DADA GROUP HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2014

Registered office: Piazza Annigoni, 9B - Florence
Share capital Euro 2,835,611.73 fully paid-in
Florence Company Register n. FI017- 68727 - REA n. 467460
Tax ID/VAT n. 04628270482

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CORPORATE OFFICERS

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

BOARD OF DIRECTORS

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

1 Appointed Director by the AGM held on 28 April 2014 and Chairman of the Company at the meeting of the Board of Directors held on 14 May 2014.
2 Appointed Chief Executive Officer and General Manager of the Company during the meeting of the Board of Directors held on 24 April 2012.
3 Appointed General Manager and CFO of the Company during the meeting of the Board of Directors held on 24 April 2012.
4 Appointed member of the Control and Risk Committee during the meeting of the Board of Directors held on 24 April 2012.
5 Appointed member of the Committee for Related Party Transactions during the meeting of the Board of Directors held on 24 April 2012.
6 Appointed member of the Compensation Committee during the meeting of the Board of Directors held on 24 April 2012.
7 Director appointed by the AGM held on 28 April 2014.
8 Independent director pursuant to Art. 148 par. 3 of Legislative Decree n. 58/1998.
9 Member and Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001.
10 Director appointed by the AGM held on 11 April 2013.
11 Director appointed by the AGM held on 11 April 2013.
12 Standing Auditor appointed by the AGM held on 11 April 2013.
13 Alternate Auditor appointed by the AGM held on 11 April 2013.
14 Appointed member of the Control and Risk Committee during the meeting of the Board of Directors held on 15 July 2013.
15 Appointed member of the Compensation Committee during the meeting of the Board of Directors held on 15 July 2013.
16 Member of the Supervisory Body pursuant to Legislative Decree 231/2001.
17 Member of the Committee for Related Party Transactions since 15 July 2013.
18 Chairman of the Control and Risk Committee and of the Committee for Related Party Transactions.
19 Chairman of the Compensation Committee.

BOARD OF STATUTORY AUDITORS

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

EXTERNAL AUDITORS

KPMG S.p.A.

Consolidated Statement of Profit and Loss (6 months)

(€mn)	30/06/14	30/06/13	Total difference	% difference
Revenue	**34.8**	39.7	-4.9	-12%
EBITDA *	**5.2**	6.3	-1.1	-18%
Depreciation and amortization	**-3.7**	-3.5	-0.2	-7%
Non-recurring charges and other impairment	**-0.5**	-0.1	-0.3	-282%
EBIT	**1.0**	2.7	-1.7	-63%
Group net profit/(loss)	**-0.8**	0.7	-1.6	-221%

* Gross of impairment losses and other non-recurring items

Consolidated Statement of Profit and Loss (3 months)

(€mn)	2Q14	2Q13	Total difference	% difference
Revenue	**16.9**	19.1	-2.2	-12%
EBITDA *	**2.9**	3.0	-0.2	-6%
Depreciation and amortization	**-1.9**	-1.9	0.0	0%
Non-recurring charges and other impairment	**-0.4**	-0.1	-0.3	-309%
EBIT	**0.6**	1.0	-0.5	-47%
Group net profit/(loss)	**-0.3**	0.3	-0.6	-203%

* Gross of impairment losses and other non-recurring items

Consolidated Statement of Financial Position at 30 June 2014

(€mn)	30/06/14	31/12/13	Total difference	% difference
Non-current assets	**95.3**	94.0	1.3	1%
Net Working Capital	**-10.4**	-11.7	1.3	-11%
Net Capital Employed	**82.9**	80.5	2.3	3%
Shareholders' Equity	**50.4**	49.7	0.7	1%
Net short-term Financial Position	**-13.5**	-9.6	-4.0	-41%
Total Net Financial Position	**-32.5**	-30.9	-1.6	-5%
Number of employees	**391**	395	-4.0	-1%

* For the sake of clarity, changes in percentage and absolute terms have been calculated using exact amounts.

DIRECTORS' REPORT

INTRODUCTION

The Consolidated Half-Year Financial Report at 30 June 2014 has been prepared 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 2013. 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 several advanced online advertising solutions.

DADA Group is organized around two separate businesses falling under the "Domain and Hosting" and "Performance Advertising" divisions. Regarding the methods to identify the business units and their main financial components, reference should be made further below in this Report to the results of the divisions and to the note 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 2013.

In 1H14,**Domain and Hosting** division strengthened its position among the top European players in the business of professional services for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection, through the expansion of its product portfolio and increase in customer service quality, boasting about 520 thousand business clients and over 1.7 million domains managed at 30 June 2014.DADA Group currently operates in Spain, UK and Ireland, France, Portugal and the Netherlands respectively through its brands Nominalia, Namesco, PoundHost, Register365 and Amen.

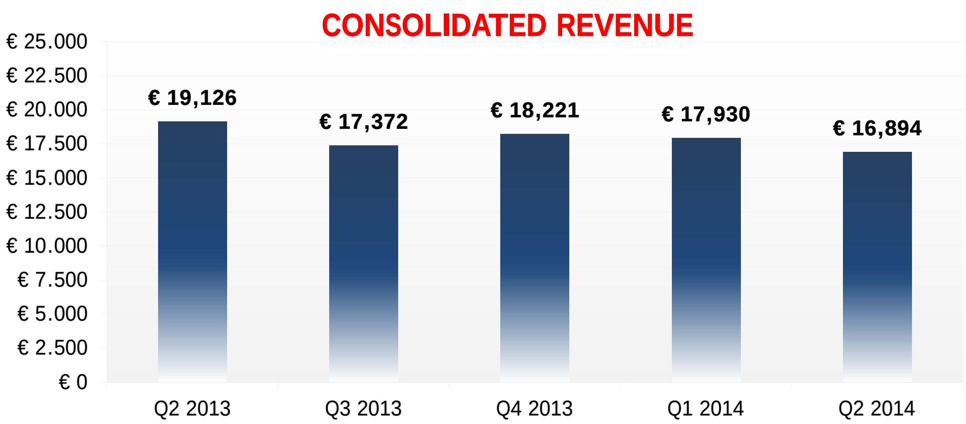
Performance Advertising division, active in the online advertising business, operates internationally offering a range of innovative and scalable digital solutions for online traffic monetization, thanks to proprietary technology. In 1H14, the division continued to strengthen its international presence, thanks chiefly to the expansion of the Peeplo product and development of the Supereva.com vertical portal - which counts about 250,000 registered users of its services - despite the sharp fall in volumes and resulting decline in margins versus 1H13 caused by the change in Google's global policies.

PERFORMANCE REVIEW

In 1H14, DADA Group achieved **consolidated revenue** of €**34.8 million,** down 12% versus €39.7 million in 1H13. Looking at consolidated revenue in 2Q14 alone, the figure came to €16.9 million, down 12% versus €19.1 million in 2Q13.

The analysis of the main financial and segment aggregates should take account of certain operational and market events that characterized 1H14 with respect to 1H13 and 4Q13. Details on these points are found in Results section at pages 10 and 11 of this Report.

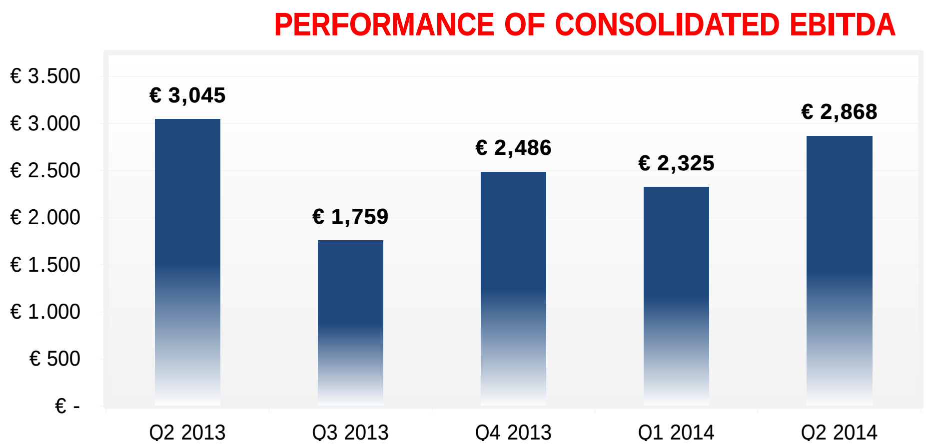
The following graph shows DADA Group's consolidated revenue over the last five quarters:



In 1H14, Dada Group's consolidated EBITDA (gross of impairment losses and other non-recurring items) **came to €5.2 million** (15% margins on consolidated revenue) versus €6.3 million (-18%) and 16% margins in 1H13. In 2Q14 alone, Group EBITDA came to €2.9 million (17% margins), dropping by 6% versus €3 million in 2Q13 (16% margins).

For further details on the performance of EBITDA in 1H14, reference should be made to the Results section.

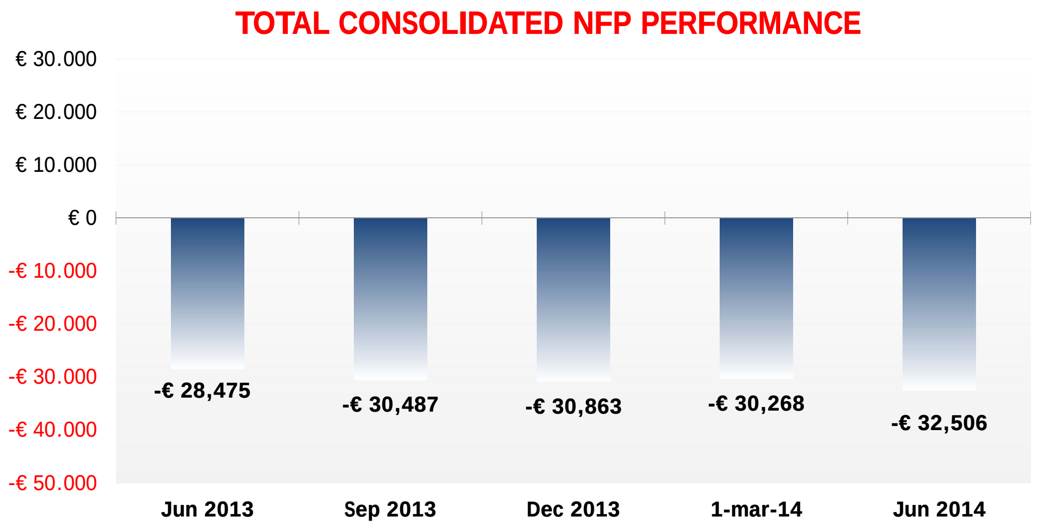
Following graph shows the performance of consolidated EBITDA over the last five quarters:



The total net financial position of Dada Group, which includes funding to be repaid beyond one year, came to -€32.5 million at 30 June 2014 versus -€30.9 million at 31 December 2013 and -€28.5 million at 30 June 2013. In 1H14, total cash absorbed by DADA Group came to €1.6 million.

NFP performance in 1H14, as further explained in Financial Position section, was also impacted by investments made during the period under review and by non-recurring outflows.

Following graph shows the trend in the total consolidated net financial position over the last 5 quarters:



Results

Following tables show **DADA Group's** key results in 1H14 and 2Q14 versus 1H13 and 2Q13:

EUR/000	30/6/14 6 months		30/6/13 6 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**34,825**	**100%**	**39,719**	**100%**	**-4,895**	**-12%**
Chg. in inventories & inc. in own wk. capitalized	1,952	6%	1,959	5%	-8	-
Service costs and other operating expenses	-21,479	-62%	-25,770	-65%	4,291	-17%
Payroll costs	-10,104	-29%	-9,594	-24%	-511	5%
EBITDA	**5,193**	**15%**	**6,315**	**16%**	**-1,122**	**-18%**
Depreciation and amortization	-3,733	-11%	-3,495	-9%	-238	7%
Impairment losses and other provisions	-463	-1%	-121	0%	-342	282%
EBIT	**997**	**3%**	**2,700**	**7%**	**-1,703**	**-63%**

EUR/000	2Q14		2Q13		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	**16,894**	**100%**	**19,126**	**100%**	**-2,232**	**-12%**
Chg. in inventories & inc. in own wk. capitalized	960	6%	1,061	6%	-100	-9%
Service costs and other operating expenses	-10,239	-61%	-12,505	-65%	2,266	-18%
Payroll costs	-4,747	-28%	-4,636	-24%	-111	2%
EBITDA *	**2,868**	**17%**	**3,045**	**16%**	**-177**	**-6%**
Depreciation and amortization	-1,907	-11%	-1,899	-10%	-8	-
Impairment losses and other provisions	-410	-2%	-100	-1%	-310	309%
EBIT	**551**	**3%**	**1,045**	**5%**	**-494**	**-47%**

In 1H14, DADA Group achieved consolidated revenue of €34.8 million, down 12% versus €39.7 million in 1H13. The result was heavily affected by the drop in performance advertising previously mentioned in introduction (a drop of €3.9 million versus 1H13) and, to a lesser extent, by the decline in Simply (the online advertising product) and the disposal in August 2013 of certain co-location services in the UK, considered no longer relevant to the Group (-€0.8 million in revenue versus 1H13).

