



DADA GROUP HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2013

Registered office: Piazza Annigoni, 9B - Florence
Share capital Euro 2,755,711.73 fully paid-in
Florence Company Register n. FI017- 68727 - REA n. 467460
Tax ID/VAT n. 04628270482

DADA S.p.A.: Company subject to the direction and
coordination of RCS MediaGroup S.p.A.

CONTENTS

CORPORATE OFFICERS	4
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FINANCIAL HIGHLIGHTS	5
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DIRECTORS' REPORT:	
Introduction	7
Group Profile	7
Performance Review	8
Significant events	23
Outlook	27

DADA GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:	
Consolidated Income Statement	30
Consolidated Statement of Financial Position	32
Consolidated Statement of Cash Flows	34
Consolidated Statement of Changes in Equity	36
Explanatory Notes	40

ANNEXES:	
Reclassified Consolidated Income Statement	71
Reclassified Consolidated Statement of Financial Position	73
Scope of consolidation	75
Declaration relative to the Condensed Interim Financial Statements pursuant to Art. 154 bis of Legislative Decree 58/98	75
External Auditors' Report on the Condensed Consolidated Interim Financial Statements	76

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

Alberto Bianchi ^{1, 8}	Chairman
Claudio Corbetta ²	CEO
Lorenzo Lepri ³	General Manager
Silvia Michela Candiani ⁷	Director
Claudio Cappon ⁷	Director
Stanislao Chimenti ^{7, 4}	Director
Giorgio Cogliati	Director
Maurizio Mongardi ¹⁰	Director
Vincenzo Russi ^{7, 4, 5}	Director
Maria Oliva Scaramuzzi ^{7, 6, 14}	Director
Danilo Vivarelli ^{7, 6, 9}	Director
Riccardo Giuseppe Roberto Maria Taranto ¹¹	Director

¹ The Board of Directors appointed Alberto Bianchi, Esq. Chairman of the Company during the meeting held on 24 April 2012.

² The Board of Directors appointed Claudio Corbetta Chief Executive Officer and General Manager of the Company during the meeting held on 24 April 2012.

³ The Board of Directors appointed Lorenzo Lepri General Manager and CFO of the Company during the meeting 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 15 July 2013.

⁷ Independent director pursuant to Art. 148 par. 3 of Legislative Decree n. 58/1998 and the Corporate Governance Code for Listed Companies.

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.

BOARD OF STATUTORY AUDITORS

Claudio Pastori	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.

Consolidated Income Statement (6 months)

(€mn)	30/06/2013	30/06/2012	Total difference	% difference
Revenue	39.7	43.6	-3.9	-9%
EBITDA *	6.3	6.1	0.2	4%
Depreciation and amortization	-3.5	-3.3	-0.2	5%
Non-recurring charges and other impairment	-0.1	-0.1	0.0	5%
EBIT	2.7	2.7	0.0	2%
Group net profit/(loss)	0.7	0.9	-0.1	-17%

* EBITDA is before impairment losses and non-recurring items

Consolidated Income Statement (3 months)

(€mn)	2Q13	2Q12	Total difference	% difference
Revenue	19.1	21.6	-2.4	-11%
EBITDA *	3.0	3.0	0.0	1%
Depreciation and amortization	-1.9	-1.7	-0.2	10%
Non-recurring charges and other impairment	-0.1	-0.1	0.0	-13%
EBIT	1.0	1.2	-0.1	-12%
Group net profit/(loss)	0.3	0.3	0.0	-7%

* EBITDA is before impairment losses and non-recurring items

Consolidated Statement of Financial Position at 30 June 2013

(€mn)	30 June 2013	31 December 2012	Total difference	% difference
Net Working Capital	-11.8	-12.8	1.0	-8%
Net Capital Employed	77.8	76.6	1.2	2%
Shareholders' Equity	49.3	50.4	-1.1	-2%
Net current financial position	-12.7	-7.5	-5.2	69%
Total Net Financial Position	-28.5	-26.2	-2.3	9%
Number of employees	390	372	18.0	5%

DIRECTORS' REPORT

INTRODUCTION

The Consolidated Half-Year Financial Report at 30 June 2013 has been prepared in presentation and in substance in accordance with International Accounting Standard 34 (IAS 34) on Interim Financial Reporting and, therefore, does not contain all the information required in the Full Year Financial Statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2012. The Half-Year Financial Report satisfies the provisions of Consob Regulation n. 11971 of 14 May 1999, as amended.

DADA GROUP PROFILE

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

The DADA Group is organized around two separate businesses falling under the "Domain and Hosting" and "Performance Advertising" divisions. The 1H12 Interim Report was, instead, based on a single business. Following this organizational change, the comparative figures of the divisions have been restated. Regarding the methods to identify the business units and their main financial components, reference should be made further below in this Report to the results of the divisions and to explanatory note n. 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.

Despite the highly challenging reference market and fiercer international competition, in 1H13 DADA maintained its strong position in Europe and improved margins. This proves the greater sustainability of the Group's current business model and the positive outcome of the rationalization and cost-optimization measures adopted in 2012.

In 1H13, 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 expansion of its product portfolio, especially in Italy, and growth of the international user base, which boasted more than 520 thousand business clients and over 1.7 million registered domains.

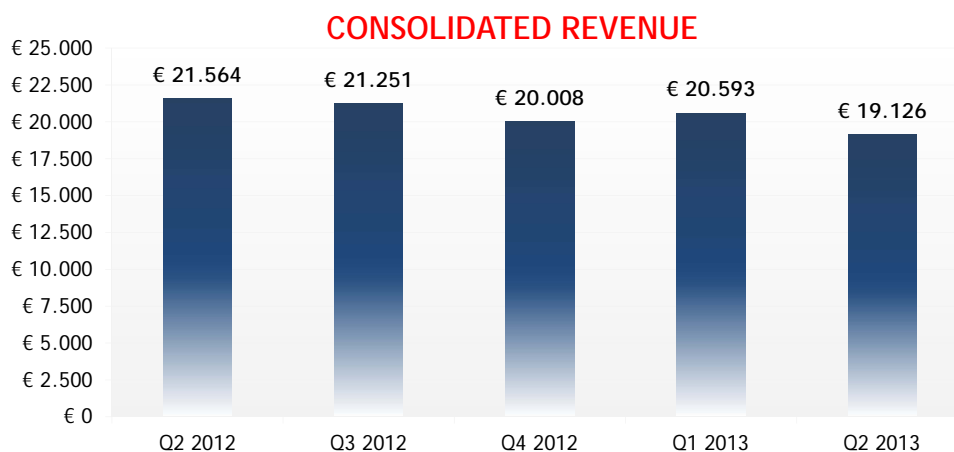
The **Performance Advertising** division includes DADA's online advertising business operating internationally with a series of innovative digital advertising solutions for online traffic monetization through vertical and scalable portals. In 1H13, the division continued with its strategy to strengthen the business thanks to the international expansion of its proprietary brands Peeplo and Save n' keep, and the continuous improvement of its proprietary algorithms, despite the decline in volumes from the end of September 2012 versus the prior period caused by the changing measures in Google's global policies.

PERFORMANCE REVIEW

In 1H13, the DADA Group achieved consolidated revenue of €39.7 million, down 9% versus €43.6 million in 1H12. Looking at 2Q13 alone, the Group achieved consolidated revenue of €19.1 million, down from €21.6 million in 2Q12.

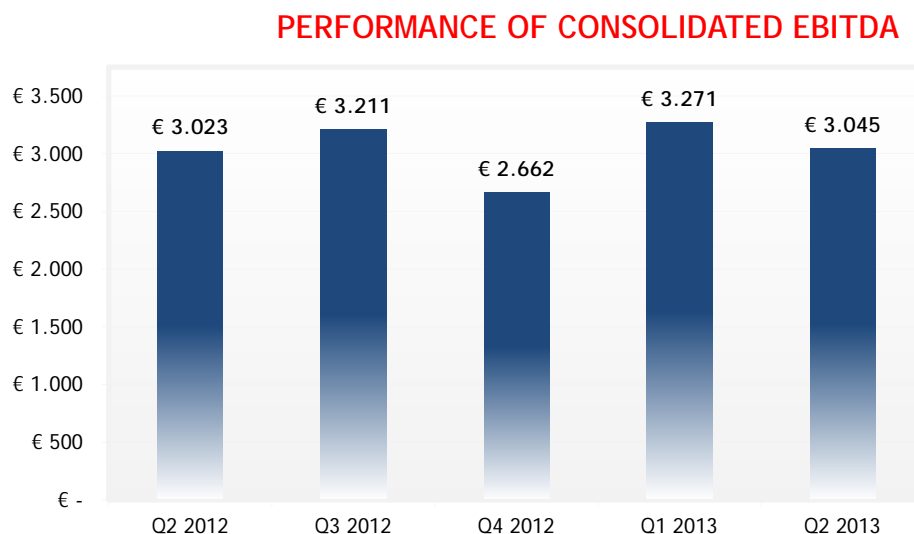
In 1H13, the Domain & Hosting and Performance Advertising divisions accounted for approximately 78% and 22% respectively of consolidated revenue.

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



In 1H13, the DADA Group's consolidated EBITDA (before impairment losses and other non-recurring items) came to €6.3 million (16% of consolidated revenue) versus €6.1 million (14% of consolidated revenue), increasing by +4%. For further details on the performance of consolidated revenue and EBITDA in 1H13, reference should be made to the Results section.

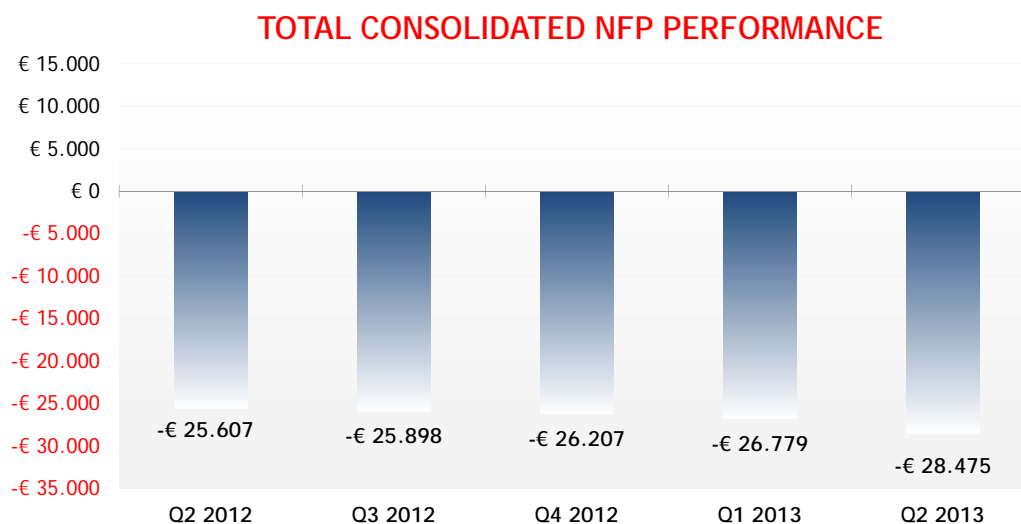
The following graph shows the performance of consolidated EBITDA over the last five quarters (excluding the contribution of the Dada.net Group in any of the quarters):



The total net consolidated financial position of the DADA Group at 30 June 2013, which includes funding to be repaid beyond one year, came to -€28.5 million versus -€26.2 million at 31 December 2012 and -€25.6 million at 30 June 2012. In 1H13, total cash absorbed (including cash used in investing and financing activities) came to €2.2 million.

