# CONSOLIDATED INTERIM REPORT FOR THE DADA GROUP AT 31 MARCH 2012

Registered office: Piazza Annigoni, 9B – Florence, Italy
Share capital: EUR 2,755,711.73 fully paid-in
Florence Company Register no. FI017- 68727
Chamber of Commerce (REA) no. 467460
Tax ID/VAT no. 04628270482

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

# CONTENTS

# CORPORATE OFFICERS

**The current officers were elected during the AGM held on 24 April 2012, for the three-year period 2012-2014.**

## BOARD OF DIRECTORS

| | |
|---|---|
| Alberto Bianchi[1, 8] | Chairman |
| Claudio Corbetta [2] | CEO |
| Lorenzo Lepri [3] | General Manager |
| Silvia Michela Candiani[7] | Director |
| Claudio Cappon [7] | Director |
| Stanilsao Chimenti[7, 4, 5] | Director |
| Giorgio Cogliati | Director |
| Alessandro Foti[7, 4, 5, 6] | Director |
| Monica Alessandra Possa | Director |
| Vincenzo Russi [7,4, 5] | Director |
| Maria Oliva Scaramuzzi[7, 6] | Director |
| Riccardo Stilli | Director |
| Danilo Vivarelli [7, 6] | Director |

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

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

3 The Board of Directors appointed Lorenzo Lepri General Manager and CFO of the Company during the meeting held on 24 April 2012.