Based on each business segment:

- revenue generated by Domain and Hosting (accounting for approximately 88% of Group revenue) came to €30.5 million versus €31.2 million, posting a nominal decline of about 2%. Net of the negative contribution of Simply (€1.0 million in 1H14 versus €1.4 million in 1H13) and of revenue generated by the co-location business in the UK (disposed of in August 2013, which had contributed approximately €0.3 million to the 1H13 revenue), turnover was basically in line with 1H13 levels;
- Performance Advertising contributed the remaining 12% to Group revenue, losing about 47% versus 1H13 (€4.3 million versus €8.2 million).

Domain and Hosting market in the last months has shown signs of increasing pressure in the countries where the Group is active, due mainly to two reasons:

- on the one hand, fiercer competition, partly as a result of the entry of major international players, in terms of increased pricing pressure and much more aggressive marketing campaigns than before;

- on the other, the slowdown business reported in the demand of new registrations of domains mainly by France and Spain and, to a lesser extent, by other countries.

Despite the growing challenges over the period under review, the division confirmed its position among the top European players in the **business of professional services for the management of the online presence and visibility of both individuals and businesses:** thanks to an array of services **- domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection** – DADA can currently boast a user base of over **520,000 business clients and over 1.7 million domains managed** in Europe.

Noteworthy points during the period under review:

- starting from February, when the **new gTLDs** (Generic Top Level Domains) were released on the market, Dada reported a steady rise in pre-registration and registration applications: the Group's stores have received so far[1] a total of about 7,500 registrations and as many pre-registrations, mostly for .email, .photography and .bike. To date, about 320 extensions are ready for registration and over one million[2] have been made worldwide. Meanwhile, the "watchlist" service continues for new domains. The service allows clients and non-clients to freely create interest lists of new domain extensions to be released over the next two years.
- with the primary and ongoing goal of supporting the digitization process of SMEs and professionals, and of improving service quality, **customer care** activities have been stepped up in Italy through phone support and a dedicated service launched to assist clients in the development and management of their website, by using custom content and design that enables effective communication aimed at increasing online business opportunities.
- the opening inside the Register.it store of a new **security-focused** channel with new professional solutions which - thanks to the partnership with SiteLock and the new SSL Certificates - provide clients with a high level of stability, integrity and protection of their sites and the data held and managed through them against malware, hacker attacks, fraud and identity theft.
- the launch by Names.co.uk in the UK and Nominalia in Spain of a new service built around **Microsoft Office 365**, complementing the product portfolio and becoming one of the first registrars to offer its clients - mainly SMEs - a "virtual office" tool with a subscription solution that allows them to work, sync and share documents anywhere, on any device.

Performance Advertising division continued the strategy of international expansion of its web traffic monetization solutions, specifically of the Peeplo brand, the development of its superEva.com job search vertical portal, which counts about 250,000 users registered to its services, which will be further enriched in the third quarter of 2014 by a channel for engine enthusiasts – and the launch of Shoppeet, a new international shopping comparison portal. New methods are being tested to find different and more profitable ways of monetizing traffic generated through mobile devices and tablets, in order to

[1] At 15 July 2014.
[2] At 15 July 2014; with the exception of.xyz, .berlin domains (specific to Berlin) and domains with Chinese ideograms, which are not distributed in the Group's stores.

mitigate the drop in volumes versus the prior period, also following the changes in Google's global policies, which drove margins down versus 1H13.

Looking at the geographical breakdown of DADA Group's consolidated revenue, foreign-based activities contributed 61% in 1H14, slightly decreasing versus the result in 1H13 (64%). This confirms the predominance of these activities in the overall development of the Group, despite the discontinuity reported in the Performance Advertising division, whose turnover is almost entirely generated by foreign operations.

In 1H14, consolidated EBITDA of the DADA Group, before impairment losses and other non-recurring items, **came to a positive €5.2 million** (15% margins on consolidated revenue), down versus €6.3 million in 1H13 (16% margins). EBITDA, too, was affected by the aforementioned drop of €0.7 million versus 1H13 reported by the Performance business.

During the period under review, based on each segment:

- margins on revenue for **Domain and Hosting** business dropped to 15% from 18% in 1H13. Comparing the two half-year periods, mention should be made of:

- the duplication in the first-half of some operating costs (€0.6 million) related to the new Datacenter in the UK, due to the expenses deriving from the previous suppliers, whose contracts terminated in 1Q14, in addition to the operating costs for the new facility, fully operational from April this year;
- a different administrative corporate cost allocation among segments, effective from 1 January 2014, which aims at assigning almost all common costs to each business. This led to a reduction of approximately €0.5 million in the D&H division's margins (this has no impact on the consolidated level).

Net of these effects, Domain and Hosting margins would be slightly higher than in 1H13 (19% versus 18%).

- regarding the **Performance Advertising** business, the drop in volumes also impacted on margins, which fell to 9% in 1H14 from 14% in 1H13, owing to a lower contribution from Gross Margin, albeit increasing with respect to the division's revenue, to cover fixed costs.

Looking at each line of the Statement of Profit and Loss:

- service costs as a percentage of revenue fell from 65% in 1H13 to 62% in 1H14.

- payroll costs in 1H14 rose to €10.1 million versus €9.6 million in 1H13, representing 29% of revenue (24% in 1H13). The trend of this aggregate is mainly attributable to the increase in the average number of employees and to the effects of the adjustments provided for in the collective bargaining agreements;

- the item "change in inventories and increase in own work capitalized", amounting to €2.0 million, or 6% of consolidated revenue (€2.0 million in 1H13, or 5% of revenue), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the DADA Group.

In 1H14, **consolidated EBIT** of DADA Group came to a positive €**1 million** (3% margins on consolidated revenue), down 63% versus €2.7 million (7% margins) in 1H13.

Looking at 2Q14 alone, the DADA Group's EBIT amounted to €0.6 million (3% margins) versus €1 million (5% margins) in 2Q13 and €0.4 million in 1Q14 (2% margins).

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

In 1H14, amortization and depreciation amounted to €3.7 million (11% on consolidated revenue), €1.9 of which for tangible assets and €1.9 million for intangible assets (versus €1.7 million for tangible assets and €1.8 million for intangible assets in 1H13, increasing by 7%).

In 2Q14 alone, amortization and depreciation totaled €1.9 million (11% on consolidated revenue), €1 million of which for intangible assets and €0.9 million for tangible assets, in line with 2Q13.

Aamortization and depreciation trend is a direct result of the investment policy pursued starting from the prior year (mostly for the creation of the Datacenter in the UK), which continued, to a lesser extent, in 1H14 and in the second half of the year. Specifically, these investments were completed in 3Q13 and began generating depreciation in the income statement from August, which explains the sharp rise versus 1H13.

Consolidated EBIT in 1H14 was impacted by impairment losses, provisions and other non-recurring charges of €0.5 million versus €0.1 million in 1H13; €0.1 million of these non-recurring charges refers to the impairment of receivables, which turned into bad debts in 1H14 (€0.3 million in 2013 due mainly to the write-down of Seat PG), and €0.4 million to provisions for non-recurring risks and charges mostly from severance related to the reorganization of a number of foreign subsidiaries (in 2013, this item had shown a positive figure due to the release of earlier provisions to the income statement).

In 2Q14 alone, impairment and provisions amounted to €0.4 million versus 0.1 million in 2Q13.

DADA Group's pre-tax profit in 1H14 was **-€0.4 million** versus approximately **€**1 million in 1H13 (3% on consolidated revenue). In 2Q14 alone, this aggregate came to -€0.1 million versus €0.3 million in 2Q13 and -€0.3 million in 1Q14.

Overall financial activities of DADA Group (the difference between financial income and charges) came to -€1.4 million versus -€1.7 million in 1H13, improving by about 15%, despite the negative performance of the consolidated net financial position. These financial aggregates were severely impacted by forex, due mostly to the Euro/British Pound rate. The exchange differences had, in fact, reported a negative trend throughout 1H13, only to recover in the second half of the year (when losses had been almost cancelled). The trend turned from neutral in 1Q14 to positive in 2Q14. Such trends were partly mitigated through currency forward operations made to hedge exchange rate risks on certain foreign transactions. The trend of spreads and rates applied on outstanding loans of DADA Group increased slightly versus 1H13, but decreased at the same pace versus the end of 2013.

Specifically, financial charges in 1H14 totaled €1.5 million (same as in 1H13) and refer to:

- interest expense on non-current loans amounting to €0.6 million (in line with €0.6 million in 1H13);
- interest owed on bank overdrafts and other bank commissions amounting to €0.8 million (in line with1H13), €0.5 million of which linked to bank commissions on credit card payments;
- derivative differentials of -€0.1 million (same as in 2013).

As in 1H13, there was no financial income worthy to report in 1H14.

As mentioned earlier, exchange activities produced an overall positive result in 1H14 of €0.1 million (€0.3 million gain and €0.2 million loss) versus -€0.3 million (€0.2 million gain and €0.5 million loss) in 1H13, with an overall positive difference of €0.4 million.

Looking at 2Q14 alone, overall financial activities came to -€0.7 million (€0.8 million in financial charges and €0.1 million in exchange gains) versus -€1 million in 2Q13 (€0.7 million in financial charges and €0.3 in exchange losses). The figure improved versus approximately -€0.8 million in 1Q14, due entirely to the aforementioned positive exchange effects.

DADA Groupclosed the first half of 2014 with a net loss of €0.8 million versus a net profit of €0.7 million in 1H13 (2% on consolidated revenue).

Looking at 2Q14 alone, the result shows a consolidated net loss of €0.3 million versus a net profit of €0.3 million in 2Q13 (deteriorating by €0.6 million) and a net loss of €0.5 million in 1Q14 (improving by €0.2 million).

Looking at tax at Group level, the consolidated tax burden in 1H14 came to €0.4 million, increasing versus €0.3 million in 1H13, in spite of the negative pre-tax result. In 2Q14 alone, the tax burden came to -€0.2 million versus the basically breakeven figure in 2Q13 and -€0.2 million in 1Q14.

Breaking down tax in 1H14 into current and deferred, current tax amounted to €0.3 million, dropping by €0.4 million versus €0.7 million in 1H13, while deferred tax amounted to approximately -€0.1 million (release of deferred tax assets on the temporary differences reported in prior periods) versus €0.4 million in 1H13, reporting a net difference of -€0.5 million in 2014 versus 1H13. Mention must be made that no deferred tax assets were recovered in respect of such use of this item referred to the current tax burden for the period under review.

Current tax refers primarily to IRAP on some Italian companies (€0.2 million) and, to a residual extent (€0.1 million), to the tax burden on some foreign-based companies with positive pre-tax income.

Looking at 2Q14 alone, current tax came to €0.1 million versus €0.3 million in 2Q13 and €0.2 million in 1Q14, while deferred tax assets released to the Statement of Profit and Loss came to €53 thousand versus a positive release of €0.3 million in 2Q13.

It must be noted that deferred tax assets recognized in the consolidated half-year financial report of DADA Group have been calculated on the basis of temporary differences relating to provisions, impairment losses and other tax adjustments that are expected to be reabsorbed in the future, and the portion of carry-forward tax losses likely to be recovered.

Latest calculation was made at year-end 2013, on the basis of the 1H14 results versus the Budget, 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.

Mention should be made that DADA Group has accrued tax losses of €37.8 million at 30 June 2014 (€35.3 million at 30 June 2013), referring mostly to the Italian companies and which may be fully carried forward indefinitely under the current laws for an amount equal to 80% of taxable income for each financial year. Tax losses on which deferred tax assets have been calculated amounted to €16.5 million (same as at 30 June 2013 and 31 March 2014), particularly on those deemed recoverable in a short time span, as resulting from the potential taxable income related to the operating and financial results of the plans adopted in the 2013 impairment tests.

This Statement of Profit and Loss does not include any non-controlling interests.

PERFORMANCE BY BUSINESS SEGMENT

As previously mentioned, for operational purposes, DADA Group has been organized into two business divisions, "Domain and Hosting" and "Performance Advertising".

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

This breakdown stems also from the corporate reorganization of the prior year, which led to the formation of two separate branches of the Group's organizational structure, each heading a particular business activity. Specifically, Domain and Hosting is managed by the wholly-owned subsidiary Register.it S.p.A., while Performance Advertising is managed by the wholly-owned subsidiary MOQU Adv S.r.l.. Corporate activities are considered so completely integrated with two business segments that they no longer require qualification as a separate division.

Main results by segment

The following table shows the main results of the "Domain and Hosting" and "Performance Advertising" divisions in 1H14 versus 1H13; mention should be made that, effective from 1 January 2014, a different corporate cost allocation method among segments has been adopted, which aims at allocating almost all common costs to each business. This led to a reduction of over €0.5 million in Domain and Hosting division's margins (this has no impact on consolidated level).