As detailed in the Financial Position section, the net financial position in 1H13 was significantly impacted by the Group’s investing activity versus 1H12.

The following graph shows the performance of the net financial position at 30 June 2013 and in the last five quarters:



Results

The following tables show the DADA Group's key results in 1H13 and 2Q13 versus 1H12 and 2Q12:

IN EUR/000	30-June-13 6 months		30-June-12 6 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	39,719	100%	43,579	100%	-3,860	-9%
Chg. in inventories & inc. in own wk. capitalized	1,959	5%	1,941	4%	18	1%
Service costs and other operating expenses	-25,770	-65%	-29,903	-69%	4,133	-14%
Payroll costs	-9,594	-24%	-9,518	-22%	-76	1%
EBITDA *	6,315	16%	6,100	14%	216	4%
Depreciation and amortization	-3,495	-9%	-3,325	-8%	-170	5%
Impairment losses and other provisions*	-121	0%	-115	0%	-6	
EBIT	2,700	7%	2,660	6%	40	2%

* "Impairment losses and other provisions" include bad debts of €11 thousand

IN EUR/000	2Q13		2Q12		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net Revenue	19,126	100%	21,564	100%	-2,438	-11%
Chg. in inventories & inc. in own wk. capitalized	1,061	6%	1,041	5%	20	2%
Service costs and other operating expenses	-12,505	-65%	-15,075	-70%	2,570	-17%
Payroll costs	-4,636	-24%	-4,506	-21%	-130	3%
EBITDA *	3,045	16%	3,023	14%	22	1%
Depreciation and amortization	-1,899	-10%	-1,725	-8%	-174	10%
Impairment losses and other provisions	-100	-1%	-115	-1%	15	-13%
EBIT	1,045	5%	1,184	5%	-139	-12%

In 1H13 the DADA Group achieved consolidated revenue of €39.7 million, down 9% versus €43.6 million in 1H12. Revenue generated by Domain and Hosting (accounting for approximately 79% of total revenue) and Performance Advertising (approximately 21% of

Group revenue) declined versus 1H12. Looking at 2Q13 alone, revenue amounted to €19.1 million versus €21.6 million in 2Q12, dropping by 11%.

Despite the entry of major competitors, particularly on the Italian market, and growing competitive pressure on all main markets, in 1H13 DADA's **Domain and Hosting** division confirmed its position among the top European players in the **business of professional services for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection**: important goals were achieved to improve the average renewal rate of services and to expand the international user base, which boasted more than **520,000 business clients and over 1.7 million domains managed** at end June. Thanks to the evolution and optimization of a series of marketing cross-country initiatives, and to the expansion of the portfolio of services, mention must be made of the launch of new applications which have received a positive feedback from the market. These include:

- the launch in Italy and Spain 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 ground-breaking 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 **dedicated servers** in France, Portugal and the UK;
- accreditation by the Italian Digital Agency of Register.it as one of the official operators of **certified e-mail**, a digital solution for sending documents with legal validity. Certified e-mail is mandatory in Italy for businesses, professionals, government agencies and, from 30 June 2013, also for sole proprietorships. Moreover, in 2Q13 Register.it launched a new easy-to-use, safe and personalized product tailored to Italian professionals and SMEs, which comes in two versions (*PEC Agile* and *PEC Unica*). To date, Register.it counts over 60,000 active mailboxes on its certified e-mail platform;
- DADA's debut on TV with Register.it in Italy through a resounding advertising campaign blending TV and web platforms to reach different targets, aimed at raising the awareness on a massive scale among viewers and users of the importance of the Internet for growth and development.

During the period under review, the **Performance Advertising** division continued with its strategy to consolidate business through the global expansion of its brands Peeplo and Save n' keep, the launch of the Supereva.com and Kuidle.com portals, and the continuous improvement of its proprietary algorithms. Despite the drop in volumes in 4Q12 versus the previous months, caused by the change in Google's global policies starting from end September 2012, 1H13, while declining versus 1H12, saw revenue grow and margins hold ground versus 4Q12.

Looking at the **geographical breakdown** of the DADA Group's consolidated revenue, in 1H13 foreign-based activities accounted for 64%, dropping slightly versus the result in 1H12 (66%).

In 1H13, consolidated **EBITDA** of the DADA Group, before impairment losses and other non-recurring items, rose to €6.3 million (16% of consolidated revenue) from €6.1 million in 1H12 (14% of consolidated revenue). An improvement in margins attributable to greater operational efficiency of the Domain and Hosting business - whose margins on consolidated revenue increased to 18% (approximately 20% excluding the negative contribution of Simply, from the previous 18%) and of the online advertising business, whose margins rose from 12% to 14% of the division's revenue, and to the measures taken to control and curb general and overhead costs.

Looking at each line of the income statement, it must be noted that service costs dropped from 69% of revenue reported in 1H12 to 65% in 1H13. Payroll costs remained stable at around €9.6 million, representing 24% of revenue.

At 30 June 2013, the Group counted 390 employees versus 372 employees at 31 December 2012.

The item "change in inventories and increase in own work capitalized", amounting to €1.9 million in 1H13 (in line with the figure in 1H12), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the DADA Group, specifically those related to the provision of Domain & Hosting and Performance Advertising services.

Looking at 2Q13 alone, EBITDA came to €3.0 million, in line with the figure reported in 2Q12.

In 1H13, **consolidated EBIT** of the DADA Group came to a positive €2.7 million (7% on consolidated revenue), in line with 1H12 (6% on consolidated revenue).

EBIT in 1H13 was impacted by depreciation and amortization of €3.5 million (9% on consolidated revenue), of which €1.7 million in tangible assets and €1.8 million in intangible assets, versus €1.8 million in tangible assets and €1.5 million in intangible assets in 1H12 (8% of consolidated revenue). The depreciation and amortization trend at Group level is the direct result of the investment policy implemented by DADA in 1H13 (which had already started at the end of the prior year), which is to continue throughout the year, focusing on the Datacenter in the UK. For further details, reference should be made to the 2012 financial statements and to the Financial position section below.

EBIT in 1H13 was also negatively affected by impairment losses of €0.1 million, resulting from the combined net effect of impairment of trade receivables of €0.3 million, and posting to the income statement of a portion of the provisions for risks and charges appropriated in prior years, which came to a lower figure of €0.2 million. In 1H12, non-recurring items amounted to €0.1 million.

Looking at 2Q13 alone, the DADA Group's EBIT amounted to a positive €1 million (5% of quarterly consolidated revenue) versus a positive €1.2 million in 2Q12 (5% of quarterly revenue), and a positive €1.7 million in 1Q13 (8% of consolidated quarterly revenue).

Amortization and depreciation in 2Q13 totaled €1.9 million (€1 million in intangible assets and €0.9 million in tangible assets), up by approximately 12% versus the total of €1.7 million in 2Q12 (€0.8 million in intangible assets and €0.9 million in tangible assets).

Impairment losses and other non-recurring provisions referred to above mainly impacted 2Q13, as they did in the prior year.

The DADA Group's pre-tax profit in 1H13 reached a positive figure of €1 million (3% on consolidated revenue) versus the positive figure of approximately €1.2 million in 1H12 (3% on consolidated revenue). In 2Q13 alone, this aggregate showed a positive figure of €0.3 million versus the positive figure of €0.5 million in 2Q12.

Overall financial activities (the difference between financial income and charges) showed a negative figure of €1.7 million in 1H13 versus €1.4 million in 1H12, down approximately 17%. The make-up of these financial aggregates was impacted mainly by the negative effects of forex from the weakening of the Pound against the Euro particularly in 1Q13 (the Results section appear below), and also by the gradual rise in spreads compared to the base rates applied by banks on the range of financing options in recent years.

The make-up of financial charges was clearly affected also by the deterioration of the total net financial position in 1H13, explained by the abovementioned investments in tangible and intangible assets during the period under review.

Financial charges amounted to €1.5 million in 1H13 (€1.5 million in 2012) and refer to:

- interest expense on bank loans to finance acquisitions made in prior years amounting to €0.5 million (€0.6 million in 1H12);
- other bank commissions and interest owed on bank overdrafts amounting to €0.9 million (€0.8 million in 1H12), linked primarily to bank commissions on credit card payments;
- derivative differentials of -€0.1 million (-€0.1 million in 2012).

Financial income in 1H13 amounted to €0.1 million versus none in 1H12.

The result of exchange activities in 1H13 came to a negative €0.3 million versus a positive €0.1 million in 1H12, with an overall negative differential of €0.3 million.

Looking at 2Q13 alone, overall financial activities came to a negative €0.7 million, on the same level of 2Q12, though improving versus the negative figure of approximately €1 million in 1Q13, due basically to the negative effects of forex, and particularly to the weaker trend of the Pound versus the Euro).

The DADA Group closed the first half of 2013 with a positive consolidated net profit of €0.7 million (2% of consolidated revenue) versus the positive €0.9 million in 1H12 (2% of consolidated revenue).

The difference in net profit is mainly influenced by the above points regarding the increase in depreciation and amortization and the negative effects of forex. The overall tax burden in 1H13, instead, remained stable (-€0.3 million, 31% of pre-tax profit) versus the tax burden in 1H12 (-€0.4 million, 31% of pre-tax profit).

Breaking down tax in 1H13 into current and deferred, current tax amounted to -€0.7 million, while deferred tax amounted to a positive figure of approximately €0.4 million. The latter figure reflects the positive effect of the new deferred tax assets recognized on part of the fiscal losses pertaining primarily to the Parent Company of €0.5 million, and the negative effect of the release of part of the temporary differences recognized on provisions and accruals in previous years which will be recovered during the year. Current tax refers primarily to the regional IRAP tax relating to some Italian companies and tax on foreign-based companies with positive pre-tax income.

In 1H12, current tax amounted to -€0.4 million, while deferred tax assets amounted to €12 thousand. Current tax in 1H12 included the benefit from the positive outcome of the negotiations with the tax authorities, which resulted in a reduction of €0.2 million in the provisions, recorded under taxes, made in prior years for this tax dispute.

It must be noted that deferred tax assets recognized in the consolidated half-year financial report 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 on the portion of carry-forward tax losses likely to be recovered.

The latest calculation was made at year-end 2012, 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 new laws relating in particular to the full recovery of tax losses incurred by Italian companies.

In this half-year financial report, the calculations made at year-end 2012 were verified to confirm that they had been complied with and are to date reliable. This was carried out by verifying the actual results achieved by each DADA Group company in the first six months of 2013 versus the 2013 budget forecasts, and by analyzing the expected trend with a six-month extension on the five-year plan used in the 2012 financial statements.

It must be noted that the DADA Group has accrued tax losses of €35.3 million which refer for the largest part to the Italian companies and which may be fully carried forward indefinitely.

Tax losses on which deferred tax assets have been calculated amounted to €16.5 million. In 1H12, the carry-forward tax losses amounted to €33 million, while deferred tax assets had been calculated only on €13 million. The half-year income statement for the period ended 30 June 2013 does not include any non-controlling interests as a result of the extraordinary transactions closed during the prior year and referred to in the introduction above.

Looking at 2Q13 alone, consolidated net profit amounted to €0.3 million, in line with 2Q12. Tax in 2Q13 amounted to €11 thousand versus €0.1 million in 2Q12.

