April 2012 had seven independent directors (Maria Oliva Scaramuzzi, Silvia Michela Candiani, Claudio Cappon, Alessandro Foti, Vincenzo Russi, Danilo Vivarelli, and Stanislao Chimenti). Following the acquisition by Libero Acquisition S.à.r.l. of the majority shareholding previously held by RCS MediaGroup S.p.A. on 7 August 2013 and the resignation of the directors mentioned in paragraph 2.3., the current Board of Directors includes four independent directors (Maria Oliva Scaramuzzi, Vincenzo Russi, Danilo Vivarelli and Stanislao Chimenti) who have stated that they qualify as independent directors under the new edition of the Corporate Governance Code, under Art. 148 par. 3 of Legislative Decree 58/1998 and under the regulations of Borsa Italiana applying to the Company; the Board of Directors, pursuant to principle 3.P.2. of the Corporate Governance Code, in its meeting held on 24 April 2012, following their appointment in the General Meeting, confirmed that these directors qualified as independent. The Board disclosed the results of its assessments with a press release to the market. Both during financial year 2013 and at the date of approving of this report, the number and expertise of the current independent directors, (identified at the date of approving of this report as Maria Oliva Scaramuzzi, Vincenzo Russi, Danilo Vivarelli, and Stanislao Chimenti), have been judged as appropriate by the Board of Directors, both in relation to the regulations of Borsa Italiana and in relation to the formation of committees in compliance with the Corporate Governance Code of Listed Companies for the purposes of assuring adequate independence of judgment.

The independent directors met during the year in the absence of the other directors.

The positive evaluation of directors' independence, in light of their statements under the corporate governance code and of information held by the Company, is repeated each year with the approval of this report by the Board.

In 2013, the Board of Statutory Auditors verified that the assessment criteria and procedures adopted by the Board to evaluate the independence of its members were properly applied and reported the results in its report to the General Meeting.

4. Chairman of the Board of Directors

The role of the Chairman of the Board of Directors outlined in the Corporate Governance Code is fundamental to ensuring efficient operation of the Board and efficient corporate governance: in fact, he/she is responsible for the operation of the Board, and sees to informing the directors and auditors on the documents regarding the items on the agenda in the time set and indicated in this report.

The Chairman of the Board of Directors, also on request of one or more directors, may request to the chief executive officers that managers and officers of the Company and those of the companies of the Group, according to their respective responsibilities, attend the meetings of the Board to provide the appropriate and detailed explanations regarding the items on the agenda.

According to the By-laws of Dada S.p.A., the Chairman of the Board of Directors is the company's legal representative, calls General Meetings, which he/she chairs, verifying the proper convocation of such meetings and the procedures for voting. The Chairman also calls Board meetings and establishes the agenda, ensuring that all directors receive in the time set (compatible with the need for confidentiality, and the urgency and nature of the resolutions) the documentation and information needed to be able to decide in an informed fashion.

In 2013, from 1 January 2013 to 7 August 2013, the Chairman of the Board of Directors was Alberto Bianchi, appointed for the first time in 2011. His term of office, as well as the term of all the other directors, expired with the approval of the financial statements for the year ended 31 December 2011. The General Meeting held on 24 April 2012 confirmed Alberto Bianchi as Chairman of the Board of Directors.

In keeping with the past, Alberto Bianchi was not vested with operational powers nor assumed any operational or strategic role. As the Chairman cannot be viewed as the principal and effective manager in charge of running the business, and since the position of Chairman is not held by the person controlling the Issuer, it was decided not to appoint a Lead Independent Director.

On 7 August 2013, following the resignation of Alberto Bianchi from his position as director and Chairman of the Board of Directors, Khaled Bishara was co-opted by the Board of Directors as a director and was then appointed Chairman. These positions expire with the AGM called to approve the financial statements for the year ended 31 December 2013.

Khaled Bishara was not vested with operational powers nor assumed any operational or strategic role. As the Chairman cannot be viewed as the principal and effective manager in charge of running the business, and since the position of Chairman is not held by the person controlling the Issuer, it was decided not to appoint a Lead Independent Director.

5. Treatment of price-sensitive information

To ensure the appropriate management of corporate information, the Board of Directors, upon proposal of the Chief Executive Officer or of the Chairman of the Board of Directors, adopts a procedure for the internal management and disclosure to third parties of documents and information regarding the Company, with particular regard to price-sensitive information.

The Chairman and Chief Executive Officer, together with the executive directors, ensure that corporate information is correctly managed; accordingly, the Board of Directors has implemented the recommendations of the Corporate Governance Code, and on 11 November 2006 adopted, in place of the previous procedures, new procedures to govern the internal management and external publication of "confidential information", and particularly "price-sensitive information", relating to Dada S.p.A., all its subsidiaries and/or financial instruments issued; the purpose of these procedures is to prevent non-compliance with legal obligations concerning public disclosure and market abuse and manipulation and to ensure that such information is managed internally in an adequate and confidential manner and is disclosed externally on a timely, complete and accurate basis; such procedures identify those persons entitled to handle confidential information and the criteria for its publication; these procedures were updated, mainly to reflect a number of organizational changes, at the Board meetings held on 2 December 2010, 12 December 2011 and 30 July 2013. These procedures also serve to guide the conduct of every subsidiary, to the extent applicable; in addition, the procedures are connected with internal procedures, also adopted by the Board and updated in the meeting held on 12 December 2011, to create, maintain and update a register of persons with access to price-sensitive information in accordance with Art. 115-bis of TUF and with Art. 152-bis et seq of the Issuer Regulations.

Internal dealing

On 16 March 2006, the Board of Directors of Dada S.p.A. adopted a Code of Conduct for transactions in Dada shares and related financial instruments, as subsequently amended on 11 May 2007 and on 12 December 2011 to comply with Art. 152-sexies et seq of the Consob Regulations adopted under Resolution no. 11971 and with the Regulations of the Markets Organized and Managed by Borsa Italiana S.p.A., which introduced "black-out periods", meaning periods in which Relevant Persons are forbidden from dealing in the company's shares, coinciding with the 15-day period preceding Board meetings called to approve annual, half-yearly and quarterly financial reports; this code replaced the previous one adopted by the Company. The Code governs the conduct that Relevant Persons must observe for transactions by themselves and persons closely related to them in Financial Instruments (as defined), also to allow Dada S.p.A. to discharge its reporting obligations to the market in accordance with the Issuer Regulations, and in accordance with the procedures and terms of the Code.