	30/06/14 (6 months)					30/06/13 (6 months)				
Segment	**Revenue**	**EBITDA***	**Margin %**	**EBIT**	**Margin %**	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**
Domain and Hosting	30,502	4,603	15%	837	3%	31,234	5,738	18%	2,624	8%
Performance Advertising	4,323	385	9%	115	3%	8,174	1,110	14%	862	11%
Adjustments	0	205	n.m.	45	n.m.	310	-533	n.m.	-786	n.m.
Total	**34,825**	**5,193**	**15%**	**997**	**3%**	**39,719**	**6,315**	**16%**	**2,700**	**7%**

* Notice should be made, as detailed in the Financial Report, of a different administrative corporate cost allocation among Segments, effective from 1 January 2014, aimed at assigning almost all common costs to each business (no impact on the consolidated level).

Domain and Hosting Services

"Domain and Hosting" is DADA Group division dedicated to mainly self-provisioning professional digital services for management of the online presence of individuals and businesses. At 30 June 2014, in this business the Group counted about 520 thousand clients and more than 1.7 million domains under management on its platforms. It operates in Europe under the following brands: 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 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, including cloud-based;
- professional solutions for e-commerce website development;
- professional solutions for digital security in order to provide clients with a high level of protection and reliability (preventive protection against malware, hacker attacks, SSL digital certificates against threats, fraud and identity theft);
- certified e-mail and e-mail services;
- SEO and digital advertising;
- online brand protection, mostly for large enterprises.

Through a proprietary Adserver, Dada also manages its own international advertising network (Simply.com), whose sales in Italy are managed on an exclusive basis by an external agency.

In 1H14, the division's **revenue** amounted to €30.5 million (approximately 88% of Group revenue) versus €31.2 million in 1H13, falling by about 2%. Excluding the negative contribution of Simply (€1.0 million in 1H14 versus €1.4 million in 1H13) and revenue generated by the UK business (disposed of in August 2013, which had contributed approximately €0.3 million to the 1H13 revenue) – revenue was in line with 1H13 levels; the Italian, English and Irish markets contributed 79% of the division's revenue, while the remaining 21% came from the French, Spanish, Portuguese and Dutch markets.

EBITDA came to €4.6 million versus €5.7 million in 1H13. The trend of this aggregate was mainly affected by:

- duplication in the first-half of some operating costs (€0.6 million) related to the new Datacenter in the UK, due to the expenses deriving from the previous suppliers, whose contracts terminated in 1Q14, in addition to the operating costs for the new facility, fully operational from April this year;
- a different administrative corporate cost allocation among segments, effective from 1 January 2014, which aims at assigning almost all common costs to each

business. This led to a reduction of approximately €0.5 million in the D&H division's margins (this has no impact on the consolidated level).

Net of these effects, Domain and Hosting margins would be slightly higher than those reported in 1H13 (19% versus 18%).

Capitalized research and development costs amounted to €1.6 million, in line with 1H13.

Segment **EBIT** came to €0.8 million, net of depreciation and amortization, impairments and other non-operating items of €3.8 million.

Performance Advertising Services

"Performance Advertising" is DADA Group division dedicated to the management at an international level of a range of innovative online advertising solutions for web traffic monetization through vertical and scalable proprietary portals and partnerships with leading global search engines.

The main proprietary brands through which it operates are Peeplo, Save'n Keep, and Supereva.com, the job search vertical portal, which counts about 250,000 users registered to its services, joined in 2Q14 by Shoppeet, a new international shopping comparison portal.

In 1H14, the division's **revenue** amounted to €4.3 million, down by €3.9 million (-47%) versus 1H13. Almost all the revenue are generated in Ireland and, starting from the prior year, an increasing portion comes from web traffic from the new generation of tablets and smartphones. Revenue was heavily impacted by the reiterated change on a global scale of the procedures that advertisers follow to capture traffic on the Google network - generally considered the main hub of online advertising worldwide - which has stifled the pace of growth ever since October 2012, and has further impacted on the revenue trend since January 2014. New methods are being tested to find different and more profitable ways of monetizing traffic generated through mobile devices and tablets, also in order to alleviate the drop in volumes versus the prior period.

EBITDA fell accordingly from €1.1 million in 1H13 to €0.4 million in 1H14, with margins on revenue dropping from 14% to 9%. Capitalized costs for research and development amounted to €0.3 million, in line with 1H13.

EBIT amounted to €0.1 million, net of depreciation and amortization, impairments and other non-operating items of €0.3 million.

Financial position

The following table shows the total Net Financial Position of DADA Group at 30 June 2014 versus the position at 31 December 2013:

	NET FINANCIAL POSITION				
	(EUR/000)	30/6/14	31/12/13	DIFFERENCE	
				Absolute	%
A	Cash on hand	8	19	-10	-56%
B	Bank and post office deposits	1,460	1,641	-181	-11%
C	Liquidity (A+B)	1,468	1,660	-192	-12%
D	Other financial receivables	-	-	-	-
E	**Total Financial Assets (C+F)**	**1,468**	**1,660**	**-192**	**-12%**
F	Current credit lines and account overdrafts with banks	-9,899	-10,457	558	-5%
G	Current bank borrowings	-4,983	-716	-4,266	596%
H	Other current financial payables	-	-	-	-
I	Current portion of derivatives	-102	-47	-55	117%
L	Current debt (F+G+H+I)	-14,984	-11,220	-3,764	34%
M	Non-current bank borrowings	-18,990	-21,302	2,313	-11%
N	Total non-current debt	-18,990	-21,302	2,313	-11%
O	**Total Financial Liabilities (L+N)**	**-33,974**	**-32,523**	**-1,451**	**4%**
P	**Total net financial position (E+O)**	**-32,506**	**-30,863**	**-1,643**	**5%**

At 30 June 2014, the Dada Group's total net financial position, which includes short and medium/long-term funding and loans, **came to -€32.5 million** versus -€30.9 million at 31 December 2013 and -€28.5 million at 30 June 2013.

The current Net Financial Position at 30 June 2014 came to -€14.9 million versus -€11.2 million at 31 December 2013 and –€12.7 million at 30 June 2013. These differences are largely explained by Group cash flows during the period and by the rescheduling in 2013 of the loan agreement with Banca Intesa. Under the rescheduling, the first installment of the loan has now been set within one year at the maturity date of 30 June 2014 and therefore classified as current, with a similar reduction in the non-current portion of debt. Further details on the rescheduling are found in Note 15 in this Report.

The item "current portion of derivatives" refers to the financial payable related to the mark-to-market measurement of the IRS hedging the mortgage with Banca Intesa at 30 June 2014. Specifically, two new agreements were rescheduled in 1H14 providing an overall 50% coverage against the risk of fluctuations at the base rate through two IRS contracts.

Non-recurring cash flows in 1H14 showed a virtually breakeven figure produced by the net effect of opposing elements: a) €0.3 million from the disposal of residual co-location assets of the subsidiary Namesco UK; b) €0.2 million for severance costs for employees who terminated employment, and €0.1 million for payment of the instalment amount of the payment plan with the Regional Revenue Agency, as explained in previous financial reports.

In 1H13, the negative effect of non-recurring items on the net financial position had amounted to €0.3 million, mainly for severance and legal disputes.

The following table shows a summary of cash flow movements in 1H14 related to cash and cash equivalents compared with those in 1H13. For further details, reference should be made to the Cash Flow Statement included in the statements of this Report and to the relevant notes:

Description	**30/06/14**	**30/06/13**
Change in NFP	-1,643	-2,268
Change in non-current portion of loans	-2,313	-2,931
Change in non-cash derivatives	55	-132
Current account with RCS	-	-561
Change in other receivables	-	1,000
Change in cash and cash equivalents from the Cash Flow Statement	**-3,901**	**-4,893**

The following points provide detailed information on the main aggregates of the net financial position in 1H14.

Investing activities

In 1H14, as mentioned above, investments made by DADA Group produced an overall financial impact of approximately €3.9 million, decreasing versus the €5.3 million invested in 1H13. Looking at investments (in terms of increase in own work capitalized, not in cash flows):

- investments in intangible assets in 1H14 amounted to €2.1 million, down 13% versus €2.4 million in 1H13. Approximately €2 million (basically in line with 1H13) refers to costs for the development of the proprietary processes and platforms needed to provide Domain & Hosting and Performance Advertising services, and €0.1 million to the purchase of software (€0.2 million in 1H13). No significant investments were made in brands and licenses in 1H14 versus €0.2 million invested in 1H13. In 2Q14 alone, investments in intangible assets amounted to €1 million, in line with 1H13.

- investments in property, plant and equipment amounted to €1.1 million, dropping sharply (-65%) versus €3.1 million in 1H13. As mentioned earlier, this trend is mainly attributable to the lower impact versus 1H13 of the investments in the Datacenter project in UK. The project at 30 June 2013 was still in the construction phase, hence, the period of amortization had yet to start.

Investments in 1H14 referred mainly to the purchase of network servers and new systems, and to other electronic equipment needed for the provision of Domain and

Hosting services (versus €1.8 million in 1H13). Investments in furniture and fittings and other tangible assets amounted to €31 thousand (no significant investments were made in 1H13). In 2Q14 alone, investments in property, plant and equipment amounted to €0.4 million versus €1.3 million in 2Q13.

Financing activities

The Group's cash flow statement at 30 June 2014 came to -€2.4 million (-€2.6 million at 30 June 2013) relating to "net difference in cash flow from financing activities", the sum of: a) the negative effect - €3 million - of the reclassification to the current portion (within one year) of the first instalment of €2.5 million of the loan with Banca Intesa, as renegotiated in December 2013, and of the repayment of other outstanding loans within Dada Group, amounting to €0.5 million; b) the positive effect - €0.6 million – of new loans taken out (bank loans and finance leases) to finance a number of investments in property, plant and equipment made by the Group.

For further details on these transactions, reference should be made to Note 15 in this report.

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

These differences impact solely on "cash, cash equivalents and current bank borrowings", but 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 18.

The breakdown of Net Working Capital and Net Capital Employed of DADA Group at 30 June 2014 and at 31 December 2013 is shown below:

(EUR/000)	30/6/14	31/12/13	DIFFERENCE	
			Absolute	%
Intangible assets	86,023	84,131	1,893	2%
Property, plant and equipment	9,034	9,634	-600	-6%
Non-current financial assets	215	217	-2	-1%
Non-current assets	**95,273**	**93,981**	**1,291**	**1%**
Trade receivables	5,546	5,501	45	1%
Tax and other receivables	10,751	10,834	-84	-1%
Current assets	**16,297**	**16,335**	**-39**	**0%**
Trade payables	-7,995	-10,320	2,324	-23%
Other payables	-16,117	-15,370	-747	5%
Tax payables	-2,584	-2,333	-251	11%
Current liabilities	**-26,696**	**-28,022**	**1,326**	**-5%**
Net working capital	**-10,399**	**-11,687**	**1,288**	**-11%**
Severance	-743	-760	17	-2%
Provisions for risks and charges	-1,273	-1,007	-266	26%
Other payables due beyond one year	-	-	-	-
Other consolidated liabilities	**-2,016**	**-1,767**	**-249**	**14%**
Net capital employed	**82,857**	**80,527**	**2,330**	**3%**

Net working capital

Dada Group's net working capital at 30 June 2014 was -€10.4 million versus -€11.7 million at 31 December 2013 and -€11.8 million at 30 June 2013.

It should be noted that the dynamics of net working capital over the various quarters of a year are generally linked to the performance of Group operations (especially for Domain and Hosting business), which often report a larger portion of amounts collected from services provided in the first quarter of the year versus the other quarters, part of which are then recognized during the entire year as deferred income on a pro-rata basis. This trend begins to stabilize starting from the second quarter.

The decreasing trend in the first six months of the year versus the end of the prior year is explained by the Group's business performance in the period under review and by the settlement of a number of accounts payable to certain suppliers collected earlier than in prior years, and also by the fact that in each second quarter, bonuses are paid to employees, as well as the 14th month salary for Italian companies.

Looking at the single items forming the net working capital, it must be noted that trade receivables at 30 June 2014 amounted to €5.5 million, in line with €5.5 million at 31 December 2013, and mainly include receivables from advertising services referred to Performance Advertising and Simply. Trade payables showed a downward trend, falling from €10.3 million at 31 December 2013 to €8 million at 30 June 2014, due to the shorter time needed to pay certain suppliers.

Other current liabilities (under other payables) include deferred income of approximately €12.5 million for web hosting services in the period; these will not entail future financial outlays, but rather the recognition of revenue in the income statement. Deferred income at 31 December 2013 amounted to €11.3 million versus €12 million at 30 June 2013.

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

Group employees

The number of DADA Group employees reached 391 units at 30 June 2014, basically in line with the amount at 31 December 2013 (395 units) and at 30 June 2013 (390 units).