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 direct subsidiary Register.it S.p.A., while Performance Advertising is managed by the direct subsidiary MOQU Adv S.r.l.. This reorganization is the consequence of the sharp increase reported by Performance Advertising, whose results now have a growing impact on the volumes of the DADA Group revenue. Corporate activities are considered so completely integrated with the two business segments that they no longer require qualification as a separate division.

Following this change, for the sake of comparison, figures have been restated for 1H12 (when there was only one business segment). For further details, reference should be made to note 3 to this Interim Report.

Main results by segment

The following table shows the main results of the "Domain and Hosting" and "Performance Advertising" divisions in 1H13 versus 1H12:

Segment	30/06/2013 (6 months)					30/06/2012 (6 months)				
	Revenue	EBITDA	Margin %	EBIT	Margin %	Revenue	EBITDA	Margin %	EBIT	Margin %
Domain and Hosting	31,234	5,738	18%	2,624	8%	32,508	5,716	18%	2,802	9%
Performance Advertising	8,174	1,110	14%	862	11%	10,686	1,284	12%	1,036	10%
Adjustments	310	-533	n.m.	-786	n.m.	385	-900	n.m.	-1,177	n.m.
Total	39,719	6,315	16%	2,700	7%	43,579	6,100	14%	2,660	6%

Domain and Hosting Services

“Domain and Hosting” is the DADA Group division dedicated to self-provisioning professional services for management of the online presence of individuals and businesses.

The Group, which now has over 520,000 customers, more than 1.7 million domains under its management, and 500,000 websites hosted on its platforms, operates in Europe through its brands, leaders in their respective geographical areas: Register.it in Italy (headquartered in Florence, with branches in Milan and Bergamo), Nominalia in Spain, Names.co.uk and Poundhost in the UK, Amen Group in Portugal, France and the Netherlands, and Register365 in Ireland.

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

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

Through a proprietary Adserver, DADA also manages its own international advertising network (Simply.com) with over 3,200 active publishers, which enables advertisers to effectively plan their campaigns.

In 1H13, the division's revenue amounted to €31.2 million, down 4% versus 1H12 (€1.3 million). The Italian and UK markets contributed 75% of the division's revenue, while the remaining 25% came from the French, Spanish, Portuguese and Dutch markets.

EBITDA was stable at €5.7 million, thanks to the reduction in operating and payroll costs. Capitalized research and development costs amounted to €1.6 million, rising slightly versus 2012.

EBIT came to €2.6 million, net of depreciation and amortization, impairments and other non-operating items of €3.1 million.

Looking at 2Q13 alone, revenue amounted to €15.1 million versus €16.0 million in 2012. Gross margin, instead, dropped slightly to €2.6 million versus €2.8 million in 2Q12.

EBIT came to €0.9 million, net of depreciation and amortization, impairments and other non-operating items of €1.7 million.

Performance Advertising Services

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

The main proprietary brands through which it operates are Peeplo and Save’n Keep, which count about 30 million unique monthly users, joined, from 2Q13, by the new portals Supereva.com and Kuidle.com.

In 1H13, the division's revenue amounted to €8.2 million, losing €2.5 million, or 24% versus 1H12. 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, as mentioned earlier, by the change in Google's policy, which stifled the pace of growth starting from October 2012 (when revenue had grown by over 20% versus 2011).

EBITDA fell slightly from €1.3 million in 2012 to €1.1 million in 2013, the drop in revenue being almost fully offset by the reduction in operating costs. Capitalized costs for research and development amounted to €0.3 million, falling slightly versus 2012.

EBIT came to €0.9 million, net of depreciation and amortization, impairments and other non-operating items of €0.2 million.

Looking at 2Q13 alone, the division's revenue amounted to €3.9 million versus €5.3 million in 2012. Gross margin, instead, amounted to €0.7 million, rising slightly versus €0.6 million in 2Q12.

EBIT came to €0.5 million, net of depreciation and amortization, impairments and other non-operating items of €0.1 million.

Financial position

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

TOTAL NET FINANCIAL POSITION					
	IN EUR/000	30-June-13	31-Dec-12	DIFFERENCE	
				Absolute	%
A	Cash on hand	7	9	-2	-22%
B	Bank and post office deposits	2,830	2,997	-167	-6%
C	Liquidity (A+B)	2,837	3,006	-169	-6%
D	Time deposits and other receivables	0	1,000	-1000	-100%
E	Derivatives	1	0	1	
F	Other financial receivables (D + E)	1	1,000	-999	-100%
G	Total Financial Assets (C+F)	2,838	4,006	-1,168	-29%
H	Current credit lines and account overdrafts with banks	-7,626	-6,913	-713	10%
I	Current bank borrowings	-7,823	-3,811	-4,012	105%
L	Other current financial payables	0	-561	561	-100%
M	Current portion of derivatives	-118	-210	92	-44%
N	Current debt (H+I+L+M)	-15,567	-11,495	-4,072	35%
O	Non-current bank borrowings	-15,747	-18,679	2,931	-16%
Q	Non-current portion of derivatives	0	-39	39	100%
R	Non-current debt (O+P+Q)	-15,747	-18,718	2,971	-16%
S	Total financial liabilities (N+R)	-31,314	-30,213	-1,101	4%
T	Total net financial position (G+S)	-28,475	-26,207	-2,268	9%

At 30 June 2013, the total Net Financial Position of the DADA Group, which includes funding to be repaid beyond one year, came to -€28.5 million versus -€26.2 million at 31 December 2012 and -€25.6 million at 30 June 2012.

The current Net Financial Position at 30 June 2013 came to -€12.7 million versus -€7.5 million at 31 December 2012, as a result of changes in overall cash flows, and of the

reclassification to current debt of an installment amounting to €3.8 million of the loan held with Intesa San Paolo, whose repayment schedule starts from 31 December 2013. This implies, in turn, a reduction of the same amount in non-current debt.

The item “time deposits and other receivables” amounted to zero at 30 June 2013 and included, at 31 December 2012, the final installment amount of €1 million for the transaction completed with Buongiorno, collected, as per contract, on 31 May 2013.

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

Non-recurring cash-out in the first six months of 2013 amounted to €0.3 million and consists of severance costs for employees who terminated employment (€0.1 million), charges for the settlement of legal disputes (€0.1 million), as well as payments related to the repayment plan for settlement of the dispute with the Regional Revenue Agency Offices (€0.1 million). In the prior year, this item had amounted to approximately €0.1 million, mostly for severance costs and contractual disputes.

Movements in cash flow in the first six months of 2013 with respect to cash and cash equivalents and compared to the same period of the prior year are summarized below. For further details, reference should be made to the Statement of Cash Flows included in the Consolidated Financial Statements and to the notes:

Description	30/06/13	30/06/12
Change in NFP	-2,268	1,442
Change in non-current portion of loans	-2,931	4,703
Change in non-cash derivatives	-132	-110
Current account with RCS	-561	8
Change in other receivables	1,000	-1,000
Change in cash and cash equivalents from the Statement of Cash Flows	-4,893	5,043

Investing activities

In 1H13, in addition to the above, the DADA Group made significant investments for a total of €5.5 million versus €3.5 million in 1H12, with the same impact reported on cash flows. Specifically:

- investments in intangible assets in 1H13 amounted to €2.4 million, up 15% versus €2.1 million in 1H12. Approximately 2 million (€1.9 million in 1H12) refers to costs for the development of the proprietary processes and platforms needed to provide Domain & Hosting and Performance Advertising services, €0.2 million refers to the purchase of software (€0.1 million in 1H12) and €0.2 million refers to the purchase of brands and licenses (€0.1 million in 1H12);

- investments in property, plant and equipment amounted to €3.1 million, up versus €1.5 million in 1H12. €1.4 million consist of assets under development and advances, which include the amounts paid for the new Datacenter in the UK, whose activities had started in the second half of 2012. The project at 30 June 2013 was still in the construction phase, hence, the period of amortization will start with the completion of the Datacenter, which is expected by 2013.

The agreement represents an important investment for the DADA Group as it aims to centralize most of the housing services, which are currently outsourced, in a Datacenter.

Other investments in property, plant and equipment include approximately €1.6 million in the purchase of servers and other electronic equipment needed for the provision of domain and hosting services (€1.4 million in 1H12). Investments in furniture and fittings amounted to €0.1 thousand (€48 thousand in 1H12).

Financing activities

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

Conversely, the cash flow from financing activities in 1H12 had come to a positive €4.6 million as a result of the renegotiation of loans with Banca Intesa, which resulted in a drop in current versus an increase in non-current debt. For further details on this transaction, reference should be made to note 15 in this report.

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

These effects impact solely on "cash, cash equivalents and current bank borrowings" and are neutral on the "total Net Financial Position".

The reconciliation between cash flow of the net financial position and the change in cash and cash equivalents is shown in note 19.

The following table shows the breakdown of net working capital and net capital employed at 30 June 2013 versus the figures at 31 December 2012:

IN EUR/000	30-June-13	31-Dec-12	DIFFERENCE	
			Absolute	%
Intangible assets	83,227	84,763	-1,536	-2%
Property, plant and equipment	8,181	6,893	1,287	19%
Non-current financial assets	217	216	1	1%
Non-current assets (A)	91,625	91,872	-247	0%
Trade receivables	6,632	8,070	-1,437	-18%
Tax and other receivables	11,882	10,755	1,127	10%
Current assets	18,514	18,825	-311	-2%
Trade payables	-11,790	-13,572	1,782	-13%
Other payables	-15,565	-15,630	65	0%
Tax payables	-2,976	-2,413	-564	23%
Current liabilities	-30,332	-31,615	1,283	-4%
Net working capital (B)	-11,817	-12,790	973	-8%
Severance	-847	-849	2	0%
Provisions for risks and charges	-1,067	-1,461	394	-27%
Other payables due beyond one year	-84	-166	83	-50%
Other consolidated liabilities (C)	-1,997	-2,476	478	-19%
Net capital employed (A+B+C)	77,810	76,606	1,204	2%

Net working capital

The DADA Group's Net Working Capital at 30 June 2013 was -€11.8 million versus -€12.8 million at 31 December 2012 and -€12.6 million at 30 June 2012.

The decreasing trend in the first six months of the year versus the end of the previous year is explained by the Group's business performance in the period under review and by 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. The aggregate was also affected by the frozen collection of trade receivables from Seat PG Italia S.p.A., amounting to €0.7 million, which is detailed in the notes on trade receivables and bad debts provisions.

Looking at the single balance sheet items, trade receivables at 30 June 2013 amounted to €6.6 million versus €8.1 million at 31 December 2012, and reflect primarily receivables for advertising services linked to Simply and Performance Advertising. Trade payables followed the same pattern, falling from €13.6 million at 31 December 2012 to €11.8 million at 30 June 2013.

Current liabilities include deferred income of approximately €12 million for web hosting services; these will not entail future financial outlays, but rather the recognition

of revenue in the income statement. Deferred income at 31 December 2012 amounted to €11.9 million versus €12.5 million at 30 June 2012.

Other consolidated liabilities due beyond one year include termination indemnities, provision for risks and charges and the installments due beyond one year relative to dispute settlements which have already been defined. These items are explained in the notes to this report.

Group employees

The number of DADA Group employees at 30 June 2013 reached 390 units versus 372 units at 31 December 2012 and 366 units at 30 June 2012.