6. Directors' interests and related party transactions

Regarding this issue, the "Procedures for completing and executing significant transactions, related party transactions or in which a director has an interest" approved by the Board on 12 February 2007, already required that transactions by the Company, directly or through a subsidiary, with related parties or in which a director has a conflict of interest, should be conducted in compliance with the principles of transparency and substantive and procedural fairness, with reference to applicable legal provisions and particularly those of Art. 2391 and Art. 2391-bis of the Italian Civil Code, and related measures for implementation. In particular, the section of these procedures concerning related party transactions contained qualitative and quantitative criteria for identifying significant transactions, and required the Board to be fully informed about the terms and conditions of the transaction and about the related evaluation process; these procedures also called for independent experts or the Internal Control Committee to provide the Board with support in evaluating significant transactions. The procedures also require that, if a director has, on his/her own account or on account of third parties, a direct, or even potential or indirect interest in a specific transaction or matter presented for examination and approval by the Board of Directors, this director must promptly and fully inform the Board of Directors, as well as the Board of Statutory Auditors, as to the nature, terms, origin, and extent of this interest; this director must also leave the meeting during the related discussion, unless the Board decides otherwise in the particular circumstances and also in view of any to reach the required quorum.

As already described, Consob has adopted in Resolution no. 17221 dated 12 March 2010, as later amended by Resolution no. 17389 dated 23 June 2010, a set of "Regulations governing related party transactions" for issuers of listed shares (directly or through their subsidiaries), in order to reflect the new rules aimed at ensuring the transparency and substantive and procedural fairness of such transactions; accordingly, on 8 November 2010 the Company's Board of Directors approved a new procedure for related party transactions, which partially amended and repealed the previous procedures for concluding and executing significant transactions, related party transactions or in which a director has an interest, which still apply but only where significant transactions or transactions in which a director has an interest are concerned. This procedure is published on the Company's website, to which reference should be made for fuller details; in compliance with the Consob Regulations, the procedure classifies related party transactions in two main categories: "material transactions" and "less material transactions"; both types require the involvement of a committee comprised solely of unrelated independent directors, namely the three independent directors who already serve on the Company's Internal Control Committee. The procedure also contains replacement mechanisms if one or more of the directors on this committee should fail to qualify as unrelated with regard to any individual transaction.

The rules applying to material transactions demand a more rigorous procedure than those applying to less material transactions (for example, the committee of independent directors is involved in negotiations and its opinion is binding; the Board of Directors has sole responsibility for their approval and the Company must also publish an information memorandum in accordance with the guidelines contained in the Consob Regulations); the procedure applying to

less material transactions is simpler (calling for a non-binding opinion by a committee of non-executive, unrelated directors, a majority of whom are independent).

In the event that the committee issues a negative opinion on a material transaction, the procedure contains no provision for a so-called "whitewash" mechanism, whereby the transaction could nonetheless be realized by the Board after receiving approval from a majority of unrelated shareholders in general meeting.

The definition of a related party has largely drawn from the Consob Regulations and from IAS 24. As for the definition of transaction materiality, the procedure classifies a material related party transaction as one in which at least one of the materiality thresholds established by the Consob Regulations has a value of 5% or above. However, since Dada is a listed subsidiary of a listed parent, any transactions with its parent or its parent's related parties who are in turn also Dada's related parties, qualify as material when one of the Consob materiality thresholds exceeds 2.5% (rather than 5%).

"Less material transactions" are defined as those transactions other than material ones and other than immaterial ones, defined by the procedure as those worth less than €200,000 and to which the procedure does not apply; the procedures require less material transactions to be reported on a quarterly basis to the Board of Directors, the Board of Statutory Auditors and the Supervisory Board.

The procedure is not applicable to shareholder resolutions relating to compensation of the Board of Directors or to remuneration of directors holding particular offices forming part of overall directors' compensation determined by the shareholders, or to shareholder resolutions relating to compensation of the Board of Statutory Auditors, excluded by Consob from the scope of its regulations.

Without prejudice to the disclosure requirements of TUF (Testo unico della Finanza), the procedure does not apply to:

- compensation packages based on financial instruments approved by the shareholders pursuant to Art. 114-bis of TUF and related implementation guidelines;
- resolutions, other than those referred to in the preceding point, relating to the remuneration of directors holding particular offices, as well as of key management personnel (as long as: the Company has adopted a compensation policy; the compensation policy has been determined by a committee comprised exclusively of non-executive directors, the majority of whom independent; a report describing the compensation policy has been approved by the shareholders; the remuneration granted is in line with the policy);
- ordinary transactions concluded in accordance with market equivalent or standard conditions.
- transactions with or between subsidiaries, including those under joint control, or with associate companies when the transaction does not correspond to a material interest, as defined in the Procedure, of the Company's other related parties. For this purpose,

a material interest of another related party exists when the party possesses, directly or indirectly, shares and/or financial instruments representing at least 20% of the capital or forms of remuneration linked to the results of the same company or its parent. The fact that the subsidiary or associate has one or more directors or key management personnel in common with the company and the subsidiary or associate does not constitute a significant interest.

Lastly, in the event of similar transactions that are related to one another and with certain categories of related parties, the Procedure allows the Company's Board of Directors to approve them using framework resolutions, effective for no more than one year, which are subject to the same procedural rules as material and less material transactions depending on the estimated maximum cumulative amount of the transactions covered by the framework resolution.

7. Establishment and operation of the Board of Directors' sub-committees

The Corporate Governance Code states that the Board of Directors shall establish from among its members one or more committees to act in an advisory and consultative capacity, as specified in subsequent articles.

The Committees are therefore created and operate in accordance with the principles and application guidelines of the Corporate Governance Code, as described below.

The Board of Directors has approved the rules of procedure for the two committees formed by the Board: the Compensation Committee and the Control and Risk Committee.

8. Compensation Committee

For more information on the composition and operation of the Compensation Committee, reference should be made to the relevant parts of the Remuneration Report published in accordance with Art. 123-ter of TUF.

9. Internal control and risk management system

The Corporate Governance Code sets out the internal control and risk management system formed of a set of rules, procedures and organizational structures aimed at identifying, measuring, managing and monitoring main risks.

This system is integrated in the more general organizational and corporate governance structures adopted by the Company, and takes due consideration of the reference models and best practices implemented on a national and international level.

An effective internal control system helps to align the management of the company to the targets set by the Board of Directors, enabling the adoption of informed decisions. It helps to safeguard a company's assets, and to guarantee the efficiency and effectiveness of corporate processes, the reliability of its financial information, and compliance with laws and regulations,

By-laws and internal procedures.