Employees by Division are split up as follows:

Segment	30/06/14	31/12/13	Difference
D&H	326	326	-
Performance ADV.	25	24	1
Other (Corporate)	40	45	-5
Total	**391**	**395**	**-4**

The geographical breakdown of employees is shown below (at 30 June 2014):

	Italy		**Abroad**		**TOTAL**	
	30/06/14	31/12/13	30/06/14	31/12/13	30/06/14	31/12/13
Employees	**219**	**222**	**172**	**173**	**391**	**395**

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 DADA Groupto monitor and assess DADA Group's operating performance, but as they are not recognized accounting measures under IFRS should not be considered alternative performance indicators for 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 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
EBIT
+ Restructuring costs
+ Amortization, depreciation and impairment losses on fixed assets
+/- Atypical charges/income
+ Impairment losses on trade receivables
EBITDA - Operating profit before amortization, depreciation, impairment losses, atypical charges/income and impairment losses on receivables.

Net working capital: the difference between current assets and liabilities, i.e. those due within one year of the balance sheet date. Within this item, deferred tax assets are split 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 1H14

The events which had the most significant impact on DADA Group in 1H14 are described below:

On 19 March 2014, the Board of Directors of the Company, besides approving the 2013 draft financial statements, called the Shareholders' Meeting in ordinary and extraordinary session on 24 April 2014 (28 April in second call) for their approval, to appoint a number of members of the Board of Directors, to renew the authorization to purchase and dispose of treasury shares, to approve the Remuneration Report pursuant to art. 123 *ter* of the TUF, and for certain amendments to the bylaws. It also resolved to submit to the Shareholders' Meeting a new stock option plan intended for Dada Group employees, and the consequent request for the delegation of powers to undertake the relating capital increase, pursuant to art. 2443 and art. 2441, paragraph 8, for a maximum of 750,000 new shares.

On 28 April 2014, the Annual General Meeting of DADA S.p.A. was convened in ordinary and extraordinary session, adopting the following resolutions.

ORDINARY SESSION

<u>Approval of the Statutory Financial Statements for the year ended 31 December 2013</u>

The AGM approved the Statutory Financial Statements of DADA S.p.A. for the year ended 31 December 2013, as proposed by the Board of Directors of the Company at its meeting last 19 March. It also resolved to carry forward the Parent's loss for the year amounting to Euro 2,059,585.70.

<u>Integration of the Board of Directors</u>

Today's Meeting confirmed five of the six Board Members co-opted on 7 August 2013 - Khaled Bishara, Karim Beshara, Antonio Converti, Aldo Mareuse, Sophie Sursock - as Directors of the Company. It also appointed Ragy Soliman as new Board Member.

All the appointments were made on the basis of the proposal put forward by shareholder Libero Acquisition S.à r.l..

<u>Share-based incentive plan for 2014-2016</u>

In ordinary session, the Meeting also approved, pursuant to art. 114-bis of Legislative Decree no. 58 of 24 February 1998, the share-based incentive plan for 2014-2016 (the "2014-2016 Incentive Plan or the "Plan"), intended for executives and managers of DADA S.p.A. and/or its Subsidiaries, aimed at providing incentives and retaining the beneficiaries by making them active participants in and jointly responsible for the Dada Group's growth process and value creation.

<u>Approval of the Remuneration Report and the share buy-back plan</u>

The Shareholders also approved the Remuneration Report in accordance with art. 123 ter of Legislative Decree 58/98 and, lastly, renewed the authorization, after revoking the previous one granted on 11 April 2013, to purchase treasury shares for up to a maximum number of shares not exceeding one tenth of the share capital (even in light of changes made to applicable norms and regulations) and to sell shares for a period of up to 18 months from authorization.

To date, neither the Company nor its subsidiaries hold any treasury shares.

EXTRAORDINARY SESSION

Delegation of Powers to the Board of Directors

In extraordinary session, the Shareholders approved the delegation of powers to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to be exercised within 5 years from the Meeting resolution date, to increase the share capital against payment – in one or more tranches in separate issues - with the exclusion of option rights pursuant to paragraph 8 of art. 2441 of the Italian Civil Code, to service the 2014-2016 Incentive Plan, for a maximum par value of €127,500, through issue of a maximum of n. 750,000 DADA ordinary shares for a par value of €0.17 each.

Amendments to the bylaws

The Meeting resolved on the amendment to article 13 “AGM notice of call” of the bylaws, aimed at streamlining the procedure regarding the publication of the notice of call of future Meetings of the Company.

On 14 May 2014, besides approving the Interim Report at 31 March 2014, the Board of Directors of the Company resolved on the appointment of Khaled Bishara as Chairman of the Board of Directors and of the current board members until expiry of their term of office.

SIGNIFICANT EVENTS AFTER 1H14

The Board of Directors of Dada S.p.A., pursuant to the powers granted by the Shareholders on 28 April 2014, partially executed the share-based incentive plan for 2014-2016 (the "Plan"), intended for Dada Group employees, in particular, for executives and managers of Dada S.p.A. and/or its Subsidiaries.

The Board, upon proposal of the Company’s Compensation Committee, approved the Regulations of the Plan, identified the beneficiaries and assigned a total of n. 705,000 options on the same amount of Dada ordinary shares at a subscription price of €3.596 per share, equal to the average official prices of Dada S.p.A. ordinary shares recorded in the period between the Option assignment date and the same day of the previous sixth calendar month, it being understood that during such period, the arithmetical calculation took into account only the trading days on the market of DADA ordinary shares; this subscription price could not in any event be less than the par value of the shares already issued.

The Board also determined that the exercise of the vested options is, inter alia, conditional upon achieving a performance condition, i.e. that the beneficiaries of the 2014-2016 Plan are successful in the incentive system (in the form of MBO) based on reaching Group financial goals measured in the individual consolidated financial statements in the 2014-2016 period, and that it may generally take place during predetermined exercise periods, following approval by the AGM of the Company's financial statements for the year ending 31 December 2016, but no later than 19 December 2019.

The Board therefore approved a share capital increase against payment for a maximum par amount of Euro 119,850 to service the Plan with the exclusion of the option right, pursuant to paragraph 8 of art. 2441 of the Italian Civil Code.

For any further information on the terms and conditions of the Plan and the characteristics of the financial instruments assigned, reference is made to the Information Document prepared pursuant to art. 84-bis, paragraph 5 of CONSOB Regulation No. 11971 of 14 May 1999, which will be issued and made publicly available at the registered office, at Borsa Italiana S.p.A. and on the Company's website www.dada.eu in accordance with the law.

OUTLOOK FOR THE CURRENT YEAR

The results achieved by DADA Group in the first half of the year basically confirm the previously announced forecasts for both business lines. Specifically:

- in the **Domain and Hosting division**, in the absence of any currently unforeseeable event, an annual “mid-single digit” average growth in revenue over the 2014-2016 period (on a like-for-like basis and net of the negative contribution of Simply), with a higher rate in the second part of the three-year period, and a more than proportional increase in profitability, thanks to increased structural efficiency and further optimization of the operating costs;

- in the **Performance Advertising** division, in light of the changes in the Google network, further measures on a global scale cannot be ruled out to date and therefore, it is not currently possible to predict the medium to long-term impact of these changes. Revenue and margins for the current year may, therefore, presumably end lower than the figures reported in 2013.

DADA GROUP

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

DADA GROUP CONSOLIDATED STATEMENT OF PROFIT AND LOSS AT 30 JUNE 2014

EUR/000	Notes	30/6/14	30/6/13
Net revenue	3	**34,825**	**39,719**
Chg. in inventories & inc. in own wk. capitalized		1,952	1,959
Service costs and other operating expenses		-21,370	-25,607
Payroll costs		-10,104	-9,594
Other operating revenue and income		11	25
Other operating costs		-152	-199
Provisions and impairment losses		-431	-110
Depreciation and amortization		-3,733	-3,495
EBIT	**3**	**997**	**2,700**
Investment income		283	312
Financial charges		-1,694	-1,980
Profit/(loss) before taxes	**3**	**-414**	**1,031**
Income taxes	6	-435	-328
Group net profit/(loss)	**3**	**-849**	**704**
Basic earnings/(loss) per share		-0.051	0.043
Diluted earnings/(loss) per share		-0.051	0.042

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 30 JUNE 2014

EUR/000	Notes	30/6/14	30/6/13
Net profit/(loss) for the period (A)		**-849**	**704**
Other comprehensive profit/(loss) to be subsequently reclassified in profit/loss for the year (B):	**8**	**1,537**	**-1,857**
Gains/(losses) on exchange rate derivatives (cash flow hedges)	8	-37	114
Tax effect on other gains/(losses)	8	10	-31
		-27	83
Gains/(losses) from the translation of foreign currency financial statements	8	1,563	-1,939
Other comprehensive profit/loss not to be subsequently reclassified in profit/(loss) for the year:		**-**	**-**
Total comprehensive income/(loss) (A)+(B)		**687**	**-1,153**
Total comprehensive income/(loss) attributable to:			
Shareholders of the parent company		687	-1,153

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

ASSETS	Notes	30/6/14	31/12/13
Non-current assets			
Goodwill	4	77,898	76,220
Intangible assets	9	8,125	7,911
Other property, plant and equipment	10	9,034	9,634
Financial assets		215	217
Deferred tax assets	6	6,446	6,527
Total non-current assets		**101,719**	**100,508**
Current assets			
Trade receivables	11	5,546	5,501
Tax and other receivables	11	4,304	4,308
Cash and cash equivalents	12	1,468	1,660
Total current assets		**11,318**	**11,468**
TOTAL ASSETS		**113,037**	**111,976**

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

EQUITY AND LIABILITIES	Notes	30/6/14	31/12/13
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	2,836	2,836
Share premium reserve	16	33,098	33,098
Legal reserve	16	950	950
Other reserves	16	8,440	6,903
Retained earnings		5,877	7,225
Net profit/(loss)		-849	-1,348
Total equity, Group share		**50,351**	**49,664**
Non-controlling interests		-	-
Total equity		**50,351**	**49,664**
Non-current liabilities			
Bank loans (due beyond one year)	12	18,990	21,302
Provision for risks and charges	14	1,273	1,007
Provision for employee termination indemnities	14	743	760
Total non-current liabilities		**21,006**	**23,069**
Current liabilities			
Trade payables	13	7,995	10,320
Other payables	13	16,117	15,370
Taxes payable	13	2,584	2,333
Financial liabilities for derivative instruments	12	102	47
Bank overdrafts and financial payables (due within one year)	12	14,882	11,173
Total current liabilities		**41,680**	**39,243**
TOTAL EQUITY AND LIABILITIES		**113,037**	**111,976**

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2014

EUR/000	30/6/14	30/6/13
Operating activities		
Net profit (loss) for the period	**-849**	**704**
Adjustments for:		
Income from trading	-283	-
Financial charges	1,694	-312
Income taxes	435	1,980
Gains/losses	-	328
Depreciation	1,882	-
Amortization	1,850	1,666
Other non-monetary items	-	1,828
Granting of stock options	-	89
Other provisions and impairment losses	463	121
Increase/(decrease) in provisions	-167	-194
Cash flow from operating activities before changes in working capital	**5,026**	**6,210**
(Increase)/decrease in receivables	137	547
Increase /(decrease) in payables	-1,102	-2,629
Cash flow from operating activities	**4,062**	**4,128**
Income taxes paid	-228	-20
Interest (paid)/received	-1,397	-1,107
Net cash flow from operating activities	**2,437**	**3,000**
Investing activities		
Purchase of property, plant and equipment	-1,898	-2,933
Disposal of fixed assets	8	25
Other changes in fixed assets	2	-1
Purchase of intangible assets	-102	-400
Product development costs	-1,952	-1,959
Net cash flow used in investing activities	**-3,942**	**-5,269**

DADA GROUP CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2014

EUR/000	30/6/14	30/6/13
Financing activities		
Change in loans	-2,313	-2,931
Other changes	-83	307
Net cash flow from/(used in) financing activities	**-2,396**	**-2,624**
Net increase/(Decrease) in cash and cash equivalents	**-3,901**	**-4,893**
Cash and cash equivalents at beginning of period	**-9,514**	**-7,718**
Cash and cash equivalents at end of period	**-13,414**	**-12,611**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2014

	Attributed to the shareholders of the Parent Company									
Description	**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 1 January 2014	2,836	33,098	950	14,045	-	-26	-7,115	7,225	-1,348	**49,664**
Allocation of 2013 profit								-1,348	1,348	0
Profit/(loss) for the period									-849	**-849**
Other comprehensive income (losses)						-27	1,563			**1,537**
Total comprehensive income (losses)				**-**	**-**	**-27**	**1,563**	**-**	**-849**	**687**
Balance at 30 June 2014	**2,836**	**33,098**	**950**	**14,045**	**-**	**-53**	**-5,552**	**5,877**	**-849**	**50,351**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 30 JUNE 2013

	Attributed to the shareholders of the Parent Company									
Description	**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 1 January 2013	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			**-1,856**
Total comprehensive income (losses)				**-**	**-**	**83**	**-1,939**	**-**	**704**	**-1,153**
Other equity instruments										
Profit/(loss) for the period					89					**89**
Balance at 30 June 2013	**2,756**	**32,070**	**950**	**14,045**	**302**	**-80**	**-8,191**	**6,779**	**704**	**49,336**