Employees by Division are broken down as follows:

Segment	30-06-2013	31-12-2012	DIFFERENCE
<i>D&H</i>	327	306	21
Performance ADV.	24	29	-5
<i>Other (Corporate)*</i>	39	37	2
Total	390	372	18

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

The geographical breakdown of employees is shown below (at 30 June 2013 and at 31 December 2012):

	Italy		Abroad		TOTAL	
	30-06-2013	31-12-2012	30-06-2013	31-12-2012	30-06-2013	31-12-2012
Employees	220	209	170	163	390	372

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

Alternative performance indicators

This Interim Report provides the following economic and financial indicators in addition to those required by IFRS which are used by the management of the DADA Group to monitor and assess the DADA Group's operating performance, but as they are not recognized accounting measures under IFRS should not be considered alternative performance indicators for the DADA Group.

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 up into current and non-current portions according to the amount expected to be recovered with the following year's profit.

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

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

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

RELATED PARTY TRANSACTIONS

Related party transactions are explained in note 18.

SIGNIFICANT EVENTS IN 1H13

The events which had the most significant impact on the DADA Group in 1H13 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, in 4Q12 DADA undertook a project to realize a dedicated Datacenter in the UK. A strategic partnership was started with a highly experienced UK player, who is in charge of the realization and management of a new facility covering about 5,000 m², based on cutting-edge specifications shared by the two parties (Tier 4 level). A large part of the facility will be dedicated specifically to DADA. The agreement has an initial five-year validity, with the possibility, at DADA's discretion, to be extended for another 5 years. DADA is expected to invest about €3 million over a three-year period, of which approximately €0.7 million incurred in 4Q12. The facility will start operations from the second half of 2013.

- **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.

SIGNIFICANT EVENTS AFTER 1H13

On 3 July 2013, Alessandro Foti, independent non-executive Director of the Company, and member of the Remuneration and the Control and Risks 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 (also on the Company's website), 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 fulfillment 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 fulfill 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 takeover bid on all of the DADA shares not subject to transfer at Closing.

E. Content and duration of the arrangements under the Contract

Under the Contract, at Closing:

(i) RCS:

- shall hand Libero Acquisitions, without giving rise to any costs for DADA, the letters of resignation (also containing a waiver of any present or past claim brought against the Company and its subsidiaries, as the case may be, with the exception of remuneration on a pro rata basis accrued up to the Closing date), effective from the Closing date: (A) of

two identified members of the Board of Directors of the Company, both managers of RCS, (B) as well as two independent directors (collectively, the "Outgoing Directors");

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

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

The Contract also provides for an interim management clause, under which, during the period between the Signing Date and the Closing Date (the "Interim Period"): (A) RCS shall use reasonable best efforts, within the limits of law, to ensure that the Company and its subsidiaries continue to carry on their activities in accordance with past practice and the budget provided by Libero Acquisitions, and (B) RCS shall ensure that the Company and its subsidiaries abstain from carrying out a series of extraordinary activities set out in the Contract.

There are no additional provisions of the Contract which can be construed as being shareholders' arrangements pursuant to Art. 122 of the TUF.

F. Filing with the Company Register

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

OUTLOOK FOR THE CURRENT YEAR

Indications on the Group's performance in the first half of the year to date basically confirm expectations for both business lines:

- in the Domain and Hosting division, efforts will continue to enhance service quality and launch increasingly-performing products. The aim is to gain new clients, retain the existing customer base, and consolidate the position achieved on the main reference markets, Italy and the UK in particular, which up to date contributed over 75% of the division's total revenue;
- the Performance Advertising division will continue with its strategy of international expansion of innovative solutions for online traffic monetization, thanks also to the release of new portals and development of the offering in new languages and in new countries, and also by leveraging on the opportunities offered by the mobile channel. While forecasts point to lower revenue this year as a result of the foregoing changes in 4Q12, the growth reported in 1H13 versus 4Q12 indicates a positive outcome of the strategic measures implemented to tackle this discontinuity.

The on-going project regarding the realization and setup of the new Datacenter in the UK will impact negatively on 2H13 results in terms of higher costs of approximately €1.2 million (incurred mainly for the migration of all of the hardware components to the new facility), but will allow DADA to achieve more than €1 million in economic benefits on an annual basis, starting from 2014, as well as to have adequate space to sustain the future growth of the Group.

The initiatives implemented to ensure meticulous control of operating costs and overheads to enhance the Group's overall efficiency will continue to be carried out in 2013.

DADA GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

DADA GROUP CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2013

IN EUR/000	Notes	30 June 2013	30 June 2012
Net revenue	4	39,719	43,579
Cost of raw materials and consumables		-	-15
Chg. in inventories & inc. in own wk. capitalized		1,959	1,941
Service costs and other operating expenses		-25,607	-29,785
Payroll costs		-9,594	-9,518
Other operating revenue and income		25	5
Other operating costs		-199	-108
Provisions and impairment losses		-110	115
Depreciation and amortization		-3,495	-3,325
EBIT	4	2,700	2,660
Investment income		312	907
Financial charges		-1,980	-2,328
Profit/(loss) before taxes	4	1,031	1,240
Income taxes	8	-328	-390
Group net profit/(loss)	4	704	850
Basic earnings/loss per share		0.043	0.052
Diluted earnings/loss per share		0.042	0.051

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2013

IN EUR/000	Notes	30 June 2013	30 June 2012
Net profit/(loss) for the period (A)		704	850
Other comprehensive profit/(loss) to reclassify to Profit/loss for the period:	11	-1,857	1,382
Gains/(losses) on exchange rate derivatives (cash flow hedges)	11	114	94
Tax effect on other gains/(losses)	11	-31	-26
		83	68
Gains/(losses) from the translation of foreign currency financial statements	11	-1,939	1,313
Other comprehensive profit/(loss) not to reclassify to Profit/loss for the period:		0	0
Total comprehensive income/(loss) (A) + (B)		-1,153	2,231
<i>Total comprehensive income/(loss) attributable to:</i> Shareholders of the parent company		-1,153	2,231

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

ASSETS	Notes	30 June 2013	31 December 2012
<i>Non-current assets</i>			
Goodwill	6	75,074	77,123
Intangible assets	12	8,153	7,639
Other property, plant and equipment	13	8,181	6,893
Financial assets		218	216
Deferred tax assets	8	6,630	6,273
Total non-current assets		98,256	98,144
<i>Current assets</i>			
Trade receivables	14	6,632	8,070
Tax and other receivables	14	5,252	4,482
Current financial receivables		-	1,000
Cash and cash equivalents	15	2,837	3,006
Total current assets		14,722	16,558
TOTAL ASSETS		112,977	114,702

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

EQUITY AND LIABILITIES	Notes	30 June 2013	31 December 2012
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Share capital	19	2,756	2,756
Other equity instruments	19	302	213
Share premium reserve	19	32,071	32,071
Legal reserve	19	1,463	950
Other reserves	19	2,367	7,630
Retained earnings/loss carried forward		9,674	5,840
Net profit/(loss)		704	939
Total equity, Group share		49,335	50,399
Non-controlling interests		-	-
Total shareholders' equity		49,335	50,399
<i>Non-current liabilities</i>			
Bank loans (due beyond one year)	15	15,747	18,679
Provision for risks and charges	17	1,067	1,461
Provision for employee termination indemnities		847	849
Financial liabilities for derivatives	15	118	249
Other liabilities due beyond one year		84	166
Total non-current liabilities		17,863	21,403
<i>Current liabilities</i>			
Trade payables	16	11,790	13,572
Other payables	16	15,565	15,630
Tax payables	16	2,976	2,413
Bank overdrafts and financial payables (due within one year)	15	15,448	11,285
Total current liabilities		45,780	42,900
TOTAL EQUITY AND LIABILITIES		112,977	114,702

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2013

IN EUR/000	30 June 2013	30 June 2012
Operating activities		
Net profit (loss) for the period	704	850
<i>Adjustments for:</i>		
Income from trading	-312	-907
Financial charges	1,980	2,328
Income taxes	328	390
Depreciation	1,666	1,863
Amortization	1,828	1,462
Granting of stock options	89	0
Other provisions and impairment losses	121	115
Increases/(decreases) in provisions	-194	-369
Cash flow from operating activities before changes in working capital	6,210	5,731
(Increase)/decrease in receivables	547	-1,523
Increase/(decrease) in payables	-2,629	1,410
Cash flow from operating activities	4,128	5,617
Income taxes paid	-20	-303
Interest (paid)/received	-1,107	-1,364
Net cash flow from operating activities	3,000	3,951
Investing activities		
Purchase of property, plant and equipment	-2,933	-1,474
Sale of fixed assets	25	0
Other changes in fixed assets	-1	-2
Purchase of intangible assets	-400	-91
Product development costs	-1,959	-1,941
Net cash flow used in investing activities	-5,269	-3,508

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2013

IN EUR/000	30 June 2013	30 June 2012
Financing activities		
Change in loans	-2,931	4,702
Other changes	307	-102
Net cash flow from/(used in) financing activities	-2,624	4,600
Net increase/(Decrease) in cash and cash equivalents	-4,893	5,043
Cash and cash equivalents at beginning of period	-7,718	-8,392
Cash and cash equivalents at end of period	-12,611	-3,349

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2013

Description	Attributed to the shareholders of the Parent									
	Share capital	Share premium reserve	Legal reserve	Other reserves	Other equity instruments	Cash flow hedge res.	Translation reserve	Retained earnings	Net profit / (loss)	Total equity
Balance at 31 December 2012	2,756	32,070	950	14,045	213	-163	-6,251	5,840	939	50,399
Allocation of 2012 profit								939	-939	0
Profit/(loss) for the period									704	704
Other comprehensive income (losses)						83	-1,939			-1,857
Total comprehensive income (losses)				0	0	83	-1,939	0	704	-1,153
Other equity instruments					89					89
Balance at 30 June 2013	2,756	32,070	950	14,045	302	-80	-8,191	6,779	704	49,335

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2012

Description	Attributed to the shareholders of the Parent									
	Share capital	Share premium reserve	Legal reserve	Other reserves	Other equity instruments	Cash flow hedge res.	Translation reserve	Retained earnings	Net profit / (loss)	Total equity
Balance at 31 December 2011	2,756	32,070	950	7,137	34	-299	-7,142	21,286	-8,542	48,250
Allocation of 2011 profit				7,211				-15,753	8,542	0
Profit/(loss) for the period									850	850
Other comprehensive income (losses)						68	1,313			1,382
Total comprehensive income (losses)				0	0	68	1,313	0	850	2,232
Other equity instruments					89					89
Other changes					3					3
Balance at 30 June 2012	2,756	32,070	950	14,440	34	-231	-5,829	5,533	850	50,574

**DADA GROUP CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2013
PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006**

		30 June 2013	30 June 2012
Net revenue	4	39,719	43,579
- of which: related parties	20	97	34
Cost of raw materials and consumables		0	-15
Chg. in inventories & inc. in own wk. capitalized		1,959	1,941
Service costs and other operating expenses		-25,607	-29,785
- of which: related parties	20	-274	-309
Payroll costs		-9,594	-9,518
- of which: related parties	20	-341	-384
Other operating revenue and income		25	5
Other operating costs		-199	-108
Provisions and impairment losses		-110	-115
Depreciation and amortization		-3,495	-3,325
EBIT	4	2,700	2,660
Investment income		312	907
Financial charges		-1,980	-2,328
- of which: related parties	20	-1	-12
Profit/(loss) before taxes	4	1,031	1,240
Income taxes	8	-328	-390
Profit/(loss) from continuing operations	4	704	850