The internal control and risk management system involves each of the following corporate bodies depending on their related responsibilities.

a) the Board of Directors, which provides strategic guidance and evaluation on the adequacy of the system, identifying within the Board:

(i) one or more directors tasked with establishing and maintaining an effective internal control and risk management system (hereinafter in Art. 7, the “director in charge of the internal control and risk management system”), and

(ii) a control and risk committee in line with the requirements set forth by principle 7.P.4., tasked with supporting, on the basis of an adequate review process, the evaluations and decisions to be made by the Board of Directors in relation to the internal control and risk management system, as well as to the approval of the periodical financial reports;

b) the person in charge of internal audit, tasked with verifying the operation and adequacy of the internal control and risk management system;

c) the other roles and corporate functions having specific tasks with regard to internal control and risk management, organized depending on the company’s size, complexity and risk profile;

d) the Board of Statutory Auditors, also as audit committee, which is responsible for overseeing the effectiveness of the internal control and risk management system.

The issuer provides for coordination methods between the above mentioned bodies in order to enhance the efficiency of the internal control and risk management system and reduce overlapping of activities.

The Control and Risk Committee is made up of independent directors. Alternatively, the committee can be made up of non-executive directors, the majority of whom being independent ones; in this case, the Chairman of the committee is selected among independent directors. If the issuer is controlled by another listed company or is subject to the direction and coordination of another company, the committee is made up exclusively of independent directors. At least one member of the committee is required to have adequate experience in the area of accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment.

With the changes introduced in December 2011, the pivotal element of the Corporate Governance Code is the control system and management of risks, that is, their identification, measurement, management and monitoring.

The internal control and risk management system of the Company involves the following bodies, with a description of how this system is integrated in the organizational structure of the Dada Group.

The Board of Directors, with particular regard to the control and risk management system, with the opinion of the control and risk committee:

a) defines the guidelines of the internal control and risk management system, so that the main risks concerning the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives

b) evaluates, at least on an annual basis, the adequacy of the internal control and risk management system taking into account the characteristics of the company and its risk profile, as well as its effectiveness;

c) approves, at least on an annual basis, the plan drafted by the person in charge of internal audit, with the opinion of the Board of Statutory Auditors and the director in charge of the control and risk management system;

d) describes, in the Corporate Governance Report, the main features of the internal control and risk management system, expressing an evaluation on its adequacy;

e) upon the opinion of the Board of Statutory Auditors, assesses the findings reported by the external auditor in the suggestions letter, if any, and in the report on the main issues resulting from the auditing.

The Board of Directors, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the control and risk committee, and after hearing the Board of Statutory Auditors:

- appoints and revokes the person in charge of internal audit;
- ensures that such a person is provided with the adequate resources for the fulfilment of his/her responsibilities;
- defines the relevant remuneration consistently with company policies.

Toward this end and for such purpose, the Board of Directors of the Company deemed it appropriate to update the foregoing risk assessment plan, and performed further activities as indicated below.

In the first months of 2013, the Control and Risk Committee of Dada S.p.A. (former Internal Control Committee), in accordance with the provisions of law and with the Corporate Governance Code, was formed entirely of independent directors, in the persons of Vincenzo Russi, Alessandro Foti (Chairman) and Danilo Vivarelli; the committee has a member with adequate experience in the area of accounting and finance. The new Board of Directors, composed on 24 April 2012, appointed the Control and Risk Committee, which currently comprises all its members, who are also independent directors, in the persons of Vincenzo Russi (Chairman), Stanislao Chimenti and Alessandro Foti, who is the member with adequate experience in the area of accounting and finance.

On 2 July 2013, Alessandro Foti resigned from his position as director of the Company and as member of the Control and Risk Committee, and was replaced in the Committee by Maria Oliva Scaramuzzi. At the date of approval of this report, the Risk and Control Committee is composed of: Vincenzo Russi (Chairman), Stanislao Chimenti and Maria Oliva Scaramuzzi.

Furthermore, on 22 September 2011, the Board of Directors identified the new Chief Executive Officer, Claudio Corbetta, as the director in charge of the internal control system, who held this position throughout 2013 and was confirmed as director in charge of the formation and maintenance of an effective internal control and risk management system by the meeting of the Board of Directors held on 11 December 2012. The director in charge of the formation and maintenance of an effective internal control and risk management system followed activities to identify the main risks, taking into account the characteristics of the activities performed by the Company and its subsidiaries, ensured that they were periodically examined by the Board, and implemented the guidelines set out by the Board, providing for the management and assessment of the internal control system.

Mention must be made that during the meeting held on 22 February 2013, after hearing the Control and Risk Committee, in order to increase the effectiveness of the contribution of the director in charge of the formation and maintenance of an effective internal control and risk management system, reflecting the Company's current structure of powers, the Board deemed it appropriate, acknowledging an indication contained in the comments to the Corporate Governance Code, to appoint as directors in charge of the formation and maintenance of an effective internal control and risk management system both Claudio Corbetta and Lorenzo Lepri, each with specific regard to the risk areas related to their delegated powers mentioned earlier. More in detail, Lorenzo Lepri will be the director in charge of the management of risks in the areas of market and investors relations, control, administration, finance and tax; procurement, resources, logistics and offices; legal affairs and disputes; mergers & acquisitions; strategic planning, while Claudio Corbetta will be the director in charge of the management of risks in the areas of HR, sales and marketing; production, network and software; community, contracts and contacts with the public.

The Risk and Control Committee, which basically has advisory and consultative functions, besides supporting and assisting the Board of Directors:

- a) evaluates, together with the Financial Reporting Manager, and after hearing the independent auditors and Board of Statutory Auditors, the correct application of the accounting principles adopted and, with regard to the Group, consistency with the principles applied for the preparation of the consolidated financial statements;
- b) voices opinions on specific aspects related to the identification of the main risks
- c) reviews periodical reports, providing an evaluation of the internal control and risk management system, and those of particular relevance prepared by internal audit;
- d) monitors the independence, adequacy, efficiency and effectiveness of internal audit;
- e) may request internal audit to perform audits on specific operational areas providing at the same time notice to the Chairman of the Board of Auditors;
- f) reports to the Board, at least every six months, on the occasion of the approval of the annual and half-year financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system.

The proceedings of the control and risk committee are attended by the Chairman of the Board of Auditors or by other auditor appointed by the Chairman, although the other auditors may attend.

In compliance with the requirements of the Corporate Governance Code, the Board of Directors, assisted by the above mentioned Committee, has set out the guidelines of the internal control and risk management system and has made periodical assessments of the adequacy and operation of the system, also on the occasion of the review and approval of the half-year reports submitted by the Committee on activities performed.

Upon proposal of the Committee, the Board has also approved the guidelines of the control system in order to properly identify and adequately measure the main risks relating to the Issuer and its subsidiaries.