DADA GROUP CONSOLIDATEDSTATEMENT OF PROFIT AND LOSS AT 30 JUNE 2014
PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

		30/6/14		30/6/13	
Net revenue	3		**34,825**		**39,719**
- of which: related parties	17	*639*		*97*	
Chg. in inventories & inc. in own wk. capitalized			1,952		1,959
Service costs and other operating expenses			-21,370		-25,607
- of which: related parties	17	*-254*		*-274*	
Payroll costs			-10,104		-9,594
- of which: related parties	17	*-408*		*-341*	
Other operating revenue and income			11		25
Other operating costs			-152		-199
Provisions and impairment losses			-431		-110
Depreciation and amortization			-3,733		-3,495
EBIT	**3**		**997**		**2,700**
Investment income			283		312
Financial charges			-1,694		-1,980
- of which: related parties		-		*-1*	
Profit/(loss) before taxes			**-414**		**1,031**
Income taxes	6		-435		-328
Profit/(loss) from continuing operations			**-849**		**704**
Basic earnings/loss per share			-0.051		0.043
Diluted earnings/loss per share			-0.051		0.042

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014 PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

ASSETS			30/6/14		31/12/13
Non-current assets					
Goodwill	4		77,898		76,220
Intangible assets	9		8,125		7,911
Other property, plant and equipment	10		9,034		9,634
Financial assets			215		217
Deferred tax assets	6		6,446		6,527
Total non-current assets			**101,719**		**100,508**
Current assets					
Trade receivables	11		5,546		5,501
- of which: related parties	17	*865*		*15*	
Tax and other receivables	11		4,304		4,308
Cash and banks	12		1,468		1,660
Total current assets			**11,318**		**11,468**
TOTAL ASSETS			**113,037**		**111,976**

DADA GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014
PURSUANT TO CONSOB RESOLUTION 15519 OF 27 JULY 2006

EQUITY AND LIABILITIES		30/6/14	31/12/13
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	2,836	2,836
Share premium reserve	16	33,098	33,098
Legal reserve	16	950	950
Other reserves	16	8,440	6,903
Retained earnings		5,877	7,225
Net profit/(loss)		-849	-1,348
Total equity, Group share		**50,351**	**49,664**
Non-Controlling interests		**0**	**0**
Total shareholders' equity		**50,351**	**49,664**
Non-current liabilities			
Bank loans (due beyond one year)	12	18,990	21,302
Provision for risks and charges	14	1,273	1,007
Provision for employee termination indemnities	14	743	760
Total non-current liabilities		**21,006**	**23,069**
Current liabilities			
Trade payables	13	7,995	10,320
- of which: related parties	17	*196*	*108*
Other payables	13	16,117	15,370
- of which: related parties	17	*286*	*310*
Tax payables	13	2,584	2,333
Financial liabilities for derivative instruments	12	102	47
Bank overdrafts and loans (due within one year)	12	14,882	11,173
Total current liabilities		**41,680**	**39,243**
TOTAL EQUITY AND LIABILITIES		**113,037**	**111,976**

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, and an issuer of shares traded in the STAR segment of the Milan Stock Exchange. Its registered office is stated at page 1 of this Report.

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

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

2. Preparation criteria

The condensed half-year financial statements are expressed in euro (€) as this is the currency in which most of the Group's operations are conducted; data is shown in Euro/000 unless otherwise indicated. Since the amounts are rounded up to the nearest Euro, Euro thousand and Euro million, in some statements, the sum of the detail rows may differ from the amount shown in the total rows, as well as in the percentage changes versus the prior year. They are comprised of the statement of financial position, statement of profit and loss, statement of comprehensive income, statement of changes in equity, cash flow statement, and these notes.

This half-year report has been prepared on a going concern basis. DADA Group has determined that despite the difficult economic and financial context, there are no material uncertainties 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 2014 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 2013.

Main accounting standards

The accounting standards adopted for the preparation of this half-year report at 30 June 2014 are the same as those used in the Group's annual financial statements for the year ended 31 December 2013, with the exception of the following new standards and interpretations applicable from 1 January 2014:

Accounting standards, amendments and interpretations enforced and approved by the European Union:

IFRS 10 – Consolidated Financial Statements - The standard, issued by the IASB in May 2011, replaces *SIC 12 - Consolidation: special purpose entities (vehicles)* and parts of *IAS 27 – Consolidated and separate financial statements, renamed Separate financial statements*. It sets out the accounting requirements of equity investments in the separate financial statements. The new standard identifies a common control system applicable to all entities, including vehicles. It also provides guidance on determining control when control is difficult to assess. The IASB requires retrospective application from 1 January 2013. The competent EU bodies have completed the approval process of the standard, deferring the date of application to 1 January 2014, allowing however early adoption beginning from 1 January 2013. The adoption of this new standard has not produced any noteworthy effect.

IFRS 11 – Joint arrangements – The standard, issued by the IASB in May 2011, replaces *IAS 31 – Interests in Joint Ventures* and *SIC 13 – Jointly controlled entities: Non-monetary contributions by venturers*. The new standard provides criteria to identify joint arrangements based on the rights and obligations arising from the agreements, rather than on their legal form. It uses only the equity method to account for interests in joint ventures in the consolidated financial statements. Following issue of this standard, IAS 28 – Investments in associates was amended to include within its framework, from the effective date of the standard, interests in joint ventures. The IASB requires retrospective application from 1 January 2013. The adoption of this standard has not produced any noteworthy effect.

IFRS 12 – Disclosure of interests in other entities – The standard, issued by the IASB in May 2011, establishes the disclosure of additional information to provide on all types of interests, including those in subsidiaries, joint arrangements, associates, special purpose entities and other unconsolidated structured entities. The IASB requires retrospective application from 1 January 2013. The competent EU bodies have completed the approval process of this standard, deferring the date of application to 1 January 2014, allowing however early adoption beginning from 1 January 2013. The effects of the adoption of the new standard are limited to disclosure relating to interests in other entities, to provide in the notes to the annual consolidated financial statements. The adoption of this standard has not produced any noteworthy effect.

IAS 27 (2011) - Separate financial statements – Following issue of IFRS 10 in May 2011, the IASB narrowed the scope of application of IAS 27 only to the separate financial statements. The standard specifically governs the accounting treatment of investments in the separate financial statements and is applicable from 1 January 2014. The adoption of this standard has not produced any noteworthy effect.

IAS 28 (2011) - Investments in associates and joint ventures - Following issue of IFRS 11 in May 2011, the IASB amended the existing standard to include in its framework investments in joint ventures, and to govern the reduction of the interest which does not result in ceasing to apply the equity method. The standard is applicable from 1 January 2014. The adoption of this standard has not produced any noteworthy effect.

Amendments to IAS 32 – Financial Instruments: Presentation – The amendments, issued by the IASB in December 2011, clarify the application of criteria for the offsetting of financial assets and liabilities appearing in IAS 32. The amendments must be applied retrospectively from 1 January 2014. The adoption of this standard has not produced any noteworthy effect.

Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition guidance amendments – On 28 June 2012, the IASB published the amendments to IFRS applicable, together with the relevant standards, from financial periods beginning on or after 1 January 2013, unless applied earlier. The purpose of the document, among other things, is to amend IFRS 10 to clarify how an investor must retrospectively adjust the comparative period if the conclusions on the consolidation are not the same in accordance with IAS 27/SIC 12 and IFRS 10 at the "date of initial application". In addition, the Board also amended *IFRS 11 Joint Arrangements* and *IFRS 12 Disclosure of interests in other entities* to provide a similar option for the presentation or modification of the comparative information pertaining to the periods prior to the comparative period presented in the financial statements. IFRS 12 was further amended by limiting the request of presenting comparative information for disclosures regarding unconsolidated "structured entities" in periods prior to the date of application of IFRS 12. The adoption of this standard has not produced any noteworthy effect.

Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities – The amendment issued by the IASB in October 2012 integrates IFRS 10 by clarifying the definition of investment entities and consolidation methods. The amendment to IFRS 12 integrates the standard by clarifying the disclosures to provide and the assessments on how to determine investment entities. The amendment to IAS 27 integrates the standard by establishing the disclosures that the investment entity is required to provide if it is also a controlling entity. The adoption of this standard has not produced any noteworthy effect.

IAS 36 – Recoverable amount disclosures on non-financial assets – The standard, issued by the IASB in May 2013, governs the disclosures to provide on the recoverable amount of impaired assets, if the amount is based on the fair value less costs of disposal. The amendments must be applied retrospectively to financial periods beginning on or after 1 January 2014. Early application is allowed for periods in which the entity has already applied IFRS 13. The adoption of this standard has not produced any noteworthy effect.

IAS 39 – Financial instruments: recognition and measurement: "Novation of derivatives and continuation of hedge accounting" – The standard, issued by the IASB in June 2013, clarifies that the amendments allow continuation of hedge accounting in the circumstance in which the derivative, which has been designated as an hedging instrument, is novated as a consequence of laws or regulations in order to replace the original counterparty to ensure performance of the obligation if certain conditions are met. The same amendment will also be included in IFRS 9 Financial instruments. These amendments must be applied retrospectively to financial periods beginning on or after 1 January 2014. The adoption of this standard has not produced any noteworthy effect.

IFRIC 21 - Levies, an interpretation of IAS 37 Provisions, contingent liabilities and contingent assets. The interpretation provides guidance on when to recognize liabilities for a levy imposed by a government, with the exception of those governed by other standards (i.e. IAS 12 – Income tax). IAS 37 establishes the recognition criteria of liabilities, one of which is the existence of a present obligation on an entity resulting from past events (obligating event). The interpretation clarifies that the obligating event that gives rise to liability for payment of a levy is explained by the relevant legislation that gives rise to its payment. IFRIC 21 must be applied to financial years beginning on or after 1 January 2014. The adoption of this standard has not produced any noteworthy effect.

Accounting standards, amendments and interpretations yet to be enforced and not approved by the European Union

Improvement to IAS 19 - Employee benefits - The amendment, issued by the IASB in November 2013, applies to employee contributions or defined benefit plans. The purpose of the amendments is to simplify the accounting of contributions that are independent of the number of years of service. The amendments are effective as from 1 July 2014; early application is allowed.

Improvement to IFRS 2010-2012 Cycle - The amendment issued by IASB in December 2013 contains a set of amendments to IFRS (IFRS2, IFRS3, IFRS 8, IFRS13, IAS 16, IAS 24 and IAS 28). These amendments arise from proposals contained in the Draft Annual Improvements to IFRS 2010-2012 Cycle, published in May 2012. The amendments are effective as from 1 July 2014; early application is allowed.

Improvement to IFRS 2011-2013 Cycle - The amendment, issued by the IASB in December 2013, contains a set of amendments to IFRS (IFRS1, IFRS 3, IFRS 13, and IAS 40). These amendments derive from proposals contained in the Exposure Draft Annual Improvements to IFRS 2011-2013 Cycle, published in November 2012. The amendments are effective as from 1 July 2014; early application is allowed.

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 2014. 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 30/06/14	Average exchange rate in 1H14
US dollar	1.3658	1.3710
British pound	0.8015	0.8214

Currency	Exchange rate at 30/06/13	Average exchange rate in 1H13
US dollar	1.3080	1.3134
British pound	0.8572	0.8508

Scope of consolidation

There were no changes in the scope of consolidation with respect to the prior year. Information on the consolidation scope is found in Annex 4 attached to this Report.

MAIN RISKS AND UNCERTAINTIES

Risks

Market risk

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

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

Furthermore, with regard to the Performance Advertising business, mention must be made of an important global commercial partner, Google, that is key to the reference market and, consequently to the Dada Group's business, as well. The relationship with Google, in fact, represents almost all the Performance Advertising business's costs and revenue. If the relationship with this commercial partner deteriorates or if the contract with Google should fail to be renewed, this business would be impacted. Moreover, Google is in a position to noticeably influence the dynamics of the reference market and periodically updates its policies which must be complied with by its commercial partners. The choices made in these policies can, therefore, affect the reference market as a whole and, consequently, the Dada Group's Performance Advertising business in terms of both sales and margins, as was the case in both 2013 and in the current year. The Dada Group's failure to comply with these policies could significantly impact the relationship with Google, who reserves a noticeable right to evaluate its relationships, and the overall results of this business. More in general, the Performance Advertising market is not a fully mature one and is still subject to, even significant, volatility.

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

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

Management of financial risks

Financial risk

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

In addition, some of the Group's loan contracts include requirements to satisfy various financial ratios that give the lender certain rights, including the right to call in the loan, in the event such covenants are breached. Following the above renegotiation of the loan, the covenants apply from 2014, based on the figures posted in the financial statements at 31 December 2013.

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.