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013
PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

ASSETS		30 June 2013	31 December 2012
<i>Non-current assets</i>			
Goodwill	6	75,074	77,123
Intangible assets	12	8,153	7,639
Other property, plant and equipment	13	8,181	6,893
Financial assets		218	216
Deferred tax assets	8	6,630	6,273
Total non-current assets		98,256	98,144
<i>Current assets</i>			
Trade receivables	14	6,632	8,070
- of which: related parties	20	154	432
Tax receivables and others	14	5,252	4,482
Current financial receivables	15	-	1,000
Cash and cash equivalents	15	2,837	3,006
Total current assets		14,722	16,558
TOTAL ASSETS		112,977	114,702

**DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013
PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006**

EQUITY AND LIABILITIES		30 June 2013	31 December 2012
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Share capital	19	2,756	2,756
Other equity instruments	19	302	213
- of which: related parties	20	185	111
Share premium reserve	19	32,071	32,071
Legal reserve	19	1,463	950
Other reserves	19	2,367	7,630
Retained earnings		9,674	5,840
Net profit/(loss)		704	939
Total equity, Group share		49,335	50,399
Minority interests		0	0
Total shareholders' equity		49,335	50,399
<i>Non-current liabilities</i>			
Bank loans (due beyond one year)	15	15,747	18,678
Provision for risks and charges	17	1,067	1,461
Provision for employee termination indemnities		847	849
Financial liabilities for derivatives	15	118	249
Other liabilities due beyond one year		84	166
Total non-current liabilities		17,863	21,403
<i>Current liabilities</i>			
Trade payables	16	11,790	13,572
- of which: related parties	20	277	730
Other payables	16	15,565	15,630
- of which: related parties	20	155	310
Tax payables	16	2,976	2,413
Bank overdrafts and loans (due within one year)	15	15,448	11,285
- of which: related parties		0	561
Total current liabilities		45,780	42,900
TOTAL EQUITY AND LIABILITIES		112,977	114,702

NOTES TO THE FINANCIAL STATEMENTS

1. Company information

DADA S.p.A. is a joint-stock company incorporated in Italy and listed in the Florence Company Register. Its registered office and main Group business locations are indicated in the introduction to this report.

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

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

2. Preparation criteria

The condensed half-year financial statements are expressed in euro (€) as this is the currency in which most of the Group's operations are conducted.

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

This half-year report has been prepared on a going concern basis. The DADA Group has determined that despite the difficult economic and financial context, there are no material uncertainties (as per paragraph 25 of IAS 1) regarding its ability to continue as a going concern, thanks also to measures it has taken and to the Group's flexibility.

Statement of compliance with IFRS

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

The half-year financial statements were prepared in summary form in accordance with IAS 34 and Art. 154 ter of the Consolidated Finance Act (Legislative Decree 58/1998). Therefore, they do not include all of the information required in annual reports and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012.

Main accounting standards

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

- ***Amendment to IAS 1 - Presentation of financial statements*** - The amendment, issued by the IASB in June 2011, is applicable to financial periods beginning on 1 July 2012, and requires entities to group items presented in OCI (Other Comprehensive Income) into two categories, based on whether they can be potentially re-classifiable or less to profit or loss subsequently. The adoption of this amendment produced no significant effects to the disclosures presented in this Interim Report.
- ***Amendment to IAS 19 - Employee benefits*** - The amendment, issued by the IASB in June 2011, also known as IAS 19 (2011), is applicable to financial periods beginning on 1 January 2013. It eliminates the option of deferring recognition of actuarial gains and losses via the corridor approach, requiring presentation, in the statement of financial position, of the fund's deficit or surplus and recognition in the profit and loss of cost components relating to service and net financial expense, and recognition in the statement of other comprehensive income of actuarial gains and losses stemming from re-measurement of liabilities and assets. In addition, the return on assets included in net financial expense must be calculated on the basis of the discount rate for liabilities and no longer on the basis of the rate of return expected for assets. The amendment requires further information to provide in the explanatory notes. The adoption of this amendment produced no significant effects to the disclosures presented in this Interim Report.
- ***IFRS 13 - Fair value measurement*** - The standard, issued by the IASB in May 2011, is applicable to financial periods beginning on 1 January 2013. The standard defines fair value, clarifies how it is determined and introduces standardized disclosure for items valued at fair value. The standard is applicable to all types of transactions or balances for which another standard requires or allows fair value.
- ***Amendment to IAS 12 - Income tax*** - The amendment, issued by the IASB in December 2010 and applicable to financial periods after 1 January 2012, introduces the presumption that recovery of the underlying asset of deferred tax will normally be through sale unless there is clear evidence that it will be recovered through use. The presumption will be applied to investment property, plants and machinery, intangible assets recognized or re-valued at fair value. Following these amendments the interpretation SIC 21 Income tax - recovery of re-valued non-depreciable assets - will be repealed.
- ***Amendment to IFRS 7 - Financial instruments: improved disclosures*** - The amendment proposes the presentation of further disclosure (both qualitative and quantitative) for assets and liabilities subject to offsetting. The amendment requires

disclosures about the effect or potential effect of offsetting of financial assets against financial liabilities on an entity's financial position. The amendments are to be applied to the financial periods beginning on or after 1 January 2013 and to interim periods following such date. Disclosure is to be provided retrospectively. The adoption of this amendment produced no significant effects to the disclosures presented in this Interim Report.

- **IFRS 12 - Improved disclosure of interests in other entities** - The standard, issued by IASB in May 2011, is applicable from 1 January 2013. It specifically envisages improved disclosure to be provided on all types of interests, including those in subsidiaries, associates, joint arrangements, special purpose entities and other unconsolidated special purpose vehicles.
- **Amendment to IFRS 9 - Financial instruments and to IFRS 7 - Financial instruments: improved disclosures** - The amendment postpones the date of effectiveness from 1 January 2013 to 1 January 2015.
- **Amendment to IAS 32 - Financial instruments: presentation** - The amendment proposes the application of certain criteria for offsetting financial assets against financial liabilities. The standard is applicable to financial periods beginning on 1 January 2014.
- **Accounting standards, amendments and interpretations approved by the European Union, in force and not adopted by the Group**
- **IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine** - The interpretation, issued in October 2011, addresses how to account for the waste removal charges incurred in the production phase of a surface mine, and is applicable from 1 January 2013.

Consolidation procedures

This half-year report includes the results of the parent company DADA S.p.A. and of its subsidiaries at and for the period ended 30 June 2013. In accordance with the accounting standards followed, a company qualifies as a subsidiary if it is controlled by DADA S.p.A., meaning that DADA S.p.A. has the power to govern its financial and operating policies so as to obtain benefits from its activities.

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

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

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from Group equity, and are determined based on the percentage held by non-controlling shareholders of the fair value of the assets and liabilities recognized on the date of the original combination and of changes in equity since that date.

Subsequently, profit or loss is attributed to non-controlling interests according to their percent ownership, and losses are attributed to non-controlling interests even if this results in their having a deficit balance.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

If the parent loses control of a subsidiary, it:

- derecognizes the assets (including any goodwill) and liabilities of the subsidiary
- derecognizes the carrying amount of any non-controlling interests in the former subsidiary
- derecognizes exchange gains and losses included in equity
- recognizes the fair value of the consideration received
- recognizes the fair value of any investment retained in the former subsidiary
- recognizes any resulting difference as a gain or loss
- reclassifies its share of amounts previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The separate financial statements of each Group company are prepared in the currency of the primary business environment in which it operates (functional currency). For the purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in euro, which is the functional currency of the Group and the presentation currency of the consolidated financial statements.

All assets and liabilities of consolidated foreign companies that use a currency other than the euro are translated at the exchange rates in force at the close of the year (current rate method). Income and costs are translated at the average exchange rate for the year. Exchange gains and losses resulting from this method, the difference between net equity at the start of the period translated at current exchange rates versus historical exchange rates, and the difference between the net profit or loss expressed at average and current exchange rates are allocated to "Other reserves" under equity until the investment is sold.

When a foreign company is disposed of, the cumulative exchange differences recognized in equity that pertain to that particular company are transferred to profit or loss.

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

Currency	Exchange rate at 30.06.2013	Average exchange rate in 1H13
US dollar	1.3080	1.3134
British pound	0.8572	0.8508

Currency	Exchange rate at 30.06.2012	Average exchange rate in 1H12
US dollar	1.259	1.296
British pound	0.807	0.823

Scope of consolidation

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

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

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

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

MAIN RISKS AND UNCERTAINTIES

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 acquisition of UK company Namesco Ltd., of Amen Group companies and of Poundhost, and liquidity risk in general, reflecting the potential changes in borrowing requirements.

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

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

To hedge interest rate risk, a 3.81% IRS still in effect was taken out with a major bank against a €4.3 million loan (at 30 June 2013) taken out by the subsidiary Register.it. The fair value of this derivative instrument was recognized in the statement of financial position, with a balancing entry in an equity reserve in accordance with IAS 39 (cash flow hedges). Two interest rate caps were also arranged with major banks: one with a strike rate of 3.5% on principal of €1.6 million, and one with a strike rate of 3% on principal of €3.0 million. The fair value adjustment on both caps was posted in full to the income statement, as they are not treated according to the hedge accounting rules.

Liquidity risk

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

Exchange risk

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

In 1H13, the Group engaged in derivatives (currency forwards) in order to hedge its exchange rate risk.

Credit risk

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

In 1H13, a client which has an existing contract with a DADA Group company and an exposure of approximately €0.9 million at 30 June 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 14.

Price risk

The Group is not exposed to significant price volatility risk.

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

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

Terms of payment

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

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

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

Earn-out

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

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

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

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

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

Special penalties

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

Risks from reconciliation with telephone companies and aggregators

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

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

Risks relating to the non-compete clause

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

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

Risks of the reduced scope of operations

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

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

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

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

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

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

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

Seasonal trends

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

4. Segment reporting pursuant to IFRS 8

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

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

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

The reorganization in two divisions is the result of the strong growth achieved in 2012 by performance advertising, with an increasingly significant impact on the volume of consolidated sales of the DADA Group, which led to greater focus on these activities and to the creation of a separate business unit.

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

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

The two current divisions can be summarized as follows:

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

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

- b) **"Performance Advertising"** (forming the Scalable CGU), management of online advertising, with a business model based on web traffic monetization through partnerships with major search engines. These activities are carried out mainly by the proprietary brands Peeplo and Save N Keep.

The Performance Advertising Division heads up the Italian company MOQU Adv S.r.l. (wholly-owned by DADA S.p.A.) and the Irish company MOQU Adv. Ireland Ltd, wholly-owned by the former.