4 Appointed member of the Internal Control Committee by the Board of Directors on 24 April 2012.

5 Appointed member of the Committee for Related Party Transactions by the Board of Directors on 24 April 2012 .

6 Appointed member of the Compensation Committee by the Board of Directors on 24 April 2012.

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

8 Independent director pursuant to Art. 148 paragraph 3 of Legislative Decree n. 58/1998.

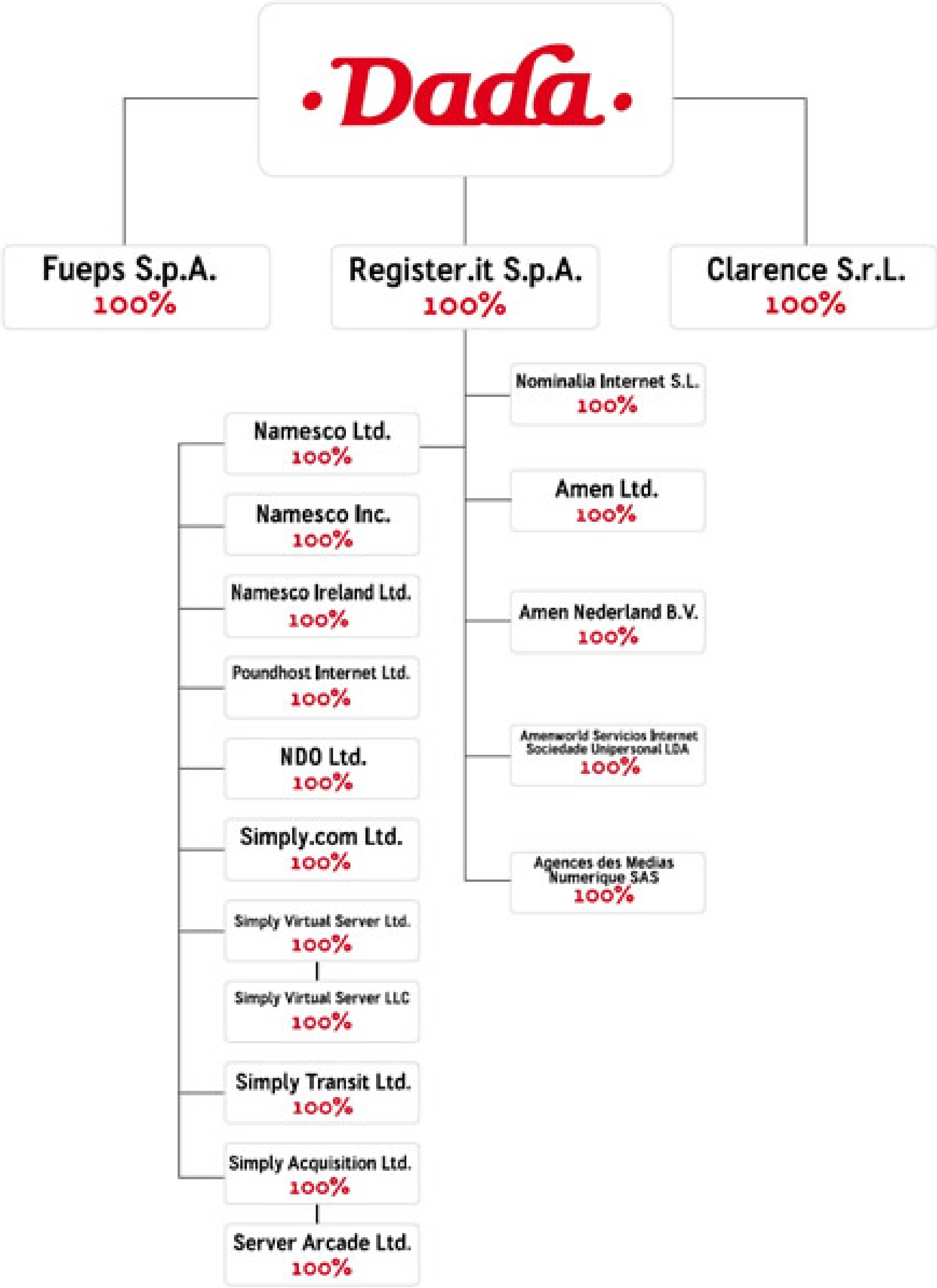
## BOARD OF STATUTORY AUDITORS

| | |
|---|---|
| Claudio Pastori | Chairman |
| Cesare Piovene Porto Godi | Standing auditor |
| Sandro Santi | Standing auditor |
| Maria Stefania Sala | Alternate auditor |
| Mariateresa Diana Salerno | Alternate auditor |

## EXTERNAL AUDITORS

KPMG S.p.A.

# GROUP STRUCTURE



# DADA GROUP FINANCIAL HIGHLIGHTS

## Consolidated income statement (3 months)

| (€/mn) | 31/03/2012 | 31/03/2011 | Total difference | % difference |
|---|---|---|---|---|
| Revenue | **22.0** | 21.0 | 1.0 | 5% |
| EBITDA* | **3.1** | 2.0 | 1.1 | 56% |
| Depreciation and amortization | **-1.6** | -1.9 | 0.3 | -18% |
| Non-recurring charges and impairment | **-** | -1.4 | 1.4 | -100% |
| EBIT | **1.5** | -1.4 | 2.9 | -205% |
| Profit/(loss) from discontinued operations | **-** | -0.5 | 0.5 | -100% |
| Group net profit/(loss) | **0.5** | -2.9 | 3.4 | -117% |

## Consolidated statement of financial position at 31 March 2012

| ((€/mn) | 31 March 2012 | 31 December 2011 | Total difference | % difference |
|---|---|---|---|---|
| Net working capital | **-13.6** | -12.0 | -1.7 | 14% |
| Net capital employed | **74.4** | 75.3 | -0.9 | -1% |
| Shareholders' equity | **48.9** | 48.3 | 0.7 | 1% |
| Net short-term financial position | **-3.0** | -9.3 | 6.3 | -68% |
| Total net financial position | **-25.4** | -27.0 | 1.6 | -6% |
| Number of employees | **373** | 367 | 0.0 | 0% |

* Gross of impairment losses and other non-recurring items

# DIRECTORS' REPORT

## INTRODUCTION

The Interim Report at 31 March 2012 was prepared in accordance with IAS 34 on interim financial reporting and, as regards to recognition and measurement criteria, with the IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as required by Art. 154-*ter* of the Consolidated Finance Act (*Testo Unico della Finanza* or TUF). It satisfies the provisions of Consob Regulation no. 11971 of 14 May 1999, as amended.

We remind that the prior year featured the sale of the entire share capital of Dada.net S.p.A. by Dada S.p.A. to Buongiorno S.p.A..

## DADA GROUP PROFILE

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

As a result of the event mentioned in the introduction above, the Dada Group now consists of one operating division which includes the professional services for online presence and visibility (domain registration, hosting, brand protection) and performance advertising.