Regarding IRS hedges, on 30 June 2014 a 3.81% IRS with a major bank was settled. In 1H14, two new IRS contracts were taken out with a major bank: a 0.7775% IRS contract with an amortizing notional amount at 30 June 2014 of €5 million; a 0.631% IRS contract with an amortizing notional amount at 30 June 2014 of €5 million. Taken together, these derivatives account for 50% of the underlying loan, which is hedged against the interest rate risk to the minimum extent under the loan agreement. The fair value of these derivative instruments was recognized in the statement of financial position, with a balancing entry in an equity reserve in accordance with IAS 39 (cash flow hedges). At 30 June 2014, an interest rate cap with a strike rate of 3.5% was settled with a major bank; one with a strike rate of 3% on principal of €1.5 million remains in effect with a major bank. The fair value adjustment relating to both caps was posted in full to the income statement as the rules of hedge accounting do not apply.

Liquidity risk

Liquidity risk is managed by DADA Group on a centralized basis. To optimize use of the Group's liquidity, the parent company Dada S.p.A. has a cash pooling agreement with its subsidiaries Register.it S.p.A., Moqu Adv. S.r.l., 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, as well as Moqu ADV S.r.l. with MOQU ADV Ireland ltd.. At 30 June 2014, the Group had bank current and non-current credit lines (excluding unsecured credit and exchange and interest rate derivatives) of €40.2 million, approximately €36 million of which drawn down.

Exchange risk

Group's international expansion and scope of operations now expose it to fluctuations in exchange rates, especially EUR/GBP and EUR/USD. This exposure to exchange risk is the result of sales or purchases made in currencies other than the euro, and of company assets denominated in foreign currencies. Approximately 6% of Group's sales are denominated in a currency other than the primary one (the euro), while about 37% of its service costs are expressed in foreign currency. In 1H14, Group engaged in currency forwards in order to hedge its exchange rate risk.

Credit risk

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

In 2013, a client that has an existing contract with a DADA Group company and an exposure of approximately €0.4 million at 30 June 2014, net of the write-down made in the 2013 financial statements (€0.4 million), was in financial distress and has thus applied for admission to the composition with creditors procedure (blank option); the procedure has yet to be completed at the date of approval of this Report; for further details, reference should also be made to Note 14.

Price risk

The Group is not exposed to significant price volatility risk.

For further details, reference should be made to the annex on information under IFRS 7, appearing in the financial statements at 31 December 2013.

Risks still pending from the contract for the disposal of the BU Dada.net (hereinafter referred to as "the Contract") (the definitions are those set out in the Contract)

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

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

Special penalties

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

Risks of the reduced scope of operations

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

Risks associated with changes in DADA Group due to the disposal

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

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

With regard to the rights and obligations set out in the contract, mention must be made that in April 2013, DADA S.p.A. received a claim for compensation from the buyer under the sale contract. Such claim arises from a complaint filed by Receita Federal do Brasil referring to certain alleged anomalies found in a tax audit which had started in March 2011, against Dada Brasil Servicos de Tecnologia Ltda, wholly-owned by Dada.net, and relating to the 2008 tax return for a total disputed amount of 13.4 million Brazilian

Reais (approximately €4.5 million). The Company, under the sale contract and in conjunction with the buyer, has established defense against such claim and has reserved the right, more specifically, to rebut the claim for compensation filed by the buyer. Based on the preliminary technical-legal indications received, the dispute with the Brazilian tax authorities may most likely extend in time.

Based also on IAS 37 related to contingent liabilities and taking into account the information currently available on the preliminary analysis conducted, the Company deems it unnecessary to date to set up any case reserves.

In May 2013, DADA S.p.A. received three other claims from the buyer under the sale contract. The claims involve: an investigation conducted by the Attorney General of the State of Minnesota on the potential violation, in the provision of client services, of State laws by Dada Entertainment LLC, sold to the Buongiorno Group along with Dada.net; the start of a preliminary audit by NYC tax authorities on Dada Entertainment LLC; and a claim involving a transaction entered into on a case allegedly within the scope of the contractual guarantees (quantified in $100,000). Regarding these claims, in respect of which the likelihood that the Group may incur liabilities cannot currently be quantified. the Company has reserved the right to rebut, more specifically, the claim for compensation received from the buyer. In this regard, mention must be made that the contract for the sale of the Dada.net Group provides for excess of €300,000 in favour of the seller.

Risks to which the Parent Company Dada S.p.A. is exposed

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

Seasonal trends

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

3. Segment reporting pursuant to IFRS 8

For operational purposes, DADA Group is organized by business segment (Business Unit) composed 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.

The organization in two divisions is the result of the strong growth achieved in prior years by performance advertising, with an increasingly significant impact on the volume of consolidated sales of 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 creation
   - 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"** (the Performance 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 MOQU Adv S.r.l..

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.

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.

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

Statement of Profit and Loss by business segment at 30 June 2014

	30/06/14			
Segment reporting	**D&H**	**Performance Adv.**	**Adjustments**	**Consolidated**
Revenue - Italy	13,539	13		13,552
Revenue – international	16,963	4,310		21,273
Net revenue	**30,502**	**4,323**	**-**	**34,825**
Increase in own work capitalized	1,630	321		1,952
Cost of services	-19,255	-3,535		-22,790
Payroll costs	-8,274	-725		-8,999
Segment EBITDA	**4,603**	**385**	**-**	**4,988**
Depreciation and amortization	-3,230	-285		-3,515
Impairment and provisions	-536	15		-521
Segment EBIT	**837**	**115**	**-**	**952**
	Amort. Corporate			-217
	Impairment and provisions			57
	Unallocated overheads/other income			205
	EBIT			**997**
	Net financial charges			-1,411
	Profit (loss) before taxes			**-414**
	Income taxes			-435
	Group & non-controlling interests profit (loss)			**-849**
	Non-controlling interests			-
	Group net profit (loss)			**-849**

Statement of Profit and Loss by business segment at 30 June 2013

	30/06/13 (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				
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**	**-**	**6,849**
Depreciation and amortization	-2,991	-249		-3,240
Impairment and provisions	-123			-123
Segment EBIT	**2,624**	**862**	**-**	**3,486**
		Amort. and depr. fix. assets corp.		-255
		Impairment and provisions		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**

Geographical and segment breakdown of DADA Group revenue

Description	30/06/14 (6 months)		30/06/13 (6 months)	
	Amount	% of total	Amount	% of total
Revenue – Italy	13,552	39%	14,170	36%
Revenue – Abroad	21,273	61%	25,549	64%
Total	**34,825**		**39,719**	

Financial disclosures by business segment for the period ended 30 June 2014

30/06/14 (6 months)				
Segment reporting	**Domain & Hosting**	**Performance Adv**	**Unallocated portion and adjustments**	**Consolidated**
Segment assets	100,686	2,212	1,349	104,247
Unallocated financial assets	-	-	1,468	1,468
Unallocated tax assets	-	-	7,322	7,322
Total assets	**100,686**	**2,212**	**10,139**	**113,037**
Segment liabilities	-37,567	-2,171	13,610	-26,128
Unallocated financial liabilities	-	-	-33,974	-33,974
Unallocated tax liabilities	-	-	-2,584	-2,584
Total liabilities	**-37,567**	**-2,171**	**-22,947**	**-62,686**
Segment assets include:				
Investments in non-current assets other than financial instruments and deferred tax assets	2,796	321	39	3,157

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

30/06/13 (6 months)*				
Segment reporting	**Domain & Hosting**	**Performance Adv**	**Unallocated portion and adjustments**	**Consolidated**
Segment assets	97,965	2,864	1,194	102,023
Unallocated financial assets	-	-	2,838	2,838
Unallocated tax assets	-	-	8,116	8,116
Total assets	**97,965**	**2,864**	**12,149**	**112,977**
Segment liabilities	-34,440	-3,728	8,899	-29,268
Unallocated financial liabilities	-	-	-31,313	-31,313
Unallocated tax liabilities	-	-	-3,060	-3,060
Total liabilities	**63,525**	**-864**	**-13,326**	**-63,641**
Segment assets include:				
Investments in non-current assets other than financial instruments and deferred tax assets	5,046	342	94	5,482

* Reclassifications have been made with respect to the statements appearing in the consolidated half-year financial report at 30 June 2013 in order to allocate certain segment assets.

4. Goodwill and impairment

Movements in goodwill in 1H14 versus 31 December 2013 are shown in the table below:

	31/12/13	Increases	Decreases	Exchange difference	30/06/14
Register.it SpA	**7,119**			-	**7,119**
Nominalia SL	**8,061**			-	**8,061**
Namesco Ltd	**32,089**			1,289	**33,378**
Amen Group	**21,115**			75	**21,190**
Pound Host Group	**7,836**			315	**8,150**
Fueps SpA	**-**			-	**-**
Total	**76,220**	**-**	**-**	**1,679**	**77,898**

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 in the consolidation principles of these notes.

The EUR/GBP translation for goodwill pertaining to Namesco Ltd., Amen Ltd. and the companies of the Poundhost Group increased goodwill by €1.3 million, €0.1 million and €0.3 million. The increases were recorded with a balancing entry 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 or whenever there are signs of impairment. For relevant details, reference should be made to DADA Group financial statements for the year ended 31 December 2013.

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. DADA Group CGUs reflect those at 31 December 2013: D&H EU CGU; D&H UK CGU and Performance Advertising CGU.

The following elements were analyzed at 30 June 2014:

- the WACC trend, focusing on the key interest rate and on average spreads applied by banks on Dada Group loans in 1H14 compared to the figures at end 2013, indicating a slight decrease of these aggregates;
- Dada's stock performance versus equity. In 1H14, stock market capitalization always exceeded Dada Group's equity and the price of the share in 1H14 was in line on average with the final part of 2013.

- Assessment of the analysis (made internally) of the comparison of the main income statement and equity aggregates (revenue, EBITDA, investments, etc.), on a consolidated and individual CGU level, of actual and budget data at 30 June 2014.

Based on the foregoing activities, with particular regard to the differences between actual and forecast results, no reason was found at the date of this Report to update the impairment tests carried out when the financial statements at 31 December 2013 were prepared.

5. Non-recurring charges

No non-recurring income or charges were recorded at 30 June 2014, as at 30 June 2013.

6. Income taxes

The following table breaks down the tax charge at 30 June 2014 and at 30 June 2013:

Description	30/06/14	30/06/13	Change	% change
IRAP	-187	-221	34	-15%
IRES and other income taxes	-99	-290	191	-66%
Prior-year current taxes	3	-231	234	-101%
Other costs/tax recovery	-45	-	-45	-
Deferred tax assets	-108	415	-523	-126%
Total	**-435**	**-328**	**-108**	**33%**

Movements in deferred tax assets at 30 June 2014 are shown below:

Description	31/12/13	Increases	Utilizations	Exchange differences	Other movements	30/06/14
Deferred tax assets	6,526	-	-108	19	10	6,446
Total	**6,526**	**-**	**-108**	**19**	**10**	**6,446**

Deferred tax assets, recognized in the half-year report and amounting to €6.4 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 (€1.9 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 2013, on the basis of the 1H14 results versus the Budget, 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.

DADA Group has accrued tax losses of €37.8 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 "other movements" include the tax effect of the 1H14 portion of the "Cash flow hedge reserve".

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

7. Assets held for sale

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

8. Other income items

The following table shows the other items comprising comprehensive income at 30 June 2014 and at 30 June 2013, recognized under equity as shown in the statement of changes in equity on page 34:

Description	30/06/14			30/06/13		
	Gross value	Tax benefit/ (charge)	Net value	Gross value	Tax benefit/ (charge)	Net value
Gains/(losses) on cash flow hedges	-37	10	-27	114	-31	83
Gains/(losses) from the translation of foreign currency financial statements	1,563	-	1,563	-1,939	-	-1,939
Total other gains/(losses)	**1,526**	**10**	**1,537**	**-1,825**	**-31**	**-1,857**

9. Intangible assets

The following table shows movements in intangible assets between 31 December 2013 and 30 June 2014:

Description	Balance at 31/12/13	Increases	Exchange differences	Amortization	Balance at 30/06/14
Goodwill	76,220		1,679		77,898
Total goodwill	*76,220*	-	*1,679*	-	*77,898*
Product/service development costs	6,915	1,952	9	-1,538	7,338
Concessions, licenses and Brands	165	59	2	-132	94
Other	831	43	-	-180	693
Total intangible assets	*7,911*	*2,054*	*11*	*-1,850*	*8,125*
Total	**84,131**	**2,054**	**1,689**	**-1,850**	**86,024**

Increases in 1H14 in intangible assets came to approximately €2.1 million, down by about 13% versus the investments made in 1H13, which amounted to €2.4 million. The investments mainly regarded product development costs.

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

More specifically, these activities in 1H14 referred to:

- the gradual development of the Dedicated Servers, the new developments on hosting products, email, the new General Top Level Domains released by ICANN in 2014, and the Dada store for domain and hosting activities;

- the ongoing development of the Save'n keep platform and the Peeplo, Kuidle and Supereva search engines in the performance advertising segment.