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

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

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

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

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

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

Income statement by business segment at 30 June 2013

30/06/2013 (6 months)				
Segment reporting	D&H	Scalable	Adjustments	Consolidated
Revenue - Italy	13,763	96	310	14,170
Revenue - abroad	17,471	8,078		25,549
Revenue - interdivisional				0
Net revenue	31,234	8,174	310	39,719
Increase in own work capitalized	1,628	330		1,959
Service costs	-19,620	-6,579	-310	-26,510
Payroll costs	-7,504	-815		-8,319
Segment EBITDA	5,738	1,110	0	6,849
Depreciation and amortization	-2,991	-249		-3,240
Impairment and provisions	-123			-123
Segment EBIT	2,624	862	0	3,486
			Amort. and depr. fix. assets corp.	-255
			Provisions and impairment	2
			Unallocated overheads	-533
			EBIT	2,700
			Net financial income/charges	-1,668
			Profit (loss) before taxes	1,031
			Income taxes	-328
			Group net profit (loss)	704

Income statement by business segment at 30 June 2012

30/06/2012				
Segment reporting	D&H	Scalable	Adjustments	Consolidated
Revenue Italy	14,273	0	385	14,658
Revenue - abroad	18,235	10,686		28,921
Revenue - interdivisional				0
Net revenue	32,508	10,686	385	43,579
Increase in own work capitalized	1,541	400		1,941
Service costs	-20,936	-9,013	-385	-30,334
Payroll costs	-7,397	-789		-8,186
Segment EBITDA	5,716	1,284	0	7,000
Depreciation and amortization	-2,740	-248		-2,988
Impairment of fixed assets	-175			-175
Segment EBIT	2,802	1,036	0	3,837
			Amort. and depr. fix. assets corp.	-337
			Provisions and impairment	61
			Unallocated overheads	-900
			EBIT	2,660
			Financial income/charges	-1,421
			Profit (loss) before taxes	1,239
			Income taxes	-390
			Group net profit (loss)	850

Geographical and segment breakdown of DADA Group revenue

Description	30-June-13		30-June-12	
	Amount	% of total	Amount	% of total
Revenue - Italy	14,170	36%	14,658	34%
Revenue - Abroad	25,549	64%	28,921	66%
Consolidated revenue	39,719		43,579	

Financial disclosures by business segment for the period ended 30 June 2013

30/06/2013 (6 months)				
Segment reporting	Domain & Hosting	Performance Adv	Unallocated portion and adjustments	Consolidated
Segment assets	91,389	2,864	7,771	102,023
Unallocated financial assets			2,838	2,838
Unallocated tax assets			8,116	8,116
Total assets	91,389	2,864	18,725	112,977
Segment liabilities	-34,440	-3,728	8,899	-29,269
Unallocated financial liabilities			-31,313	-31,313
Unallocated tax liabilities			-3,060	-3,060
Total liabilities	56,949	-864	-6,750	-63,642
<i>Segment assets include:</i>				
Investments in non-current assets other than financial instruments and deferred tax assets	5,046	342	94	5,482

Financial disclosures by business segment for the period ended 30 June 2012

30/06/2012 (6 months)				
Segment reporting	Domain & Hosting	Performance Adv	Unallocated portion and adjustments	Consolidated
Segment assets	99,930	2,769	2,640	105,339
Unallocated financial assets			4,877	4,877
Unallocated tax assets			7,656	7,656
Total assets	99,930	2,769	15,173	117,872
Segment liabilities	-28,337	-5,396	615	-33,118
Unallocated financial liabilities			-30,483	-30,483
Unallocated tax liabilities			-3,694	-3,694
Total liabilities	71,593	-2,627	-18,388	-67,295
<i>Segment assets include:</i>				
Investments in non-current assets other than financial instruments and deferred tax assets	3,078	400	69	3,547

6. Goodwill and impairment

Movements in goodwill in 1H13 versus 31 December 2012 are shown in the table below:

	31/12/2012	Increases	Decreases	Exchange differences	30/06/2013
Register.it S.p.A.	7,119			-	7,119
Nominalia SL	8,061			-	8,061
Namesco Ltd	32,781			(1,572)	31,209
Amen Group	21,155			(90)	21,064
Pound Host Group	8,008			(387)	7,621
Total	77,123	-	-	(2,049)	75,074

Discontinued operations and new acquisitions

No decreases or increases in goodwill were reported in the period under review.

Exchange differences

Goodwill in foreign currency is translated at the period-end exchange rates reported on page 43 of these notes.

The EUR/GBP translation for goodwill pertaining to Namesco Ltd., Amen Ltd. and the companies in the Poundhost Group decreased goodwill by €1.6 million, €0.1 million and €0.4 million respectively. The decreases were recorded in the translation reserve under equity.

Impairment test

Under IAS 36, impairment testing is carried out at least once a year upon preparation of the year-end financial statements, to verify whether there has been impairment or whenever there are signs of impairment. For relevant details, reference should be made to the DADA Group financial statements for the year ended 31 December 2012.

Under IAS 36, the Company is also required to monitor certain qualitative and quantitative, external and internal indicators, collectively analyzed and verified to ascertain whether an impairment test needs to be carried out earlier than scheduled.

The recoverable amount of the cash generating units to which goodwill has been allocated is verified by calculating value in use. The DADA Group CGUs reflect those at 31 December 2012: Register CGU; Amen/Nominalia CGU; Namesco/Poundhost CGU and Performance Advertising CGU.

Specifically, the WACC trend at 30 June 2013, as well as the stock's performance with respect to the shareholders' equity in the first six months of 2013 were examined together with a consulting company. Based on the assessments made internally and the difference

between actual and forecast results at 30 June 2013, no reason was found to update the impairment tests carried out when the financial statements at 31 December 2012 were prepared.

7. Non-recurring charges

No non-recurring income or charges were recorded at 30 June 2013, as at 30 June 2012.

8. Income taxes

The following table breaks down the tax charge at 30 June 2013 and at 30 June 2012:

Description	30/06/2013	30/06/2012	Change	% change
IRAP	-221	-208	-13	6%
IRES	-290	-341	51	-15%
Prior-year current taxes	-231	-14	-217	
Other costs/tax recovery	0	186	-186	-100%
Deferred tax assets	415	-13	428	
Total	-328	-390	62	16%

Movements in deferred tax assets at 30 June 2013 are shown below:

Description	Balance at 31/12/2012	Increases from op. activ.	Utilizations	Exchange difference	Other movements	Balance at 30/06/2013
Deferred tax assets	6,273	616	- 201	- 25	- 31	6,630
Total	6,273	616	-201	-25	-31	6,630

Deferred tax assets, recognized in the half-year report in the amount of €6.6 million, originate from:

- temporary differences recoverable over the next few years for the write-down of receivables and the provision for risks and charges, and for all other adjustments made for tax purposes that will be recovered over the next few years (€2.1 million), as well as temporary differences between financial statement figures and the amounts recognized for tax purposes;

- deferred tax assets of €4.5 million were also recognized, on the forecast recovery of tax losses carried forward accrued in prior years.

The latest calculation was made at year-end 2012, 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 new laws relating in particular to the possibility of fully recovering tax losses accrued by the Italian companies.

The DADA Group has accrued tax losses of €35 million pertaining primarily to the Italian companies. Based on the new tax regulations, these losses may be carried forward indefinitely and 80% may be used each year. Deferred tax assets have been recognized on only a portion of those losses (€16.5 million).

Utilizations relate to the recovery of the temporary differences in respect of the tax charge for the period, while the increase was determined in accordance with the declared accounting standard.

“Other movements” include the tax effect of the 1H13 portion of the “Cash flow hedge reserve”.

For further details on deferred tax assets, reference should be made to the Directors’ Report.

10. Assets held for sale

At the date of the half-year report, there were no assets held for sale.

11. Other income items

The following table shows the other items comprising comprehensive income at 30 June 2013 and at 30 June 2012, recognized under equity as shown in the statement of changes in equity on page 35:

Description	30/06/13			30/06/12		
	Gross value	Tax benefit/(charge)	Net value	Gross value	Tax benefit/(charge)	Net value
Gains/(losses) on cash flow hedges	114	-31	83	94	-26	68
Gains/(losses) from the translation of foreign currency financial statements	-1,939		-1,939	1,313		1,313
Total other gains/(losses)	-1,825	-31	-1,857	1,407	-26	1,382

12. Intangible assets

The following table shows movements in intangible assets between 31 December 2012 and 30 June 2013:

Description	Balance at 31/12/12	Increases	Decreases	Other movements	Exchange differences	Amortization	Balance at 30/06/13
Goodwill	77,123	-	-	-	-2,049	-	75,074
Total goodwill	77,123	-	-	-	-2,049	-	75,074
Product/service development costs	6,557	1,959	-	-19	-17	-1,443	7,037
Concessions, licenses and brands	176	172	-	-	-	-158	190
Other	906	228	-	19	-	-227	926
Total intangible assets	7,639	2,359	-	-	-17	-1,828	8,153
Total	84,762	2,359	-	-	-2,066	-1,828	83,227

Increases in 1H13 in intangible assets came to approximately €2.4 million, up by about 8% versus the €2.1 million in investments in 1H12, and are explained by:

€2 million for product development, €0.2 million for the purchase of licenses and brands (€13 thousand in 2012), €0.2 million (€0.1 million in 2012) for the purchase of software necessary for the provision of the Group's services, while there were no assets under

development and advances for investments not completed at 30 June 2013 (€0.1 million in 2012).

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

In the first six months of 2013, these activities were mainly geared toward gradual development of the new PEC, the Hyper V dedicated servers and the Setefi project for domain and hosting products, and the continued development of the Save'n'keep platform and the Peeplo search engine in the performance advertising business.

Their recognition is based on careful evaluation in order to determine the future economic benefits related to these services, taking into account the available financial forecasts of the two divisions.

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

Exchange differences cover the changes in intangible assets contributed by foreign companies due to exchange rate fluctuations. Goodwill related to Namesco and Poundhost was significantly affected (over €2 million) owing to the weaker trend of the Pound versus the Euro between end 2012 and 30 June 2013. Goodwill is explained in section 6 of these notes.

13. Property, plant and equipment

Movements in property, plant and equipment between 31 December 2012 and 30 June 2013 are shown below:

Description	Balance at 31/12/12	Increase s	Decreases	Other movements	Exchange differences	Amortization	Balance at 30/06/13
Plant and EDP machines	5,587	1,766	-25	22	-103	-1,569	5,678
Furniture and fittings	511	1	0	-162	0	-56	294
Other	60	6	0	140	-6	-42	159
Other under construction	735	1,350	0	0	-35	0	2,050
TOTAL	6,893	3,123	-25	0	-144	-1,666	8,181

Increases in plant and equipment in the first six months of 2013 amounted to €1.8 million (€1.5 million in 1H12) and are attributable primarily to the purchase of servers and the installation of new equipment to enhance the server farm, as well as the networking and storage systems pertaining primarily to Register.it and the Poundhost Group companies. These depreciate at 20% per year.

Furniture and fittings refer to expenses in prior years incurred for the headquarters of DADA Group companies both in Italy and abroad. No significant increases were reported in 1H13. Here the depreciation rate is 12%.

Other assets under development and advances include the investment in the construction of a Datacenter in the UK. The project at 30 June 2013 was still in the

construction phase, hence the period of amortization has yet to start. The agreement marks an important investment for the DADA Group. For further details on its composition, reference should be made to the Directors' Report on this financial report and also to the 2012 financial statements.

Decreases refer to plant and equipment that were disposed of and derecognized in 1H13.

"Other movements" relating to other tangible and intangible assets, excluding goodwill, include changes related to reclassifications between the different categories.

Exchange differences cover the changes contributed by foreign subsidiaries due to exchange rate fluctuations.