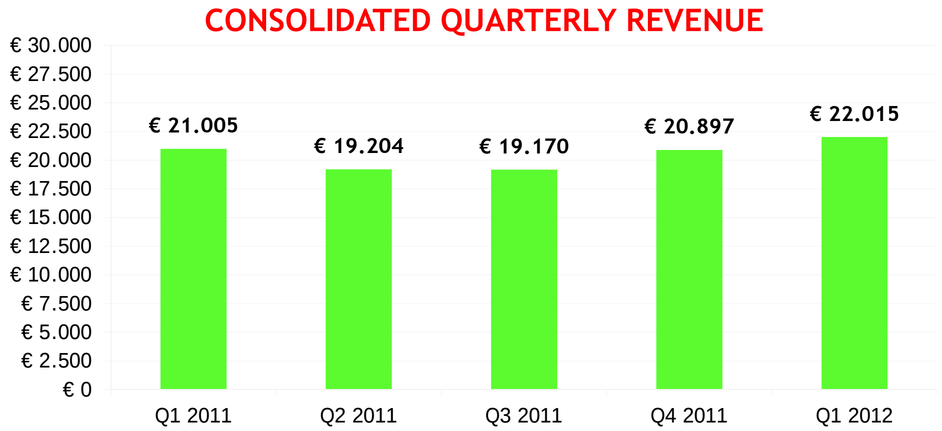
With over 500 thousand business clients and more than 1.8 million domains under management Dada is one of the leading European names in the Domain & Hosting sector with strong positioning in all the markets in which it is active through Register.it, a leader in Italy, Nominalia (Spain) and Namesco (the U.K.), Register365 (Ireland); and Amen (France/Portugal). Starting from January 2010, thanks to the acquisition of Poundhost, Dada has also gained a solid footing in dedicated and virtual hosting services in the UK. Dada is also one of the key players in the brand protection business and its clients include important Italian and European brands.

With regard to advertising on-line, Dada continued implementing the strategy to internationally expand its performance advertising business, through the continuous growth of Peeplo.com (Social Search Engine), and the launch of new international services such as Save'n'keep (Social Bookmarking), Sconti.it and OnlyTopDeals.co.uk (comparison shopping and deals). Dada also operates its own international advertising network of over 3,000 publishers (Simply.com) which are managed through its proprietary Adserver which allows advertising campaigns' planning.

# PERFORMANCE REVIEW

The **Dada Group** closed first quarter 2012 with **consolidated revenue of €22 million**, compared with €21 million in the same period 2011, an increase of 5%. Similar growth was recorded with respect to the last quarter of the prior year.

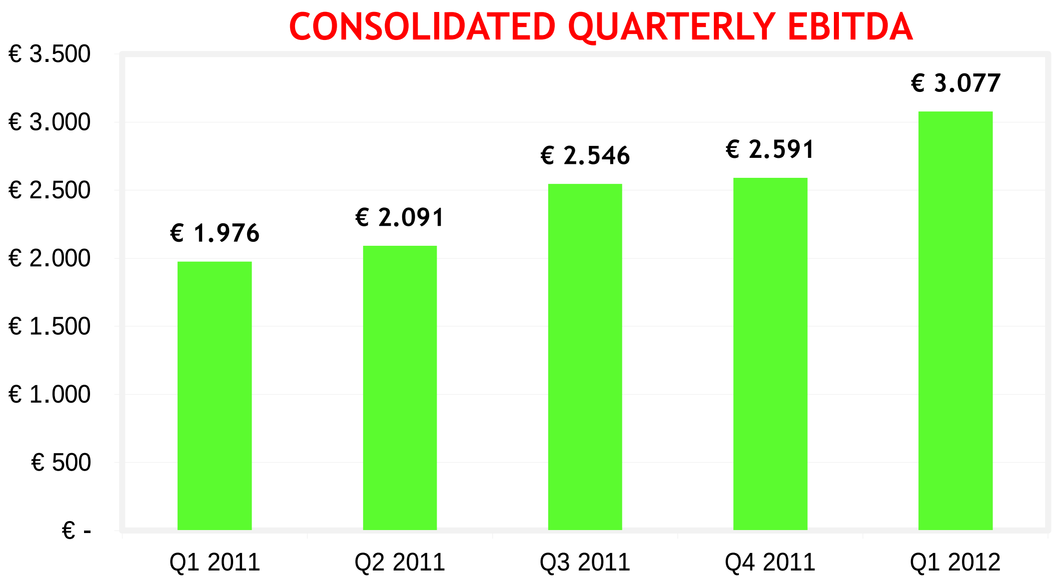
The following graph presents consolidated revenue for the last five quarters:




**The Dada Group's consolidated EBITDA in the first three months of 2012** (gross of impairment losses and other non-recurring items) **came to €3.1 million** (14% of consolidated revenue), an improvement of more than 50% with respect to the €2.0 million recorded in the same period of 2011 (9% of consolidated revenue).

For more information about the trend in EBITDA please refer to the section on the results.

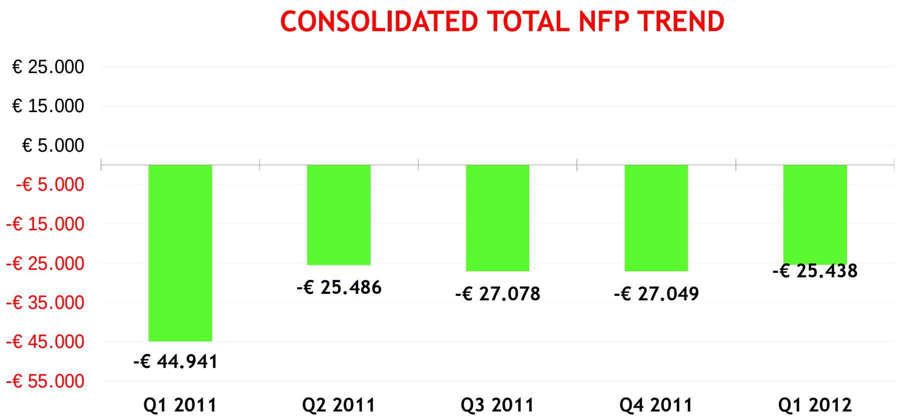
The following graph shows the trend in consolidated EBITDA over the last five quarters:



The **consolidated net financial position** at 31 March 2012 came in at –€25.4 million versus -€27.0 million at 31 December 2011, primarily thanks to the operating cash flow of €4.1 million generated in the period. The aggregate was also impacted by: investments of €1.9 million made equally in both intangible assets, for the internal development of proprietary processes and platforms, and in technology assets; lastly, non-recurring expenditures amounted to €0.1 million.

The Dada Group's **total net financial position** at 31 March 2012**,** which includes funding to be repaid beyond one year, reached a negative €25.4 million, compared to a negative €44.9 million at 31 March 2011 and a negative €27 million at 31 December 2011. There was an improvement, therefore, of €1.6 million versus the first quarter of the prior year which did not yet reflect the positive impact of the disposals of Dada.net and Blogo.

The net financial position at the end of the previous five quarters is shown below:




## Results

The following tables show the **Dada Group's** key results for first quarter 2012, compared with the same period in the previous year:

| (€/000) | Q1 2012 | | Q1 2011 | | DIFFERENCE | |
|---|---|---|---|---|---|---|
| | Amount | % of total | Amount | % of total | Absolute | % |
| | | | | | | |
| **Net revenue** | **22,015** | **100%** | **21,005** | **100%** | **1,010** | **5%** |
| Chg. in inventories & inc. in own wk. capitalized | 900 | 4% | 855 | 4% | 45 | 5% |
| Service costs and other operating expenses | -14,827 | -67% | -15,085 | -72% | 258 | -2% |
| Payroll costs | -5,011 | -23% | -4,798 | -23% | -213 | 4% |
| **EBITDA** | **3,077** | **14%** | **1,976** | **9%** | **1,100** | **56%** |
| Depreciation and amortization | -1,600 | -7% | -1,940 | -9% | 340 | -18% |
| Non-recurring income/(charges) | 0 | 0% | -1,436 | -7% | 1,436 | -100% |
| **EBIT** | **1,477** | **7%** | **-1,400** | **-7%** | **2,877** | **-205%** |

The Dada Group's **consolidated revenue** in first quarter 2012 reached €22 million, an increase of 5% with respect to the €21 million posted in the first quarter of 2011, similar growth was posted with respect to the fourth quarter of 2011.