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

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

Amortization is made mainly on a straight-line basis 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 €1.6 million) by the appreciation of the Pound on the Euro between end 2013 and 30 June 2014. Goodwill is dealt with in section 6 of these notes.

10. Property, plant and equipment

Movements in property, plant and equipment between 31 December 2013 and 30 June 2014 are shown below:

Description	Balance at 31/12/13	Increases	Decreases	Other movements	Exchange differences	Amortization	Balance at 30/06/14
Plant and EDP machines	8,526	1,072	-8	428	181	-1,771	8,427
Furniture and fittings	327	17	-	-	1	-58	287
Other	353	14	-	-	6	-53	320
Other under construction	428	-	-	-428	-	-	-
TOTAL	**9,634**	**1,103**	**-8**	**-**	**188**	**-1,882**	**9,034**

Increases in plant and equipment in 1H14 amounted to €1.1 million (€1.8 million in 1H13). These are largely explained by the purchase of network servers and installation of new equipment to enhance the server farm, as well as the networking and storage systems pertaining primarily to the subsidiaries Register.it and to UK companies Namesco and Poundhost.

Investments continue in the new Datacenter in the UK, which started operations at the end of July 2013. Depreciation runs, therefore, from that date.

The applicable depreciation rate for the investments is between 20% and 33%, whereas the Datacenter setup fee is amortized over 10 years.

Furniture and fittings refer to expenses incurred in prior years for the new headquarters of DADA Group companies both in Italy and abroad. No significant increases were reported in 1H14. The depreciation rate in this case is mainly 12%.

Other fixed assets under development and advances were written off, following entry into service of Register.it plants as from January 2014.

Decreases refer to plant and equipment that were disposed of and derecognized in 1H14.

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

For the purposes of the cash flow statement, cash used for investing in property, plant and equipment amounted to €1.9 million. This refers to investments made in 1H14, net of purchases that have not produced changes in cash flows, and increased by investments made in the prior year and paid during the period under review

11. Trade and other receivables

Trade and other receivables at 30 June 2014 and at 31 December 2013 were made up as follows:

Description	Balance at 30/06/14	Balance at 31/12/13	Change	% change
Trade receivables	6,345	8,870	-2,526	-28%
Bad debts provision	-799	-3,369	2,571	-76%
Total trade receivables	**5,546**	**5,501**	**45**	**1%**
Tax receivables	876	1,316	-440	-33%
Other receivables	1,231	858	373	43%
Prepayments	2,197	2,134	64	3%
Total other receivables	**4,304**	**4,308**	**-4**	**-**
Total	**9,850**	**9,809**	**42**	**-**

Description	Balance at 31/12/13	Increases	Utilizations	Balance at 30/06/14
Bad debts provision	3,369	62	-2,633	799
Total	**3,369**	**62**	**-2,633**	**799**

Consolidated trade receivables at 30 June 2014, net of the bad debts provision, amounted to €5.5 million, in line with the €5.5 million recorded at 31 December 2013.

The average turnover on trade receivables is 45 days (measured as the ratio of receivables outstanding at the financial statements date and total turnover of the Group), and varies from one Dada Group product to the next. Specifically, the Domain & Hosting business collects receivables very quickly (or even in advance), while there is a longer turnover period in the online advertising business.

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

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

In 1H14, the bad debts provision increased by €62 thousand, reflecting the need to write down a few doubtful accounts which arose during the year as a result of the financial problems faced by a number of clients.

Utilization of the bad debts provision refers to the closure of uncollectible amounts written off for some time now (over 5/7 years) with no possibility of their being recovered.

The provision, which amounted to €799 thousand at 30 June 2014, was deemed sufficient to cover potential losses on trade receivables.

Trade receivables include those from Seat PG Italia S.p.A., which amount to €0.9 million gross at 30 June 2014 (€0.42 million net of the write down). Specifically:

a) €0.2 million refers to receivables expiring at 30 June 2014 for services provided in June; these amounts were collected in mid July 2014;

b) €0.7 million, expired at the date of approval of this Report, refers to services provided at 6 February 2013, the date when the company applied for admission to the composition with creditors procedure (blank option); €0.43 million of such amount was written down in 2013 to align the receivable to the proposed composition, therefore, the net amount is €0.25 million.

On 7 July 2013, Seat P.G. announced that the Turin court had opened the composition procedure by appointing the relevant bodies.

On 20 December 2013, Seat P.G. informed Register.it S.p.A. of the inclusion of the trade receivables in unsecured credit and the proposal to pay up to 20% in a period of 4 months from the approval of the agreement. At the 2013 balance sheet date and based on the above, DADA Group had adjusted the impairment loss on the receivable from Seat P.G. to an amount corresponding to the uncollected portion in the event of approval of the agreement (80%), without prejudice to the potential recovery of the related portion of VAT.

Creditors were initially convened for 30 January 2014, but the meeting has been postponed to 10 July 2014. The procedure is still in progress at the date of approval of this Report.

"Other receivables" include, among other items, deposits with domain registration authorities (approximately €0.8 million) and receivables for contractual advances with different suppliers.

Tax receivables consist mainly of advances paid on direct taxes by various Group companies, and of withholding and other tax credits.

Prepayments refer to service costs pertaining to periods beyond the end of June.

12. Net debt

The following table breaks down net debt at 30 June 2014 and at 31 December 2013:

EUR/000	30/6/14	31/12/13	DIFFERENCE	
			Absolute	%
Cash on hand	8	19	-10	-56%
Bank and post office deposits	1,460	1,641	-181	-11%
Liquidity	1,468	1,660	-192	-12%
Total financial assets	**1,468**	**1,660**	**-192**	**-12%**
Current credit lines and account overdrafts with banks	-9,899	-10,457	558	-5%
Current bank borrowings	-4,983	-716	-4,266	596%
Current portion of derivatives	-102	-47	-55	117%
Current debt	-14,984	-11,220	-3,764	34%
Non-current bank borrowings	-18,990	-21,302	2,313	-11%
Non-current debt	-18,990	-21,302	2,313	-11%
Total financial liabilities	**-33,974**	**-32,523**	**-1,451**	**4%**
Total net financial position	**-32,506**	**-30,863**	**-1,643**	**5%**

Cash and cash equivalents are detailed below:

Description	Balance at 30/06/14	Balance at 31/12/13	Change	% change
Bank and post office deposits	1,460	1,641	-181	-11%
Cash and valuables on hand	8	19	-10	-56%
Total	**1,468**	**1,660**	**-192**	**-12%**

The total amount represents liquidity at major banks and cash on hand at 30 June 2014.

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

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

Description	Balance at 31/12/13	Increases	Decreases	Other changes	Balance at 30/06/14
LOANS					
Non-current portion of loans due to banks	21,303	595	-2,958	50	18,990
Current portion of loans due to banks	716	4,819	-582	30	4,983
Subtotal	**22,019**	**5,414**	**-3,540**	**80**	**23,973**
Account overdrafts	10,457	984	-1,542		9,899
Credit lines	-	-	-		-
Subtotal	**10,457**	**984**	**-1,542**	**-**	**9,899**
Total	**32,476**	**6,398**	**-5,082**	**80**	**33,872**

Description of loans held by DADA Group at 30 June 2014 and main changes during 1H14:

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

- Register.it S.p.A.

  The outstanding loan with Intesa Sanpaolo has a remaining balance of €20.0 million at 30 June 2014 versus €22.4 million at 30 June 2013. The loan is structured as follows:

  - the loan maturity is 31 December 2018, with a schedule that calls for bullet repayments for the first 18 months, with maturity starting on 30 June 2015, followed by 7 half-yearly instalments of €2.5 million due on 31 December and 30 June each year;
  - the interest rate is the six-month Euribor plus a spread of 4.60%. Regarding IRS hedges, on 30 June 2014 a 3.81% IRS with a major bank was settled. In 1H14, two new IRS contracts were taken out: a 0.7775% IRS contract (on 11 March 2014) and a 0.631% IRS contract (on 15 May 2014), with maturity of the underlying amounts set in 2018 and an amortizing notional amount for both contracts of 25% of the loan. Taken together, these derivatives account for 50% of the underlying loan, which is hedged against the interest rate risk to the minimum extent under the loan agreement; at 30 June 2014, the fair value of the IRS was approximately €0.1 euro million; these derivative instruments were treated in hedge accounting, since both passed the effectiveness test. At 30 June 2014, an interest rate cap with a strike rate of 3.5% was settled; one with a strike rate of 3% remains in effect; the cap failed to qualify as hedge and was treated, as in the past, in hedge accounting.

In 1H14, two finance leases were entered into with major leasing institutes. Here are the main features:

- lease agreement entered into on 10 April 2014 for a total of €400 thousand and a duration of 42 months, with initial larger payment equal to 20% of the value of the lease amounting to €80 thousand, monthly installment of €8 thousand and final redemption equal to 1% for €4 thousand; the residual balance at 30 June 2014 was €320 thousand;

- lease agreement entered into on 22 January 2014 for a total of €428 thousand and a duration of 42 months, with an initial larger payment equal to 20% of the value of the lease for €86 thousand, monthly installment of €9 thousand and final redemption equal to 1% for €4 thousand; the residual balance at 30 June 2014 was €312 thousand.

- <u>Dada S.p.A.</u>
  Dada S.p.A. has account overdrafts with major banks which amount to €9.9 million, with interest charged at one-month Euribor plus a spread of between 2% and 6%. On 3 June 2014, Dada took out a non-earmarked loan in euro with a major bank up to 28 February 2015 for the amount of €2 million with a 2% spread, €1.5 million of which drawn down at 30 June 2014.

- <u>Namesco Ltd</u>
  To finance the investment in the new Datacenter, on 24 October 2012 a loan of £0.8 million was taken out, with payment of the first monthly instalment on 6 August 2013 and following 35 instalments, for a period of 3 years and 6 months up to 6 August 2016; the interest rate applied is the Bank of England Base Rate plus a spread of 3%; the residual balance at 30 June 2014 was £0.5 million (€0.7 million). On 13 November 2013, an additional loan of £0.6 million was taken out, with payment of the first monthly instalment on 3 January 2014 and following 35 instalments, for a period of 3 years up to 3 December 2016; the interest rate applied is the Bank of England Base Rate plus a spread of 3%; the residual balance at 30 June 2014 was £0.5 million (€0.6 million). Both loans include financial covenants tied to EBITDA and interest expense on an annual basis. The covenants apply from 2014, based on the figures posted in the financial statements at 31 December 2014.

- <u>Poundhost Ltd</u>

At 30 June 2014, the residual balance of financial leases was £442 thousand (€551 thousand), as described below:

- Finance lease with Lombard Technology Services ltd for the amount of £148 thousand (€185 thousand) starting July 2013 with monthly installments up to May 2016;
- Finance lease with Dell ltd for the amount of £104 thousand (€129 thousand) starting September 2013 with quarterly installments up to June 2016;
- Finance lease with Lombard Technology Services ltd for the amount of £103 thousand (€128 thousand) starting November 2013 with monthly installments up to October 2016;

- Finance lease with Lombard Technology Services ltd for the amount of £87 thousand (€109 thousand) starting April 2014 with monthly installments up to January 2017.

Some of the loans described above include covenants requiring the Group to satisfy certain financial ratios, starting from 31 December 2014, tied to EBITDA and net financial position aggregates. A breach of covenant entitles the lending bank to call in the loan. The other changes refer to adjustments in the short-term portion due within one year with respect to the non-current portion

For further information on Group liquidity and debt in 1H14, reference should be made to the analysis contained in the Directors' Report and the details appearing in the cash flow statement.

13. Trade and other payables

Trade and other payables at 30 June 2014 and at 31 December 2013 are made up as follows:

Description	**Balance at 30/06/14**	**Balance at 31/12/13**	**Change**	**% change**
Trade payables	7,995	10,320	-2,324	-23%
	7,995	**10,320**	**-2,324**	**-23%**
Tax payables	2,584	2,333	251	11%
	2,584	**2,333**	**251**	**11%**
Other payables	2,996	3,438	-442	-13%
Due to social security institutions	655	613	42	7%
Deferred income	12,466	11,319	1,147	10%
	16,117	**15,370**	**747**	**5%**
Total	**26,696**	**28,022**	**-1,326**	**-5%**

Trade payables are amounts due for purchases of a commercial nature and other costs closely related to the Group's operations. At 30 June 2014, they amounted to €8 million versus €10.3 million at 31 December 2013, dropping by 23%.

The downward trend is closely connected to the greater re-balancing of payments.

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

Tax payables amounted to €2.6 million (€2.3 million at 31 December 2013 and €3 million at 30 June 2013) 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. As from 1 January 2014, the IRAP rate has been reduced from 3.9% to 3.5%.

"Other payables", totaling €3 million (€3.4 million in 1H13), 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 million (€2.1 million at 30 June 2013);
- deferred income of €12.5 million (€11.3 million at 31 December 2013), originating from contract revenue on domain, hosting, connectivity and other resale services pertaining to future periods.