The annual assessment on the adequacy, effectiveness and operation of the internal control system, and on the adequacy of the organizational, administrative and accounting structure of the Company and of its key subsidiaries, which is performed every six months, was renewed with a positive outcome in the meeting of the Board of Directors of 19 March 2014, at the time of the presentation by the Report Committee of activities performed in the second half of 2013, based on the observations and results of the activity performed by the Committee. The meetings of the Committee, which approved its own set of rules, were recorded in the minutes.

At its first meeting in 2013, the Control and Risk Committee appointed Lorenzo Lepri as the new director in charge of internal control in order to assist Claudio Corbetta in managing the various operational areas of the company. The Committee appointed both Lepri and Corbetta as Directors in charge of internal control and risk management, with the former in charge of the corporate side and the latter in charge of the business and operational side. At the meeting, the Committee also resolved to propose to the Board of Directors the confirmation for a year of Carlo Ravazzin as Head of Internal Audit and to confirm his remuneration for 2013. Carlo Ravazzin is an external consultant of the Company who has particular skills and specific experience on the Dada Group. The Committee also analyzed the self-assessment questionnaires filled out by Dada S.p.A.'s Board members, and the procedures of the Company relevant for the purposes of Regulations 262, and it approved the update to the ERM (Enterprise Risk Management), in order to provide the Board with an updated analysis of the enterprise risks faced by the Dada Group, also pursuant to and for the purposes set out in the Corporate Governance Code of Listed Companies in its latest version (submitted to the Board of Directors for appropriate decisions). The Committee also examined and approved the Report of the Head of Internal Audit for the period relating to the second half of 2012, and the 2013 audit plan, to confirm the correct application of accounting standards and, with regard to the Group, their uniformity for the purposes of preparing the consolidated financial statements. The Control and Risk Committee also approved the report of the Head of Internal Audit (and its annexes) on the activity carried out in the first half of 2013, submitted to and approved by the Board of Directors, together with its conclusions and evaluation of the adequacy of the internal control system, as well as the activities planned for the second half of 2013.

With regard to the above, the Committee continually verified the adequacy of the administrative-accounting procedures adopted by the Company and verified the adequacy of the

Organizational Model pursuant to Decree 231/2001. The Committee, in order to comply with TUF, also ensured that privacy and IT security measures had been adopted. The meetings of the Committee lasted for an average 40 minutes.

In terms of the structure of control, in 2013 the Head of Internal Audit was Carlo Ravazzin. His position was confirmed during the meeting of the Control and Risk Committee held on 19 February 2013. During the meeting held on 22 February 2013, the Board, once again based on the recommendation of the director in charge of the formation and maintenance of an effective internal control and risk management system and the positive opinion of the Control and Risk Committee, determined the remuneration of the Head of Internal Audit in accordance with company policies.

The Head of internal audit is tasked with the assessment, both on a continuous basis and in relation to specific needs and in conformity with international standards, of the operation and appropriateness of the internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured process of analysis and ranking of the main risks; and with preparing periodical reports containing adequate information on the activities performed, on the risk management process, and on compliance with the plans set out for their mitigation.

The Head of internal audit has no operative responsibilities and reports directly to the Board of Directors.

The Head of internal audit has direct access to all the information deemed useful for carrying out his/her duties and reports on his/her work with periodical reports containing adequate information on activities carried out, on the risk management process, and on compliance with the plans set out for their mitigation.

The periodical reports contain an assessment on the appropriateness of the internal control and risk management system.

These reports are submitted to the chairmen of the board of statutory auditors, the control and risk committee and the board of directors, as well as to the director in charge of the internal control and risk management system;

Finally, he/she assesses, as part of the audit plan, the reliability of information systems, including accounting systems.

The Head of internal audit and the Control and Risk Committee work with the Group's Supervisory Board, set up under Legislative Decree 231/2001, on the application and verification of procedures under Legislative Decree 231/2001 (governing the administrative liability of legal persons), in order to adopt the most appropriate methods of prevention and control. The Supervisory Board was re-established following the Board's reappointment by the General Meeting on 24 April 2012 and comprises independent director Danilo Vivarelli (Chairman), chairman of the board of auditors Claudio Pastori and the head of internal audit Carlo Ravazzin. In 2013, the Supervisory Board undertook on-going verification and consequent updating of the organizational model.

In 2013, the Supervisory Board focused on the on-going control of the adequacy of the

procedures adopted by the Company in the administrative and accounting area (law 262/05), on the assessment of measures adopted to develop and increase the effectiveness of the SAP instruments, on the on-going control of the adequacy of the procedures adopted by the Company in the occupational safety area, on the assessment of the adequacy of Model 231 adopted by the Company and on its updating following changes in the regulatory framework.

The Financial Reporting Officer is Federico Bronzi. He has been Administrative Director of Dada S.p.A. since 2000 and satisfies all the requirements under the By-laws for the position of Financial Reporting Officer, meaning that he has adequate expertise in the field of accounting and finance, gained in senior management positions in reporting/accounting and/or finance and/or control functions within the Company and/or other joint stock companies.

Mention must be made that the many opportunities to meet and exchange views during the year produced fruitful results in terms of coordination of the Board of Directors, the Director in charge of the Internal Control and Risk Management System, the Control and Risk Committee, the Head of Internal Audit, the External Auditors and the Financial Reporting Officer.

With regard to Art. 36 and Art. 39 of Consob Regulation 16191/2007 as amended (the "Market Regulations") concerning non-EU subsidiaries, the Company has preliminarily identified its subsidiaries incorporated and governed by law of nations outside the European Union ("Non-EU Companies"), which are considered to fall under the scope of the provisions of these articles, and excluded the existence of any such companies.

Regarding this section, reference should be made also to table 2 below.

10. Principal characteristics of risk management and internal control systems over the financial reporting process

10.1 Introduction

The Dada Group has adopted a system of procedures and processes such as to guarantee the reliability, accuracy, integrity and timeliness of its financial information as well as to allow correct operation of the internal control system in order to monitor and mitigate the risks relating to the financial reporting process to which the business is exposed. This system of processes and procedures has been drawn up and implemented by top management in compliance with the model established by the CO.SO Framework (Entity Level Assessment). The CO.SO Framework defines the internal control system as "that system of mechanisms, procedures and instruments designed to provide reasonable assurance regarding the achievement of business objectives".

The definition and structuring of processes within the Dada Group has also taken account of its internal organization and developments within the regulatory environment. As far as definition activities are concerned, the focus has been on the ability to assess financial risk and to apply control risk self-assessment through: integrity and the code of conduct, importance of

expertise, philosophy and operating style, grant of powers and responsibilities, as well as policies, processes and procedures implemented by Human Resources.