Revenue generated by the Domain and Hosting business in all the Group's markets continued to grow with respect to the prior year.

In first quarter 2012 Dada confirmed its European leadership in the **sector of professional services for domain registration and hosting**. More in detail, in the period Dada achieved its goal to expand its international user base, improve the renewal rate for its services and expand its product range through the launch of new services which include the new program dedicated to resellers - based on a control panel which can be totally customized – which seeks to simplify and streamline client management, as well as expand the network of partners, in order to better sustain SMEs on the internet.

The performance advertising business also posted growth (of more than 9% compared to the same period in the prior year). Dada continued with its strategy to strengthen its advertising business, thanks to the consolidation of Peeplo, the constant fine-tuning of proprietary algorithms and the close collaboration with the world's main d networks.

With regard to the **geographical breakdown** of the Dada Group's consolidated revenue for first quarter 2012, 66% was generated abroad, in line with first quarter 2011.

The Dada Group's consolidated **EBITDA** in first quarter 2012 (gross of impairment losses on receivables and other non-recurring items) **amounted to €3.1 million** (14% of consolidated revenue), an increase when compared to the €2 million (9.4% of consolidated revenue) reported in the same period of the prior year.

The Dada Group's consolidated EBITDA is explained primarily by the following factors:

- an improvement in the margins of the performance advertising business, as well as the domain registration and hosting services;
- the actions implemented to control costs, particularly with regard to staffing, also following the sale of Dada.net's activities in May 2011.

Looking at each line of the income statement, all the principal cost items dropped as a percentage of revenue. Service costs decreased by an impressive €0.2 million, dropping from the 72% of revenue recorded in first quarter 2011 to 67%. Payroll costs rose from the €4.8 million recorded in 2011 to €5.0 million in 2012, but fell as a percentage of revenue from 22.8% to 22.7%. The total number of employees went from 367 reported at 31 December 2011 to 373 at 31 March 2012, an increase of 6 heads (employees totalled 402 at 31 March 2011).

The item "Change in inventories and increase in own work capitalized," which amounted to €0.9 million in the quarter (in line with the first and fourth quarters of 2011), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the Dada Group, in particular the Domain & Hosting and the Performance Advertising services.

The Dada Group's **consolidated EBIT** in first quarter 2012 amounted to a **positive €1.5 million** versus a negative €1.4 million in the same period of the prior year, an increase of €2.9 million, and a negative €3.7 million in fourth quarter 2011, an increase of €4.2 million.

EBIT in first quarter 2012 was impacted by amortization of intangible assets of €0.7 million (versus €1 million at 31 March 2011 and €0.5 million in fourth quarter 2011) and depreciation of €0.9 million (versus €0.8 million in the same period of 2011 and €0.9 million in the fourth quarter of the prior year).

The increase in depreciation is explained primarily by the investments made by the Group in the period to acquire the servers needed to provide the domain & hosting services. The decrease in amortization in first quarter 2012 is, rather, explained largely by the writedowns made by the Dada Group in fourth quarter 2011 (for more information see the financial statements for the prior year), while no writedowns of tangible and/or intangible assets were made in the first quarter of this year. Amortization in first quarter 2012 was higher than in fourth quarter 2011 explained by capitalization of new expenditures in the first quarter of the year.

No non-recurring charges were incurred or accrued in the first three months of 2012, while last year they amounted to €1.4 million like-for-like and were explained entirely by the charges incurred relating to the departure of Dada's former Chairman. In the fourth quarter of the prior year goodwill impairment of €1.8 million was recognized following year-end impairment testing and non-recurring charges amounted to €1.2 million.

**The Dada Group closed the first three months of 2012 with a consolidated net profit of €0.5 million**, compared to a net loss of €2.9 million in the same period of the prior year, an increase of €3.4 million, and a net loss of €5.6 million in fourth quarter 2011, an increase of €6.1 million.

**Net financial charges** in the first three months of 2012 amounted to €0.7 million, versus €0.8 million in the same period of 2011 and €0.6 million in fourth quarter 2011.