14. Provision for payroll, risks and charges

The table below shows movements in the provision for employee termination indemnities from 31 December 2013 to 30 June 2014:

Description	Balance at 31/12/13	Increase	Utilizations	Advances	Other movements	Balance at 30/06/14
Provision for termination indemnities	760	286	-20	-6	-277	743
Total	**760**	**286**	**-20**	**-6**	**-277**	**743**

At 30 June 2014, the provision amounted to €0.7 million, and reflects the total liability to employees, in accordance with the law and the terms of the collective employment contract. “Other movements” refer to payments made to INPS (social security).

As required by international accounting standards, the liability was determined using the Projected Unit Credit method, which treats every period of employment as the source of an additional unit of benefits and measures each unit separately when calculating the total accrued obligation.

The table below shows movements in the provision for risks and charges between 31 December 2013 and 30 June 2014:

Description	Balance at 31/12/13	Increase	Utilizations	Recovery in the statement of profit and loss	Other movements	Exchange differences	Balance at 30/06/14
Provision for risks and Charges	921	552	-150	-183	-	2	1,142
Provisions for tax disputes	86	-	-	-	45	-	131
Total	**1,007**	**552**	**-150**	**-183**	**45**	**2**	**1,273**

The provision for risks and charges, with a balance of €1.3 million at 30 June 2014, €131 thousand of which for tax disputes, covers probable liabilities from pending contractual and legal disputes and reorganization charges regarding certain areas of the Group.

The increases versus the previous year are mainly due to the recognition of charges for the optimization of the Group structure.

"Recovery in the income statement" includes the recovery of prior provisions made for staff reorganization, as well as legal disputes brought to a positive outcome. In this regard, the provisions for risks and charges have been reallocated on a consolidated level among the different companies of the Group. This explains the increases and the recovery in the income statement in the above table. The overall effect of these two items is a net provision to the income statement of €0.4 million.

Utilizations refer to severance costs for employees who terminated employment, amounting to €111 thousand, and to legal disputes settled in 1H14, amounting to €39 thousand.

"Other movements", amounting to €45 thousand, refer to a provision for potential tax disputes. The relating balancing entry is recognized in the statement of profit and loss and classified under current taxes.

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 2014, the provision for risks and charges was made up of €0.6 million for staff reorganization charges, of €0.5 million for business/legal disputes, and of €0.1 million for tax disputes.

No detailed information is given on the specific positions covered, in order not to prejudice the outcome of proceedings.

15. Share-based payments

With regard to the new Stock Option plan, reference should be made to the Directors' Report in the section on events after 30 June 2014.

16. Changes in equity reserves

At 30 June 2014, DADA S.p.A.'s share capital was comprised of n. 16,680,069 ordinary shares with a nominal value of €0.17, for a total of €2,836 thousand. There were no increases in 1H14.

Movements in equity items in 1H14 are reported in the schedules on page 34.

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

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 2014, it had a balance of €33.1 million.

There were no increases in 1H14.

Other equity instruments: it includes the payroll costs incurred in relation to the Group's stock option plans. At 30 June 2014, as at 31 December 2013, it amounted to zero as a result of the disposal of DADA Group in 2013, which resulted in the accelerated execution of the Stock Option plan in October 2013.

Composition of other reserves:

- *FTA reserve*, built for the first-time adoption of IFRS, at 30 June 2014, it has a negative balance of €6.2 million.
- *Extraordinary reserve* of €19.1 million, unchanged in 1H14
- *Cash flow hedge reserve,* net of tax effects, it shows a negative balance of €53 thousand at 30 June 2014, with a net change of €27 thousand versus 31 December 2013.
- *Translation reserve*, containing the differences arising from the translation of subsidiaries' separate financial statements prepared in currencies other than the euro, with a negative balance of €5.6 million at 30 June 2014 (€7.1 million at 31 December 2013). Movements in the period, totaling approximately €1.6 million, arose mostly from the translation of the financial statements and goodwill of the subsidiaries Poundhost and Namesco.
- *Other reserves,* these are the reserves produced by the deconsolidation of the Dada.net Group, amounting to €1.1 million.

17. 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 the companies forming the Orascom Group, the company of which - Libero Acquisition S.à r.l. – at 30 June 2014, owned 69.432% of Dada S.p.A..

The following table indicates the assets, liabilities, costs and income between DADA Group and related parties in 1H14, excluding intercompany transactions, which are eliminated in the preparation of the consolidated half-year financial statements.

Dada Group's transactions with Orascom Group companies, which are disclosed in the Dada S.p.A. notes to the individual items in the statement of financial position and the statement of profit and loss, relate mainly to contracts for the provision of services and business-related activities.

Company	Trade receivables	Trade payables	Revenue	Costs
Orascom Group	865	- 153	639	- 135
TOTAL	**865**	**- 153**	**639**	**- 135**

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.

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., Fueps S.p.A. and Moqu Adv S.r.l. (consolidated companies).

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

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

Description	**30/06/14**		
	Service costs	**Payroll costs**	**Other equity instruments**
Board of Directors	36	-	-
Board of Statutory Auditors	28	-	-
Executive directors and general managers	56	408	-
Total related parties	**119**	**408**	**-**

18. Net change in financial payables and other financial assets in the cash flow statement

The following table reconciles the change in consolidated net financial position with the

change in cash and cash equivalents:

	30/06/14	**30/06/13**
Change in net financial position	-1,643	-2,268
Change in non-current portion of loans	-2,313	-2,931
Change in non-cash derivatives	55	-132
Current account with RCS	-	-561
Change in other receivables	-	1,000
Change in cash and cash equivalents per cash flow statement	**-3,901**	**-4,893**

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

In 1H14, the changes are largely explained by the increase in non-current loans, while in 1H13, the changes had also involved repayment of the current account with the former controlling entity RCS MediaGroup S.p.A..

19. Commitments

The table below shows changes in commitments between 31 December 2013 and 30 June 2014:

	Balance at 31/12/13	Increase	Decrease	Other changes	Balance at 30/06/14
Guarantees	3,648	83	-	68	3,799
Total	**3,648**	**83**	**-**	**68**	**3,799**

The period's increase is entirely attributable to the guarantee issued for the tax agency on behalf of Fueps for VAT credit refunded in 1H14.

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, 4 August 2014

For the Board of Directors

Chief Executive Officer
Claudio Corbetta

ANNEX 1

RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AT 30 JUNE 2014

EUR/000	30/6/14 6 months		30/6/13 6 months		DIFFERENCE	
	Amount	%	Amount	%	Absolute	%
Net revenue	**34,825**	**100%**	**39,719**	**100%**	**-4,895**	**-12%**
Chg. in inventories & inc. in own wk. capitalized	1,952	6%	1,959	5%	-8	0%
Service costs and other operating expenses	-21,479	-62%	-25,770	-65%	4,291	-17%
Payroll costs	-10,104	-29%	-9,594	-24%	-511	5%
EBITDA*	**5,193**	**15%**	**6,315**	**16%**	**-1,122**	**-18%**
Depreciation and amortization	-3,733	-11%	-3,495	-9%	-238	7%
Impairment losses and other provisions	-463	-1%	-121	0%	-342	282%
EBIT	**997**	**3%**	**2,700**	**7%**	**-1,703**	**-63%**
Financial income	283	1%	312	1%	-29	-9%
Financial charges	-1,694	-5%	-1,980	-5%	286	-14%
Profit/(loss) before taxes	**-414**	**-1%**	**1,031**	**3%**	**-1,446**	**-140%**
Income taxes	-435	-1%	-328	-1%	-108	33%
Group net profit/ (loss)	**-849**	**-2%**	**704**	**2%**	**-1,553**	**-221%**

*Gross of impairment losses and other non-recurring items

ANNEX 2

RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AT 30 JUNE 2014

EUR/000	2Q14		2Q13		DIFFERENCE	
	Amount	%	Amount	%	Absolute	%
Net revenue	**16,894**	**100%**	**19,126**	**100%**	**-2,232**	**-12%**
Chg. in inventories & inc. in own wk. capitalized	960	6%	1,061	6%	-100	-9%
Service costs and other operating expenses	-10,239	-61%	-12,505	-65%	2,266	-18%
Payroll costs	-4,747	-28%	-4,636	-24%	-111	2%
EBITDA*	**2,868**	**17%**	**3,045**	**16%**	**-177**	**-6%**
Depreciation and amortization	-1,907	-11%	-1,899	-10%	-8	0%
Impairment losses and other provisions	-410	-2%	-100	-1%	-310	309%
EBIT	**551**	**3%**	**1,045**	**5%**	**-494**	**-47%**
Financial income	155	1%	33	0%	123	375%
Financial charges	-814	-5%	-749	-4%	-65	9%
Profit/(loss) before taxes	**-108**	**-1%**	**329**	**2%**	**-437**	**-133%**
Income taxes	-221	-1%	-11	0%	-210	n.m.
Group net profit/ (loss)	**-328**	**-2%**	**318**	**2%**	**-646**	**-203%**

*Gross of impairment losses and other non-recurring items

ANNEX 3

DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 30 JUNE 2014

EUR/000	30/6/14	31/12/13	DIFFERENCE	
			Absolute	%
Fixed assets	**95,273**	**93,981**	**1,291**	**1%**
Current operating assets	16,297	16,335	-39	0%
Current operating liabilities	-26,696	-28,022	1,326	-5%
Net working capital	**-10,399**	**-11,687**	**1,288**	**-11%**
Provision for termination indemnities	-743	-760	17	-2%
Provision for risks and charges	-1,273	-1,007	-266	26%
Net capital employed	**82,857**	**80,527**	**2,330**	**3%**
Bank loans (due beyond one year)	-18,990	-21,302	2,313	-11%
Shareholders' equity	**-50,351**	**-49,664**	**-687**	**1%**
Current bank borrowings	-14,882	-11,173	-3,709	33%
Current financial receivables and derivatives	-	-	-	-
Current financial payables and derivatives	-102	-47	-55	117%
Cash and cash equivalents	1,468	1,660	-192	-12%
Current net financial position	**-13,516**	**-9,561**	**-3,956**	**41%**
Total net financial position	**-32,506**	**-30,863**	**-1,643**	**5%**

ANNEX 4

Dada Group consolidation scope at 30 June 2014

NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	HELD BY	% held	Consolidation period
Dada S.p.A. (Parent company)	**Florence**	**Euro**	**2,835,612**	**Parent company**		**Jan-Jun 2014**
Agence des Medias Numerique Sas	Paris	Euro	37,000	Register.it S.p.A.	100	Jan-Jun 2014
Amen Ltd.	London	GBP	2	Register.it S.p.A.	100	Jan-Jun 2014
Amen Nederland B.V.	Amsterdam	Euro	18,000	Register.it S.p.A.	100	Jan-Jun 2014
Amenworld Servicios internet	Lisbon	Euro	10,000	Register.it S.p.A.	100	Jan-Jun 2014
Clarence S.r.l.	Florence	Euro	21,000	Dada S.p.A.	100	Jan-Jun 2014
Fueps S.p.A.	Florence	Euro	1,500,000	Dada S.p.A.	100	Jan-Jun 2014
Namesco Inc.	New York (USA)	USD	1,000	Namesco Ltd.	100	Jan-Jun 2014
Namesco Ltd.	Worcester	GBP	100	Register.it S.p.A.	100	Jan-Jun 2014
Namesco Ireland Ltd	Dublin	Euro	1	Namesco Ltd.	100	Jan-Jun 2014
Nominalia Internet S.L.	Barcelona	Euro	3,000	Register.it S.p.A.	100	Jan-Jun 2014
Poundhost Internet Ltd	Worcester	GBP	200	Namesco Ltd.	100	Jan-Jun 2014
Register.it S.p.A.	Florence	Euro	8,401,460	Dada S.p.A.	100	Jan-Jun 2014
Simply Virtual Servers Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan-Jun 2014
Simply Transit Limited	Worcester	GBP	2	Namesco Ltd.	100	Jan-Jun 2014
Moqu Adv S.r.l.	Florence	Euro	10,000	Dada S.p.A.	100	Jan-Jun 2014
Moqu Adv Ireland Ltd	Dublin	Euro	1	Moqu Adv S.r.l.	100	Jan-Jun 2014

STATEMENT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT JUNE 30, 2014

(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, 2014 to June 30, 2014 for the preparation of the Condensed Consolidated Interim Financial Statements approved by the Board of Directors on August, 4 2014.

- It is also stated that:

  1. the Condensed Consolidated Interim Financial Statements of DADA Group at June 30, 2014:

     - 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, August 4, 2014

Chief Executive Officer	Manager in charge of preparing Company's Financial Reports
Claudio Corbetta	**Federico Bronzi**
(signed on the original)	(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 2014, comprising the statement of profit and loss, 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 2 April 2014 and 1st August 2013, 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

KPMG

DADA Group
Auditors' report on review of condensed interim consolidated financial statements
30 June2014

the six months ended 30 June 2014 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, 5 August 2014

KPMG S.p.A.

(signed on the original)

Alberto Mazzeschi
Director of Audit