Accordingly, there are activities for ensuring that operating processes and procedures are constantly updated, and that there are suitable controls over the financial reporting process. Such activities are also designed to check that all components of the CO.SO Framework are correctly and constantly applied.

These components are as follows: control environment, risk assessment, control activities, information and communication, and monitoring.

Monitoring is also periodically carried out through internal communications, staff meetings, written expert opinions and a process which involves testing controls, agreeing remediation and action plans, and following up identified exceptions.

10.2 Principal characteristics

The system of accounting and administrative procedures implemented to assure the effectiveness of internal controls over financial reporting refers to and is applied by the parent Dada S.p.A. and all its direct and indirect subsidiaries.

The two important procedures in this regard are that of "closing and reporting" and of "consolidation", which clearly define: the accounting standards adopted (as updated for amendments), the Group's chart of accounts, the structure of the consolidated reporting packages, the identification and management of intragroup transactions and the consolidation process.

The parent company has provided the above documentation to all its subsidiaries and also checks that it is correctly and effectively applied.

For internal controls over financial reporting to operate effectively, companies must establish a process for identifying and managing financial risks. The Dada Group has once again referred to the CO.SO. Framework in this regard and has particularly identified the more important areas where risks of error (including fraud) may occur in the various types of financial reporting documents, in particular the annual, half-yearly and quarterly financial reports.

This process involves a number of stages:

- a) Identification of financial reporting error risks, as well as the sources from which they might originate, with a particular focus on the more important processes and accounts for financial communication purposes;
- b) Structuring of controls over business processes to prevent and manage the error risks identified above;
- c) Performance of control and monitoring activities defined in the previous point. Tests on controls are carried out annually and relate to all the business and Group structures involved in these processes. When the above tests identify procedural deficiencies or

potential areas for improvement, remediation plans are drawn up, followed by extension and repetition of the tests.

11. Relations with institutional investors and shareholders

The Corporate Governance Code states that the Board of Directors shall take initiatives aimed at fostering the broadest possible participation of the shareholders in general meetings and at facilitating the exercise of shareholder rights.

The Board of Directors endeavours to develop a continuous dialogue with the shareholders based on an understanding of their reciprocal roles.

The Corporate Governance Committee believes that it is in the interests of the company to establish a continuous dialogue with all its shareholders and with institutional investors, including by appointing an investor relations manager, and if appropriate, setting up a specific department for this purpose.

The Board of Directors endeavours to ensure that relevant information about the Company as far as the shareholders are concerned is provided on a timely basis and is easy to access, so as to allow shareholders to exercise their rights in an informed manner. For this purpose, the Company has created a separate, easily identifiable and accessible section on its website www.dada.eu in which, in accordance with the provisions of law and internal procedures for managing and communicating company information, important information concerning the issuer is made available, such as the procedures for participating in general meetings and exercising voting rights, and documentation relating to items on the agenda, including candidate lists for the office of director or statutory auditor.

The Board has also identified an Investor Relator - Nicoletta Pinoia - and a department for this purpose.

Financial communication activities are carried out through press releases and periodic meetings with the financial community in order to pursue the principle of information symmetry and in compliance with rules governing price-sensitive information.

12. General Meetings

Art. 10 of the Corporate Governance Code underlines the central role that general meetings must have in the life of a company, as a fundamental forum for corporate debate and relations between the shareholders and the Board of Directors.

The Board of Directors should present for shareholder approval a set of rules governing the orderly and effective conduct of general meetings, while guaranteeing the right of every shareholder to express an opinion on matters on the agenda.

In order to facilitate shareholder participation at general meetings, the Board of Directors convenes such meetings in locations easily reached both from the Company's headquarters and from the main station; in addition, general meetings are convened in the late morning or early afternoon in order to facilitate participation by shareholders from outside the city.

General meetings are governed by a set of regulations approved by the shareholders in 2001, with the aim of ensuring an orderly and effective conduct of such meetings. The regulations, which are available at the Company's registered office and on the Company's corporate website www.dada.eu in the "Corporate Governance/Corporate Documents" section, govern the organization of general meetings, the right of shareholders to attend, powers of the Chairman to direct meetings and other issues relating to conduct of meetings.

Regarding the recent amendments to reflect the new statutory provisions on shareholder rights, see Paragraph 1.8 "Rules applying to by-law amendments".

The Company encourages and facilitates the widest possible shareholder participation at general meetings, and provides shareholders with information about the company, in compliance with rules governing price-sensitive information, that allows them to express their vote in general meetings.

Participation in general meetings is governed by current statutory and regulatory provisions in this area. In order to participate in general meetings, shareholders must file a specific communication at the Company's registered office, in accordance with the procedures established in the meeting's notice, that is issued by the intermediary appointed to hold the shareholder's shares.

Without prejudice to the provisions concerning voting proxies in Legislative Decree 58/1998, shareholders eligible to participate in general meetings can be represented through a written proxy.

In accordance with the general meeting regulations, those persons who, by law or under the By-laws, are eligible to attend general meetings, must be identified at the entrance to the meeting by presenting a suitable identity document or other form of recognition and must present their admission ticket, in compliance with the procedures set out in the meeting's notice.

Company or group company employees may attend, as well as other persons whose presence the Chairman considers useful in relation to the matters to be discussed or the conduct of the meeting.

When presenting matters on the agenda or responding to questions, the Chairman may be assisted by some of the directors or statutory auditors or by other persons eligible to attend the meeting. The Chairman may change the order of discussion of the agenda relative to that in the

meeting's notice and may decide to discuss items not on the agenda, unless requested otherwise by the shareholders.

The Chairman establishes the order of items on the agenda, directs and regulates the debate, giving the floor to shareholders who so request in accordance with the By-laws, to directors or statutory auditors or other persons eligible to attend the General Meeting.

Accordingly, the Chairman establishes how to request the floor and the order in which speakers can speak, ensuring that they have the opportunity to make a brief reply.

The Chairman ensures that the debate is conducted correctly and adopts every suitable measure to prevent the meeting from being disturbed.

All shareholders entitled to vote are eligible to speak on the matters being discussed in order to request clarifications and express their opinions. Shareholders who request the floor must speak exclusively on matters on the agenda. Anyone intending to speak must present a written request to the Chairman, indicating which item on the agenda their question addresses; such a request may be made from the time the Chairman has read out the agenda until when the Chairman declares discussion on the particular matter closed.

The Chairman can establish at the opening of debate, also in view of the contents of the agenda, a maximum duration for each intervention and response, which in any case may not exceed 15 minutes or 2 minutes respectively, in order to foster the widest shareholder participation in the discussion.