This figure reflects financial charges of €0.8 million (largely unchanged with respect to the same period in 2011) attributable to interest payable on bank loans undertaken in previous years to finance acquisitions of €0.3 million (€0.4 million in the same period of 2011); other bank commissions and interest owed on bank overdrafts amounting to €0.4 million (€0.3 million in the same period of 2011), derivative differentials of €0.1 million (€0.1 million in 2011). The net result for exchange activities was basically flat versus a negative €0.1 million in the same period of 2011 and a positive €0.1 million in fourth quarter 2011.

These financial aggregates were impacted by the gradual increase in the interest rates applied to loans and positively by the drop in Euribor rates.

These figures were also impacted by the renegotiation, in the first part of the year, of the loans held with Banca Intesa. Following these negotiations, which are described more in detail below in the section about the financial position, three mortgages were combined in a single loan.

The Dada Group's tax in the first three months of the year amounted to a negative €0.3 million, versus -€0.2 million in the same period of 2011 and in the fourth quarter of the prior year.

Breaking down net taxes into current and deferred, current taxes amounted to €266 thousand, while deferred tax amounted to a positive €5 thousand. Current tax refers to IRAP (regional business tax) relative to Register.it, as well as tax for the foreign companies which posted positive pre-tax income.

The Dada Group has accrued tax losses of €31.4 million. Deferred tax assets have been recognized only on a portion of those losses (€11.9 million), namely those the Group expects to recover in the near future as resulting from the actual Plan.

As in fourth quarter 2011, the income statement for first quarter 2012 does not include any non-controlling interests following the extraordinary transactions closed during the prior year and referred to in the introduction above.

Similarly, the net profit/(loss) from discontinued operations shown in accordance with IFRS 5 is no longer present, while at 31 March 2011 the net loss amounted to €0.5 million and to €1.1 million in fourth quarter 2011.

# Financial position

The net financial position at 31 March 2012 is shown in detail below, with comparative figures at 31 December 2011:

| | (In EUR/000) | 31-Mar-12 | 31-Dec-11 | DIFFERENCE Total | |
|---|---|---|---|---|---|
| A | Cash on hand | 148 | 9 | 139 | 1544% |
| B | Bank and post office deposits | 3.427 | 4.301 | -874 | -20% |
| C | Liquidity (A+B) | 3.575 | 4.310 | -735 | -17% |
| D | Time deposits and other receivables | 2.911 | 3.166 | -255 | 100% |
| E | Derivatives | 1 | 156 | -155 | -99% |
| F | Other financial receivables | 2.912 | 3.322 | -410 | 100% |
| G | **Total financial assets (C+F)** | **6.487** | **7.632** | **-1.145** | **-15%** |
| H | Current credit lines and account overdrafts with banks | -113 | -7.317 | 7.204 | -98% |
| I | Current bank borrowings | -8.349 | -8.551 | 202 | -2% |
| L | Other current financial payables | -551 | -547 | -4 | 1% |
| M | Current portion of derivatives | -258 | -258 | 0 | 100% |
| N | Current debt (H+I+L+M) | -9.271 | -16.673 | 7.402 | -44% |
| O | Non-current bank borrowings | -22.463 | -17.745 | -4.718 | 27% |
| P | Other non-current financial payables | | | | |
| Q | Non-current portion of derivatives | -191 | -263 | 72 | 100% |
| R | Non-current debt (O+P+Q) | -22.654 | -18.008 | -4.646 | 26% |
| S | **Total financial liabilities (N+R)** | **-31.925** | **-34.681** | **2.756** | **-8%** |
| T | **Net financial position (G+S)** | **-25.438** | **-27.049** | **1.611** | **-6%** |

**The Dada Group's consolidated net financial position** at 31 March 2012 reached a **negative €25.4 million**, versus a negative €27 million at the end of the prior year and a negative €44.9 million at 31 March 2011. In the prior year this aggregate was positively impacted, beginning 31 March 2011, by the disposal of Blogo and Dada.net..

The consolidated current net financial position at 31 March 2011 was a negative €9.2 million, versus a negative €16.6 million at 31 December 2011 and a negative €24.9 million at 31 March 2011. The improvement with respect to the last quarter of 2011 is due to both total cash flow generation and the renegotiation of loans held with Banca Intesa which resulted in, among other things, an extension of the expiration. For more information about the new m/l term debt structure see the note on page 37 of this report.