14. Trade and other receivables

Trade and other receivables at 30 June 2013 and at 31 December 2012 were made up as follows:

Description	Balance at 30/06/2013	Balance at 31/12/2012	Change	% change
Trade receivables	10,430	11,625	-1,195	-10%
Provision for doubtful accounts	-3,798	-3,555	-243	7%
Total trade receivables	6,632	8,070	-1,438	-18%
Tax receivables	1,486	1,441	45	3%
Other receivables	1,251	1,321	-70	-5%
Prepayments	2,515	1,720	795	46%
Total other receivables	5,252	4,482	770	17%
Total	11,884	12,552	-668	-5%

Consolidated trade receivables at 30 June 2013 came to €6.6 million, net of the provision for doubtful accounts, versus €8.1 million at 31 December 2012 and €9.9 million at 30 June 2012.

This decreasing trend is explained mainly by the careful re-balancing of cash receipts from customers, and by the related payment flows. The same decreasing trend is seen in trade payables. To a lesser extent, this decrease is also attributable to the trend of the Group's consolidated turnover in the reporting period, particularly in 2Q13.

The residual receivables relate primarily to the Simply advertising business and to performance advertising. The average turnover on trade receivables is about 45 days (in line with the previous year), and varies, sometimes significantly, from one product to the next. Specifically, the domain and hosting business collects receivables very quickly (or even in advance), while there is a longer turnover period in the online advertising business.

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

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

The net increases in the provision for doubtful accounts, amounting to €243 thousand, reflect the need to write down doubtful positions in the period as a result of economic/financial distress suffered by certain clients (see Seat P.G. below).

In 1H13, there was no utilization of the provision for doubtful accounts. The provision at 30 June 2013 was deemed sufficient to cover potential losses on all trade receivables.

Trade receivables include those from Seat PG Italia S.p.A., amounting to €1,042 thousand at 30 June 2013, €161 thousand unexpired and referring to services provided in June 2013, €188 thousand expired at 30 June and referring to services provided in May and collected in early July, and €692 thousand expired at the date of approval of this half-year report and referring to services provided up to 6 February 2013. It must be noted that Seat PG Italia S.p.A. on 6 February 2013 announced that it had applied for admission to the composition with creditors procedure (blank option). After half-year end (7 July 2013), Seat P.G. announced that the Turin court opened the composition procedure by appointing the relevant bodies. Creditors are scheduled to meet on 30 January 2014.

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

“Other receivables” include, among other items, deposits with domain registration authorities (approximately €1 million) and receivables for down payments made to various suppliers.

Tax receivables consist mainly of advances paid on direct taxes by various Group companies, of VAT credits of some companies that do not participate in Group-wide VAT consolidation, and of withholding and other tax credits.

Prepayments refer to service costs pertaining to periods beyond the end of June, such as domain and hosting costs.

15. Net debt

The following table breaks down net debt at 30 June 2013 and at 31 December 2012:

IN EUR/000	30-June-13	31-Dec-12	DIFFERENCE	
			Absolute	%
Cash on hand	7	9	-2	-22%
Bank and post office deposits	2,830	2,997	-167	-6%
Liquidity	2,837	3,006	-169	-6%
Time deposits and other receivables	0	1,000	-1000	-100%
Derivatives	1	0	1	NS
Other financial receivables	1	1,000	-999	-100%
Total financial assets	2,839	4,006	-1,167	-29%
Current credit lines and account overdrafts with banks	-7,626	-6,913	-713	10%
Current bank borrowings	-7,822	-3,811	-4,011	105%
Other current financial payables	0	-561	561	-100%
Current portion of derivatives	-118	-210	92	-44%
Current debt	-15,567	-11,495	-4,072	35%
Non-current bank borrowings	-15,747	-18,679	2,932	-16%
Non-current portion of derivatives	0	-39	39	100%
Non-current debt	-15,747	-18,718	2,971	-16%
Total financial liabilities	-31,314	-30,213	-1,101	4%
Total net financial position	-28,475	-26,207	-2,268	9%

Cash and cash equivalents are detailed below:

Description	Balance at 30/06/13	Balance at 31/12/12	Change	% change
Bank and post office deposits	2,831	2,997	-166	-6%
Other financial receivables	0	1,000	-1,000	-100%
Cash and valuables on hand	7	9	-2	-22%
Total	2,837	4,006	-1,169	-29%

The total amount represents liquidity at major banks and cash on hand at 30 June 2013.

The balance does not include the last installment (€1 million) of the consideration for the sale of the Dada.net Group to Buongiorno.it, finally cashed in as scheduled on 31 May 2013.

Italian bank deposits, concentrated mainly at two banks, pay interest at the three month Euribor less a spread between 0.1% and 0.25%.

The table below details loans and borrowings and their movements during the period:

Description	Balance at 31/12/12	Increases	Decreases	Other changes	Balance at 30/06/13
LOANS					
Non-current portion of loans due to banks	18,678	804	-3,736	0	15,746
Current portion of loans due to banks	3,811	4,063	-52	0	7,822
Subtotal	22,489	4,869	-3,788	0	23,570
Account overdrafts	6,914	1,239	-527		7,626
Credit lines	0		0		0
Other	561	0	-561		0
Subtotal	7,475	1,239	-1,088	0	7,626
Total	29,964	6,108	-4,876	0	31,196

Financial liabilities consist of account overdrafts, the current and non-current portion of loans and finance leases. The intercompany account with RCS MediaGroup (€0.6 million at 31 December 2012) was closed in March. The current portion of loans and finance leases (due within one year) is classified under current liabilities.

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

The loans held at 30 June 2013 are described below:

- Register.it S.p.A.
Loan with a remaining balance of €22.4 million; maturity by contract is 30 June 2016, with half-year installments starting from 31 December 2013, for a total of 6 installments due on 31 December and on 30 June every year each of €3.7 million; the interest rate is the six-month Euribor plus a spread of 4.10%. The loan is hedged by the existing interest rate swap adjusted to the new maturities of the underlying amounts (interest rate at 3.81%), and treated in hedge accounting. Two interest rate caps are still in effect, with respective strike rates of 3.5% and 3%; the caps failed to qualify as hedges so the rules of hedge accounting do not apply.
- DADA S.p.A.
DADA S.p.A. has only account overdrafts with major banks which amount to €7.6 million, with interest charged at one-month Euribor plus a spread of between 3.0% and 6.0%.
- Namesco Ltd.
A loan of £0.7 million (€0.9 million) entered into on 24 October 2012; maturity by contract is 6 August 2016, with monthly installments starting from August 2013; the rate applied is the Bank's Sterling Base Rate + 3% spread.
- Poundhost Ltd.
Finance leases with a residual amount of £0.2 million (€0.3 million) to be fully repaid by May 2016.

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

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

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

16. Trade and other payables

Trade and other payables at 30 June 2013 and at 31 December 2012 are made up as follows:

Description	Balance at 30/06/13	Balance at 31/12/12	Change	% change
Trade payables	11,790	13,572	-1,782	-13%
	11,790	13,572	-1,782	-13%
Tax payables	2,976	2,413	563	23%
	2,976	2,413	563	23%
Other payables	2,927	2,917	10	0%
Due to social security institutions	631	782	-151	-19%
Deferred income	12,007	11,931	76	1%
	15,565	15,630	-65	0%
Total	30,332	31,615	-1,283	-4%

Trade payables are amounts due for purchases of a commercial nature and other costs closely related to the Group's operations. At 30 June 2013 they came to €11.8 million, contracting by 13% versus €13.6 million at 31 December 2012.

The contraction is closely connected to the greater re-balancing of payments, which is related in turn to a similar trend in trade receivables (see par. 14 above). The trend was also affected by the Group's business volumes in 1H13, particularly in 2Q13.

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

Tax payables amounted to €2.9 million (€2.4 million at 31 December 2012 and €3.4 million at 30 June 2012) and include withholding tax on salaries and consultants' pay for the month of June and income taxes pertaining to the period. The latter consist mainly of IRAP (regional tax) for the Group's Italian companies and of local taxes for subsidiaries abroad.

"Other payables", totaling €15.5 million (in line with 1H12), are mainly comprised of:

- bonus salaries due to employees ("*tredicesima*"), pay in lieu of holiday, and other amounts due to personnel for a total of €2.1 million (€2.3 million at 30 June 2012);
- deferred income of €12.1 million (€12.4 million at 30 June 2012), originating from contract revenue on domain, hosting, connectivity and other resale services pertaining to future periods;
- the MTM value of the IRS option on the loan taken out for the purchase of Namesco Ltd., amounting to €0.4 million (€0.5 million at 30 June 2012).

17. Provision for risks and charges

Description	Balance at 31/12/2012	Increases	Utilizations	Recovery in income statement	Exchange differences	Balance at 30/06/2013
Provision for risks and Charges	1,461	-	-192	-192	-10	1,067
Total	1,461	-	-192	-192	-10	1,067

The provision for risks and charges, with a balance of €1.1 million (€1.5 million at 31 December 2012 and €1.7 million at 30 June 2012) covers probable liabilities from pending contractual and legal disputes and reorganization charges regarding certain areas of the Group.

In 1H13, no more accruals were made to this item. Utilizations for the period, amounting to €0.2 million, concern legal disputes and staff reorganization charges defined during the first half of the year.

“Recovery in the income statement” covers the release of the provision for risks and charges from disputes settled in the relevant period at amounts lower than estimated in prior periods, and to a revised reduction in the assessment of certain risks.

Exchange differences refer to the adjustment to half-year end rates of the provisions for risks and charges of companies with non-euro financial statements.

At 30 June 2013, the provision for risks and charges was made up of €0.3 million for staff reorganization charges, of €0.7 million for business/legal disputes, and of €0.1 million for a pending tax dispute. No detailed information is given on the specific positions covered, in order not to prejudice the outcome of proceedings.

18. Share-based payments

Below are the key features of the stock option plans in effect at 30 June 2013:

Key features of the plan	Plan of 28/10/2011
Term	2014-2016
Total options on issue date	500,000
Total remaining options at 30/06/2013	470,000
Issue price	2,356

The DADA Group's stock option plans have undergone actuarial valuation by an independent actuary. The following table presents the data used for the valuation of the two plans outstanding:

Data used for valuation	Plan of 28/10/2011
Valuation date	Grant date
Model used	Binomial
Annual exit rate	5%
Expected volatility	40.00%

Data used for valuation	Plan of 8/10/2011
Risk-free interest rate	Zero coupon on spot rate curve
Estimated dividends	Zero
Vesting conditions	Cumulative Ebitda 2011-2013

Expected volatility reflects the assumption that historical volatility is indicative of future trends, although actual outcomes may differ.

The fair value of the plans is measured as of the grant date.

The stock option valuation completed in accordance with IFRS 2 impacted the income statement for some €89,072 and was recognized under payrolls costs with a balancing entry in a specific equity reserve. This is due to the fact that under the current plan, the non-market vesting condition is tied to the achievement of specific business targets. Being employed over the life of the vesting period is also a condition.

Mention must be made that under the Stock Option Plan Regulations approved by the Board of Directors on 28 October 2011:

- i) in the event of the opening of any procedure that may lead to the delisting of Company shares, except for the launch of a public offer for purchase or exchange on the capital of DADA S.p.A. by one or more entities: a) other than the Parent or by a company directly or indirectly controlled by the Parent

(hereinafter, individually or taken together, the "Controlling Entity") and b) by entities that are not party with the Controlling Entity to a significant shareholders' agreement, pursuant to Art. 122 of Legislative Decree n.58/1998 in respect of the Company (hereinafter, individually or taken together, the "Bidder"), and provided that the Controlling Entity is not party in any way to such public offer for purchase or exchange and/or has not entered into any agreement with the Bidder on such public offer for purchase or exchange, or ii) in the event in any case a) of loss, and/or agreement providing for the loss of control of the Company by the Controlling Entity in relation to a public offer for purchase or exchange of the capital of the Company launched by a different party, or b) that such loss of control occurs in any other form, the Assignees be entitled to the early exercise of the options ahead of the regular exercise period and within the period to be determined by the Board, in any case within a period of at least 20 business days, provided that, as a result of the abovementioned acceleration of the right to exercise the options, the options may be exercised even if not vested yet and/or exercisable and without prior verification of the fulfillment of the performance conditions. In contrast, acceleration does not apply should the relevant event for the purposes of acceleration take place after approval of the financial statements of the Company for the year ended 31 December 2013, and the performance conditions not be fulfilled.