The Chairman will invite speakers and respondents to conclude if they exceed the maximum allotted time or if they address matters that are not pertinent to the agenda; the Chairman will cut short any shareholder who fails to respond to this request.

The Chairman can also request shareholders to leave the meeting for the duration of the debate, if, despite being called to order, they do not permit the General Meeting to be conducted in an orderly fashion.

If considered appropriate, the Chairman may justifiably adjourn the meeting for a brief period.

Once all interventions, replies, and any responses to the replies are completed, the Chairman declares the discussion closed.

Voting at general meetings is conducted by open ballot. Before commencing the vote, the Chairman establishes the procedure for expressing, recording and counting the votes and can fix a time limit within which votes must be placed.

At the end of voting, the votes are counted and the Chairman, including with the assistance of a secretary or notary, declares the results.

The provisions of the Italian Civil Code, specific laws and the Company's By-laws apply to all matters not covered by the General Meeting Regulations; in particular, under the By-laws, the Chairman shall adopt the most appropriate solutions for conducting the meeting properly.

The By-laws contain no specific provisions regarding the legal percentages currently regulating the use of shares nor with regard to the protection of minority shareholders.

The By-laws contain no provisions based on which shareholders need to authorize specific actions taken by the directors.

In 2013, the Board, also by approving this report, decided that there was no need to propose amendments to the By-laws relating to the use of shares and the measures designed to protect minorities.

13. Statutory Auditors

The Corporate Governance Code recommends that statutory auditors act on an autonomous, independent basis, including in respect of the shareholders who elected them.

The issuer adopts suitable measures to ensure effective discharge of the duties falling to the Board of Statutory Auditors.

Art. 25 of the By-laws of Dada S.p.A. establishes that the Board of Statutory Auditors shall be appointed in ordinary general meeting and comprise three standing members, one of whom is the Chairman, and two alternate members; the members so appointed shall remain in office for three years and may be re-elected. The statutory auditors must satisfy the requirements established by law and relevant regulations, including with regard to the holding of multiple appointments. Anyone to whom disqualification or forfeiture, as defined in law, applies cannot be elected as a statutory auditor, and if elected, shall immediately lose office.

The By-laws also provide, in compliance with current statutory and regulatory provisions, that at least one statutory auditor is elected from the minority list, and that the Chairman of the Board of Statutory Auditors is appointed by the General Meeting from those statutory auditors elected on the minority list; the By-laws also place a limit on the number of other appointments a statutory auditor may hold as a statutory auditor or director.

The By-laws state that the lists must be filed at least 25 days before the General Meeting in first call and that lists can be presented only by shareholders who, alone or together with other shareholders, own at least 2.5% of the share capital with voting rights at ordinary general meetings on the date of presenting the list, or such lower percentage established by law or regulations.

The lists for the appointment of the Board of Statutory Auditors may also be filed via fax or via e-mail to the Company's certified e-mail address, in accordance with Art. 144-sexies of Consob Regulation 11971 of 14 May 1999. If lists are submitted via fax or via certified e-mail, a copy of the filers' valid identification must also be sent.

The statutory auditors are appointed as follows: a) 2 standing auditors and 1 alternate auditor are taken from the list which obtains the most votes during the General Meeting on the basis of the numerical order in which the candidates appear on the list which receives the most votes;

b) 1 standing auditor, who will also be appointed Chairman, and 1 alternate auditor from the second list which received the most votes during the General Meeting and which is in no way, even indirectly as per the law, connected with the shareholders who presented or voted for the list in letter a) above, on the basis of the numerical order in which the candidates appear on the list.

In order to appoint the statutory auditors referred to in letter b) above, in the event lists obtain the same number of votes, the list presented by shareholders holding the larger interest or, secondarily, the greatest number of shareholders, will prevail.

In the event two or more lists receive the highest and same number of votes, a run-off election will be held.

If only one list is presented, the General Meeting appoints all the candidates on that list to the Board of Statutory Auditors by majority vote of the share capital represented at the meeting.

If no lists are presented, the General Meeting appoints the Board of Statutory Auditors by majority vote of the share capital represented at the meeting.

If only one list is presented, the Chairman of the Board of Statutory Auditors is the first person on this list, while if no lists are presented, the General Meeting will appoint the Chairman.

Any statutory auditor to whom disqualification or forfeiture under the law applies will lose his/her office.

In the event a statutory auditor is substituted, the alternate auditor on the list to which the substituted auditor belonged will be appointed with the exception of the Chairman of the Board of Statutory Auditors who will always be selected from the minority list.

With regard to Art. 144-sexies, par. 8, of the Issuer Regulations, it must be noted that the By-laws do not allow for the substitution of statutory auditors with alternate auditors from the minority list in excess of the minimum required by the Consob.

Prior to the General Meeting of 24 April 2012, one list was filed with the Company by RCS Mediagroup S.p.A., holder of n. 8,855,101 shares or 54.63% of the share capital. The following candidates were included on the list: Claudio Pastori, Cesare Piovene Porto Godi and Sandro Santi as standing auditors, Maria Stefania Sala and Mariateresa Diana Salerno as alternate auditors.

The General Meeting held on 24 April 2012 elected Claudio Pastori, Cesare Piovene Porto Godi and Sandro Santi as standing auditors, appointing Claudio Pastori as Chairman, while Maria Stefania Sala and Mariateresa Diana Salerno were elected as alternate auditors.

On 20 February 2013, standing auditor Cesare Piovene Porto Godi resigned effective as from the Shareholders' Meeting following such date.

On 11 April 2013, the Shareholders' Meeting of Dada S.p.A. appointed Maria Stefania Sala as new standing auditor and Agostino Giorgi as alternate auditor.

The current Board of Statutory Auditors is composed of standing auditors Claudio Pastori (Chairman), Sandro Santi and Maria Stefania Sala and of alternate auditors Agostino Giorgi and Mariateresa Diana Salerno.

The independence of the current statutory auditors, as defined by the Corporate Governance Code, was positively evaluated at the time of appointment and confirms that this is the case with the approval of the present annual Corporate Governance Report by the Board of Directors.

During 2013, the Board of Statutory Auditors also oversaw the independence of its members and verified that these requirements were still being met, coordinating its work with the Control and Risk Committee, with the Supervisory Board and with the external auditors. The Board of Statutory Auditors oversaw the independence of the external auditors, verifying that the law was being complied with regard to both the nature and the scope of any services, other than financial audit, provided to the Issuer by the same audit company and entities belonging to its network.

With regard to this section, reference should also be made to table 3 below.