The item "time deposits and other receivables" includes the amounts deposited in escrow relative to the sale of Blogo and Dada.net made in the prior year. With regard to the transaction undertaken with Buongiorno, the €2.75 million deposited in escrow expires on 31 May 2012.

The item "current portion of derivatives" relates to the market to market of the portion of the IRS hedging the mortgage with Banca Intesa which expires in 12 months, while the part which expires beyond one year is included in the item "non-current portion of derivatives".

Non-recurring charges amounted to €0.1 million in the first three months of 2012 and are primarily attributable to legal disputes and contractual penalties. The non-recurring charges for the first quarter of the prior year amounted to approximately €1.6 million and were attributable almost entirely to the resignation of Dada's former Chairman.

Movements in cash flow in first quarter 2012 with respect to cash and cash equivalents and compared to the same period in the prior year are summarized below. For more detailed information please refer to the Cash Flow Statement included in the Consolidated Financial Statements and the notes:

| **(in EUR/000)** | **31 March 2012 (3 months)** | **31 December 2011 (12 months)** |
|---|---|---|
| Cash flow from operating activities | 4,102 | 2,781 |
| Taxes and interest paid | -800 | -1,785 |
| Cash flow from investing activities | -1,690 | -967 |
| Cash flow from financing activities | 4,806 | -1,293 |
| **Net cash flow for the period (cash and cash equivalents)** | **6,417** | **12,604** |

The reconciliation of the net financial position with the change in cash and cash equivalents reported in the Consolidated of Cash Flow Statement can be found in Note 18 of the notes to the Consolidated Financial Statements.

In the first three months of 2012 the Dada Group made total investments of €1.9 million versus total operating investments of €1.5 million in first quarter 2011. In the quarter investments were made primarily in:

- intangible assets, for some €0.9 million, primarily (€900 thousand) in the development of proprietary processes and platforms needed to provide domain & hosting services and in performance advertising and for the purchase of software and brands (€27 thousand);

- property, plant and equipment, for some €0.9 million, primarily for the purchase of network servers and the installation of new systems needed to expand the server farm.

The cash flow from financing activities reached a positive €4.8 million and is largely explained by the net difference in cash flow from financing activities in the first three months in 2012 following the renegotiation referred to above which resulted in a drop in short term versus an increase in long term debt. This clearly impacted solely "cash, cash equivalents and current bank borrowings" but is neutral with regard to the "total net financial position".

For more information please refer to the Cash Flow Statement found on page 25 of this report.

The breakdown of the net working capital and the net capital employed at 31 March 2012 and at 31 December 2011 is shown below:

| (in EUR/000) | 31-Mar-12 | 31-Dec-11 | DIFFERENCE | |
|---|---|---|---|---|
| | | | Absolute | % |
| | | | | |
| **Non-current assets (A)** | **91,290** | **90,918** | **371** | **0%** |
| Current operating assets (B) | 20,052 | 19,975 | 77 | 0% |
| Current operating liabilities (C) | -33,668 | -31,936 | -1,732 | 5% |
| **Net working capital (D)=(B)-(C)** | **-13,616** | **-11,961** | **-1,655** | **14%** |
| Termination indemnities (E) | -884 | -877 | -7 | 1% |
| Provision for risks and charges (F) | -2,141 | -2,781 | 640 | -23% |
| Other payables due beyond one year (G) | -289 | 0 | -289 | |
| **Net capital employed (A+D+E+F+G)** | **74,359** | **75,299** | **-939** | **-1%** |

## Net working capital

Net working capital at 31 March 2012 amounted to –€13.6 million versus – €11.9 million at 31 December 2011 and -€21.9 million at 31 March 2011 which reflected the reclassification of the assets/liabilities held for sale in a single item relating, in particular, to the disposal of the Dada.net Group.

The growth of this aggregate is due to both an increase in the Group's business in the first three months of the year and the recognition in the first quarter of contingent liabilities (tax and related to personnel) which will be paid in subsequent quarters.