19. Changes in equity reserves

At 30 June 2013, DADA S.p.A.'s share capital was comprised of n. 16,210,069 ordinary shares with a nominal value of €0.17, for a total of €2,756 thousand. There were no increases in 1H13.

Movements in equity items are reported in the schedules on page 35.

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

Legal reserve: this is a profit reserve built through allocation of net profit for the year from the approved separate financial statements. It can only be used in the amount exceeding one fifth of the share capital.

At 30 June 2013, it had a balance of €1.5 million. The change of €0.5 million versus 31 December 2012 is explained by the allocation of part of the net profit recorded in 2012.

Share premium reserve: this is a capital reserve generated by contributions from shareholders. There is no specific limit on its use, once the legal reserve has reached one fifth of the share capital. At 30 June 2013, it had a balance of €32.1 million.

There were no increases in 1H13.

Other reserves: they include:

- *Other equity instruments:* these include the payroll costs incurred in relation to the Group's stock option plans which, at 30 June 2013, amounted to €0.3 million versus €0.2 million at 31 December 2012. Changes during the period refer to the recognition in the income statement of the portion of the stock option plan.
- *FTA reserve,* built upon transition to IFRS, at 30 June 2013 it had a negative balance of €6.2 million.
- *Extraordinary reserve* of €19.1 million, there were no changes in 1H13.
- *Cash flow hedge reserve,* net of tax effects, it shows a negative balance of €0-1 million at 30 June 2013, with a net change of -€83 thousand versus 31 December 2012.
- *Translation reserve,* containing the differences arising from the translation of subsidiaries' financial statements prepared in currencies other than the euro, with a negative balance of €8.2 million at 30 June 2013 (€6.3 million at 31 December 2012). Movements over the period, amounting to approximately €1.9 million, arose mainly from the translation of the financial statements of the subsidiaries Poundhost and Namesco.
- *Other reserves,* these are the reserves produced by the deconsolidation of the Dada.net Group, amounting to €1.1 million.

20. Related party transactions

Transactions with related parties are within the normal scope of operations and are carried out at arm's length. The company engages in commercial transactions consisting of the purchase and sale of services, with subsidiaries and with members of the RCS MediaGroup, which owns 54.627% of DADA S.p.A. The following table indicates the assets,

liabilities, costs and income between the DADA Group and related parties in 1H13, excluding intercompany transactions, which are eliminated in the preparation of the consolidated half-year financial statements.

The DADA Group's transactions with the RCS Group (whose parent, RCS MediaGroup S.p.A., is DADA's key shareholder) and with subsidiaries and associates principally relate to:

- commercial and service contracts fulfilled by centralized units;
- financial dealings and the management of an intercompany current account.

Company	Trade receivables	Trade payables	Revenue	Costs	Interest expense
RCS Group	154	- 163	97	- 99	- 1
TOTAL	154	- 163	97	- 99	- 1

Transactions with DADA Group companies mainly concern the provision of services, the lending and borrowing of funds, and the settlement of tax liabilities and are carried out at arm's length. The parent, DADA S.p.A., acts as centralized treasury for the main Group companies.

The DADA Group has opted for tax consolidation, with the participation of the parent DADA S.p.A. (consolidating company), the subsidiaries Clarence S.r.l., Register.it S.p.A. and Fueps S.p.A. (consolidated companies).

DADA S.p.A. also handles group VAT for the companies Register.it S.p.A. and Clarence S.r.l.

In accordance with IAS 24, the Group's directors have been identified as employees with strategic responsibilities and their remuneration is broken down below:

Description	30/06/2013		
	Service costs	Payroll costs	Other equity instruments
Board of Directors	98		0
Board of Statutory Auditors	22		0
Executive directors and general managers	55	342	185
Total related parties	175	342	185

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

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

Description	30/06/13	30/06/12
Change in net financial position from reclassified schedules	-2,268	1,442
Change in non-current portion of loans	-2,931	4,703
Change in non-cash derivatives	-132	-110
Current account with RCS	-561	8
Change in other receivables	1,000	-1,000
Change in cash and cash equivalents from the statement of cash flows	-4,893	5,043

The main change refers to movements during the period in the non-current portion of loans. This change is due to the renegotiation of loans in the first part of the year described in the section relating to debt.

22. Commitments

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

Description	Balance at 31/12/2012	Increase for the period	Decrease for the period	Other changes	Balance at 30/06/2013
Guarantees	1,848	1,421	-10	-11	3,248
Total	1,848	1,421	-10	-11	3,248

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

A guarantee was also issued to secure a claim for the refund of VAT credit by an Italian subsidiary amounting to €0.5 million. The credit was received in early July.

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

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

Florence, 30 July 2013

For the Board of Directors

Chief Executive Officer

Claudio Corbetta
(signed on the original)

ANNEX 1

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

In EUR/000	30 June 13 6 months		30 June 12 6 months		DIFFERENCE	
	Amount	%	Amount	%	Amount	%
Net revenue	39,719	100%	43,579	100%	-3,860	-9%
Chg. in inventories & inc. in own wk. capitalized	1,959	5%	1,941	4%	18	1%
Service costs and other operating expenses	-25,770	-65%	-29,903	-69%	4,133	-14%
Payroll costs	-9,594	-24%	-9,518	-22%	-76	1%
EBITDA *	6,315	16%	6,100	14%	216	4%
Depreciation and amortizations	-3,495	-9%	-3,325	-8%	-170	5%
Other provisions & write-downs	-121	0%	-115	0%	-6	
EBIT	2,700	7%	2,660	6%	40	2%
Financial income	312	1%	907	2%	-595	-66%
Financial charges	-1,980	-5%	-2,327	-5%	347	-15%
Profit/(loss) before taxes	1,031	3%	1,240	3%	-208	-17%
Taxes	-328	-1%	-390	-1%	62	-16%
Group Net Profit/(loss)	704	2%	850	2%	-146	-17%

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

ANNEX 2

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

In EUR/000	Q2 2013		Q2 2012		DIFFERENCE	
	Amount	%	Amount	%	Amount	%
Net revenue	19,126	100%	21,564	100%	-2,438	-11%
Chg. in inventories & inc. in own wk. capitalized	1,061	6%	1,041	5%	20	2%
Service costs and other operating expenses	-12,505	-65%	-15,075	-70%	2,570	-17%
Payroll costs	-4,636	-24%	-4,506	-21%	-130	3%
EBITDA *	3,045	16%	3,023	14%	22	1%
Depreciation and amortizations	-1,899	-10%	-1,725	-8%	-174	10%
Non recurring items	0	0%	0	0%	0	
Impairment write-downs	0	0%	0	0%	0	
Other provisions & write-downs	-100	-1%	-115	-1%	15	-13%
EBIT	1,045	5%	1,184	5%	-139	-12%
Financial income	33	0%	531	2%	-498	-94%
Financial charges	-749	-4%	-1,244	-6%	495	-40%
Profit/(loss) before taxes	329	2%	471	2%	-142	-30%
Taxes	-11	0%	-129	-1%	118	-92%
Group Net Profit/(loss)	318	2%	342	2%	-24	-7%

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

ANNEX 3

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

In EUR/000	30-June-13	31-Dec-12	DIFFERENCE	
			Absol.	%
Fixed assets (A)	91,625	91,872	-247	0%
Current operating assets (B)	18,514	18,825	-311	-2%
Current operating liabilities (C)	-30,332	-31,615	1,283	-4%
Net working capital (D)=(B)-(C)	-11,817	-12,790	973	-8%
Provision for termination indemnities (E)	-847	-849	2	0%
Provision for risks and charges (F)	-1,067	-1,461	394	-27%
Other payables due beyond one year (G)	-84	-166	83	-50%
Net capital employed (A+D+E+F+G)	77,810	76,606	1,204	2%
Bank loans (due beyond one year)	-15,747	-18,679	2,931	-16%
Shareholders' Equity	-49,335	-50,399	1,064	-2%
Current bank borrowings	-15,448	-10,724	-4,724	44%
Current financial receivables and derivatives	1	1,000	-999	-100%
Current financial payables and derivatives	-118	-810	692	-85%
Cash and cash equivalents	2,837	3,006	-168	-6%
Current Net Financial Position	-12,728	-7,528	-5,199	69%
Total Net Financial Position	-28,475	-26,207	-2,268	9%

ANNEX 4

DADA GROUP CONSOLIDATION SCOPE AS OF JUNE 30, 2013

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

* Simply Acquisition Limited and Server Arcade Limited were liquidated in January 2013

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

STATEMENT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2013

(pursuant to Article 154-bis of Legislative Decree No. 58/98)

- The undersigned, Claudio Corbetta, as Chief Executive Officer, and Federico Bronzi, as Manager in charge of preparing Company's Financial Reports, hereby certify, also with due regard for the provisions of Article 154-bis (paragraphs 3 and 4) of Legislative Decree No. 58 dated February 24, 1998:

- the adequacy with respect to the Company's characteristics, and
- the actual application

of administrative and accounting procedures during the period from January 1, 2013 to June 30, 2013 for the preparation of the Condensed Consolidated Interim Financial Statements approved by the Board of Directors on July 30, 2013.

- It is also stated that:
 1. the Condensed Consolidated Interim Financial Statements of the Dada Group at June 30, 2013:
 - have been compiled with the applicable IFRS endorsed by the European Union in accordance with (EC) Ruling no. 1606/2002 of the European Parliament and Council of July 19, 2002;
 - correspond to the Company's records, ledgers and accounting entries;
 - are suitable to provide a true and fair view of the financial position and results of operations of the issuer and all companies included in consolidation;
 2. the Interim Directors' Report contains a reliable analysis of the references to important events which have occurred during the first six months of the fiscal year and their influence on the condensed consolidated interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the fiscal year.

The Interim Directors' Report also includes a reliable analysis of disclosure of related party transactions.

Florence, July 30, 2013

Chief Executive Officer

Claudio Corbetta
(signed on the original)

Manager in charge of preparing Company's
Financial Reports

Federico Bronzi
(signed on the original)



KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

Auditors' report on review of condensed interim consolidated financial statements

To the shareholders of
DADA S.p.A.

- 1 We have reviewed the condensed interim consolidated financial statements of the DADA Group as at and for the six months ended 30 June 2013, comprising the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to prepare this report based on our review.
- 2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information about the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

With regard to the corresponding figures included in the condensed interim consolidated financial statements for comparative purposes, reference should be made to our reports on the annual consolidated and condensed interim consolidated financial statements of the previous year dated 20 March 2013 and 1 August 2012, respectively.

- 3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the DADA Group as at and for the six months ended 30 June 2013 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Florence, 1 August 2013

KPMG S.p.A.

(signed on the original)

Alberto Mazzeschi
Director of Audit