TABLES**TABLE 1: Ownership structures**

| SHAREHOLDING STRUCTURE | | | | |
|---|------------|--------------------|--|------------------------|
| | N° shares | % of share capital | Listed (indicate markets) / not listed | Rights and obligations |
| Ordinary shares | 16,680,069 | 100% | Italian Stock Market | |
| Shares with limited vote entitlement (savings shares) | - | - | - | - |
| Shares without vote entitlement | - | - | - | - |

| OTHER FINANCIAL INSTRUMENTS | | | | |
|--|--|---------------------------------------|---|--|
| <i>(granting the right to subscribe newly-issued shares)</i> | | | | |
| | Listed (indicate markets) / not listed | No. financial instruments outstanding | Share class servicing conversion/exercise | No. shares servicing conversion/exercise |
| Convertible bonds | - | - | - | - |
| Warrants | - | - | - | - |

| SIGNIFICANT SHAREHOLDINGS | | | |
|---|-----------------------------|-----------------------|---------------------|
| Declarant | Direct shareholder | % on ordinary capital | % on voting capital |
| February Private Trust Company (Jersey) Limited | Libero Acquisition S.à.r.l. | 69.432% | 69.432% |
| Oyster Asset Management S.A. (from 23 January 2014) | Oyster Luxembourg Sicav | 5.1403% | 5.1403% |

TABLE 2: Board of Directors and Committees

| Board of Directors | | | | | | | | | Control and Risk Committee | | Compensation Committee | | Committee for Related Party Transactions | | |
|----------------------|------------------------|------------|------------------------------------|-------------|-------|------------|-----------------------|--------|---------------------------------|------|------------------------|------|--|-------|-----|
| Office | Members | From | Until | List (M/m)* | Exec. | No n exec. | Independent under TUF | ** (%) | Amount of other appointments*** | **** | ** | **** | ** | *** * | ** |
| Chairman | Khaled Bishara (1) | 07/08/2013 | Next Shareholders' Meeting | M | | X | | 66 | 2 | | | | | | |
| CEO and GM | Claudio Corbetta (2) | | Approval 2014 financial statements | M | X | | | 90 | - | | | | | | |
| Director, GM and CFO | Lorenzo Lepri (3) | | Approval 2014 financial statements | M | X | | | 100 | - | | | | | | |
| Director | Abdel Meguid Hanan | 07/08/2013 | Next Shareholders' Meeting | M | | X | | 100 | - | | | | | | |
| Director | Maria Oliva Scaramuzzi | 24/04/2012 | Approval 2014 financial statements | M | | X | X | 90 | - | X | 100 | X | 85 | X | n/a |
| Director | Antonio Converti | 07/08/2013 | Next Shareholders' Meeting | M | | X | | 100 | - | | | | | | |
| Director | Aldo Mereuse | 07/08/2013 | Next Shareholders' Meeting | M | | X | | 100 | - | | | | | | |
| Director | Sophie Surssock | 07/08/2013 | Next Shareholders' Meeting | M | | X | | 100 | - | | | | | | |
| Director | Karim Beshara | 07/08/2013 | Next Shareholders' Meeting | M | | X | | 66 | 1 | | | | | | |

| | | | | | | | | | | | | | | | |
|--|-------------------------|------------|------------------------------------|---------|--|---|---|-----|---|--------|-----|-------|-----|--------|-----|
| Director | Vincenzo Russi | 24/04/2012 | Approval 2014 financial statements | M | | X | X | 100 | - | X | 100 | X | 100 | X | 100 |
| Director | Maurizio Mongardi | 22/02/2013 | Approval 2014 financial statements | M | | X | | 66 | - | | | | | | |
| Director | Stanislao Chimenti | 24/04/2012 | Approval 2014 financial statements | M | | X | X | 60 | - | X | 100 | | | X | 0 |
| Director | Danilo Vivarelli | 24/04/2012 | Approval 2014 financial statements | M | | X | X | 90 | - | X | 100 | X | 100 | | |
| Directors who resigned during the year | | | | | | | | | | | | | | | |
| Director and Chairman of the Board of Directors | Alberto Bianchi | 24/04/2012 | 07/08/2013 | M | | X | X | 70 | | X | | X | | | |
| Director | Monica Alessandra Possa | 24/04/2012 | 06/02/2013 | M | | X | | n/a | | | | | | | |
| Director | Alessandro Foti | 24/04/2012 | 02/07/2013 | M | | X | X | 40 | | X | 100 | X | 100 | X | 100 |
| Director | Riccardo Stilli | 24/04/2012 | 01/03/2013 | M | | X | | 15 | | | | | | | |
| Director | Silvia Michela Candiani | 24/04/2012 | 07/08/2013 | M | | X | | 25 | | | | | | | |
| Director | Claudio Cappon | 24/04/2012 | 07/08/2013 | M | | X | | 40 | | | | | | | |
| Director | Giorgio Cogliati | 24/04/2012 | 07/08/2013 | M | | X | | 66 | | | | | | | |
| Director | Riccardo Taranto | 11/04/2013 | 07/08/2013 | M | | X | | 0 | | | | | | | |
| Indicate minimum quorum required for the presentation of lists at the last appointment: | | | | | | | | | | | | | | | |
| Number of meetings held during the year: | | | | BoD: 10 | | | | | | CRC: 2 | | CC: 6 | | RPC: 1 | |

NOTES

*This column indicates M/m, depending on whether the member was elected from the list voted for by the majority (M) or by a minority (m).

**This column indicates the percentage participation by the directors in the meetings respectively of the BoD and of the Committees (no. of attendances/no. of meetings held during the actual period of office of the person concerned).

***This column indicates the number of positions as director or auditor held by the person concerned in other companies listed in regulated markets, including foreign markets, in finance, banking, insurance or other large companies. The companies in which each director holds office form part of the group to which the Issuer belongs.

****In this column, X indicates that the director is a member of the committee.

- (1) Appointed by co-optation Director and Chairman on 7 August 2013.
- (2) Appointed Chief Executive Officer and General Manager on 24 April 2012.
- (3) Appointed Director, General Manager and CFO on 24 April 2012.

TABLE 3: Board of Statutory Auditors

| Board of Statutory Auditors | | | | | | | |
|--|---------------------------|------------|------------------------------------|-------------|-------------------------|--------|----------------------------------|
| Office | Members | From | Until | List (M/m)* | Independence under Code | ** (%) | Amount of other appointments *** |
| Chairman | Claudio Pastori | 24/04/2012 | Approval 2014 financial statements | M | X | 100 | 28 |
| Standing Auditor | Maria Stefania Sala | 11/04/2013 | Approval 2014 financial statements | M | X | 100 | 11 |
| Standing Auditor | Sandro Santi | 24/04/2012 | Approval 2014 financial statements | M | X | 86 | 14 |
| Alternate Auditor | Agostino Giorgi | 11/04/2013 | Approval 2014 financial statements | M | X | n/a | |
| Alternate Auditor | Mariateresa Diana Salerno | 24/04/2012 | Approval 2014 financial statements | M | X | n/a | |
| Statutory auditors who resigned during the year | | | | | | | |
| Standing Auditor | Piovene Porto Godi(1) | 20/02/2013 | Approval 2014 financial statements | M | X | 100 | 21 |
| | | | | | | | |
| Alternate Auditor | Maria Stefania Sala (2) | 11/04/2013 | Approval 2014 financial statements | M | X | n/a | |
| Indicate minimum quorum required for the presentation of lists at the last appointment: | | | | | | | |
| Amount of meetings held during the year: 7 | | | | | | | |

NOTES

* This column indicates M/m, depending on whether the member was elected from the list voted for by the majority (M) or by a minority (m).

**This column indicates the percentage participation by the auditors in the meetings of the BoA (no. of attendances/no. of meetings held during the actual period of office of the person concerned).

***This column indicates the number of positions as director or auditor held by the person concerned, considered significant under Art. 148 *bis* TUF. The complete list of appointments is published by Consob on its website pursuant to Art. 144-*quinquiesdecies* of the Issuer Regulations of Consob.

(1) Resigned on 20 February 2013.

(2) Resigned on 11 April 2013.

NET WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AT 31 DECEMBER 2013

| (EUR/000) | 31-Dec-13 | 31-Dec-12 | DIFFERENCE | |
|---|----------------|----------------|---------------|------------|
| | | | Absolute | % |
| Fixed assets (A) | 93,981 | 91,872 | 2,110 | 2% |
| Current operating assets (B) | 16,335 | 18,825 | -2,489 | -13% |
| Current operating liabilities (C) | -28,022 | -31,615 | 3,592 | -11% |
| Net working capital (D)=(B)-(C) | -11,687 | -12,790 | 1,103 | -9% |
| Provision for termination indemnities (E) | -760 | -849 | 89 | -10% |
| Provision for risks and charges (F) | -1,007 | -1,461 | 453 | -31% |
| Other payables due beyond one year (G) | 0 | -166 | 166 | -100% |
| Net capital employed (A+D+E+F+G) | 80,527 | 76,606 | 3,921 | 5% |
| Bank loans (due beyond one year) | -21,302 | -18,679 | -2,624 | 14% |
| Shareholders' equity | -49,664 | -50,399 | 735 | -1% |
| Current bank borrowings | -11,173 | -10,724 | -449 | 4% |
| Current financial receivables and derivatives | 0 | 1,000 | -1,000 | -100% |
| Current financial payables and derivatives | -47 | -810 | 763 | -94% |
| Cash and cash equivalents | 1,660 | 3,006 | -1,346 | -45% |
| Current net financial position | -9,561 | -7,528 | -2,032 | 27% |
| Total net financial position | -30,863 | -26,207 | -4,656 | 18% |

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2013

| (EUR/000) | 31-Dec-13 12 months | | 31-Dec-12 12 months | | DIFFERENCE | |
|---|------------------------|-------------|------------------------|-------------|---------------|--------------|
| | Amount | % | Amount | % | Absolute | % |
| Net revenue | 75,313 | 100% | 84,839 | 100% | -9,526 | -11% |
| Chg. in inventories & inc. in own wk. capitalized | 3,599 | 5% | 3,640 | 4% | -41 | -1% |
| Service costs and other operating expenses | -49,055 | -65% | -57,745 | -68% | 8,690 | -15% |
| Payroll costs | -19,296 | -26% | -18,761 | -22% | -535 | 3% |
| EBITDA * | 10,560 | 14% | 11,973 | 14% | -1,413 | -12% |
| Depreciation and amortization | -7,419 | -10% | -6,890 | -8% | -529 | 8% |
| Non-recurring income/ (charges) | -122 | | 0 | 0% | -122 | - |
| Impairment of fixed assets | -1 | | -21 | 0% | 20 | 94% |
| Impairment losses and other provisions | -619 | -1% | -315 | 0% | -304 | 97% |
| EBIT | 2,399 | 3% | 4,748 | 6% | -2,349 | -49% |
| Financial income | 417 | 1% | 1,278 | 2% | -861 | -67% |
| Financial charges | -3,395 | -5% | -4,237 | -5% | 842 | -20% |
| Other income/charges from fin. assets and liabilities | 0 | - | 0 | - | - | - |
| Share of associates | 0 | - | 0 | - | - | - |
| Profit/(loss) before taxes | -579 | -1% | 1,789 | 2% | -2,368 | -132% |
| Income taxes | -768 | -1% | -850 | -1% | 82 | -10% |
| Group net profit/ (loss) | -1,348 | -2% | 939 | 1% | -2,287 | -244% |

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2013

| (EUR/000) | 4th quarter 2013 | | 4th quarter 2012 | | DIFFERENCE | |
|--|---------------------|-------------|---------------------|-------------|---------------|-------------|
| | Amount | % | Amount | % | Absolute | % |
| Net profit | 18,221 | 100% | 20,008 | 100% | -1,787 | -9% |
| Chg. in inventories & inc. in own wk. capitalized | 892 | 5% | 922 | 5% | -30 | -3% |
| Service costs and other operating expenses | -11,631 | -64% | -13,311 | -67% | 1,680 | -13% |
| Payroll costs | -4,995 | -27% | -4,957 | -25% | -38 | 1% |
| EBITDA * | 2,486 | 14% | 2,662 | 13% | -176 | -7% |
| Depreciation and amortization | -1,978 | -11% | -1,923 | -10% | -55 | 3% |
| Non-recurring income/(charges) | -19 | 0% | 0 | 0% | -19 | - |
| Impairment of fixed assets | -1 | 0% | -21 | 0% | 20 | 94% |
| Impairment losses and other provisions | -326 | -2% | -165 | -1% | -161 | 98% |
| EBIT | 162 | 1% | 554 | 3% | -391 | -71% |
| Financial income | 41 | 0% | 222 | 1% | -181 | -81% |
| Financial charges | -782 | -4% | -1,143 | -6% | 361 | -32% |
| Other income/charges from fin. assets and liabilities | 0 | 0% | 0 | 0% | 0 | - |
| Share of associates | 0 | 0% | 0 | 0% | 0 | - |
| Profit/(loss) before taxes | -579 | -3% | -367 | -2% | -211 | 57% |
| Income taxes | -293 | -2% | 48 | 0% | -341 | -710% |
| Group net profit/(loss) | -872 | -5% | -319 | -2% | -552 | 173% |