Current liabilities also include deferred income of approximately €12.2 million relative to web hosting services; these will not entail future financial outcome, but rather the recognition of revenue in the income statement. This aggregate at 31 December 2011 amounted to €12.1 million, versus €12.6 million at 31 March 2011.

For more information about investing activities please refer to the description of the net financial position above and the notes to this report.

The number of employees at 31 March 2012 is shown below:

| | Italy | | International | | TOTAL | |
|---|---|---|---|---|---|---|
| Number of employees | At 31-12-2011 | At 31-03-2012 | At 31-12-2011 | At 31-03-2012 | At 31-12-2011 | At 31-03-2012 |
| **Total** | **205** | **205** | **162** | **168** | **367** | **373** |

## Alternative performance indicators:

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

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

**Pre-tax profit (gross of the net gains/(losses) pertaining to assets held for sale)**
+ Financial charges
- Financial income
+/- Gains/losses from equity investments in associates
**Operating profit**
+ Restructuring costs
+ Amortization, depreciation and impairment losses on fixed assets
+/- Atypical charges/income
+ Impairment losses on trade receivables
**EBITDA - Operating profit before amortization, depreciation, impairment losses, atypical charges/income and impairment losses on receivables.**

*Net working capital:* the difference between current assets and liabilities, i.e. those due within one year of the balance sheet date. Within this item, deferred tax assets are split into current and non-current portions according to the amount expected to be recovered with the following year's profit;

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

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

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

## PERFORMANCE BY BUSINESS SEGMENT

For operational purposes, beginning 31 December 2011, the Dada Group was organized into a single business segment. This is due to the reorganization following the sale of the Dada.net Group; the remaining product lines (domain and hosting and performance advertising) and corporate activities have been so completely integrated that they no longer qualify as separate business segments under IFRS 8.

## SIGNIFICANT EVENTS

**The events which had the most significant impact on the Dada Group in the first three months of 2012 are described below:**

No significant events took place before the close of the first quarter.

# SUBSEQUENT EVENTS

**The events which had the most significant impact on the Dada Group after the close of first quarter 2012 are described below:**

**On 24 April 2012 - the Annual General Meeting of Dada S.p.A**. in ordinary session approved:

The Separate Financial Statements at 31 December 2011
Shareholders approved Dada S.p.A.'s Separate Financial Statements for the year ended 31 December 2011, as proposed by the Board of Directors during the meeting held on 12 March 2012. The Shareholders resolved to allocate the Parent Company's net profit of €18,011,273.69 as follows: €11,105,917.04 to cover losses from previous years and the remainder to extraordinary reserves.

Appointment of the Board of Directors
During the AGM Shareholders renewed, after fixing the number of 13 members, the Company's Board of Directors which will be in office for the years 2012-2014 until the approval of the Financial Statements for FY 2014.
The new Board of Directors is comprised as follows:

ALBERTO BIANCHI
SILVIA MICHELA CANDIANI
CLAUDIO CAPPON
STANISLAO CHIMENTI
GIORGIO COGLIATI
CLAUDIO CORBETTA
ALESSANDRO FOTI
LORENZO LEPRI
MONICA ALESSANDRA POSSA
VINCENZO RUSSI
MARIA OLIVA SCARAMUZZI
RICCARDO STILLI
DANILO VIVARELLI

The Directors appointed were included in the only list submitted, within the timeframe established by law and the company's By-laws, by the majority shareholder RCS MediaGroup S.p.A..

The Directors Silvia Michela Candiani, Claudio Cappon, Stanislao Chimenti, Alessandro Foti, Vincenzo Russi, Maria Oliva Scaramuzzi and Danilo Vivarelli declared their independence pursuant to and in accordance with both Art. 148 par. 3 of Legislative Decree n. 58/1998 and the Corporate Governance Code for listed companies currently adopted by Dada S.p.A. (hence complying with the provisions relating to companies listed on the STAR segment and the current rules and regulations pertaining to Italian companies subject to the direction and coordination of another Italian listed company), while the Director Alberto Bianchi declared that he qualified as independent pursuant to and in accordance solely with Art. 148 par. 3 of Legislative Decree n. 58/1998 due to the office held as Chairman of the previous Board of Directors.
During the AGM, Shareholders also determined the relative compensation for the Board.

Appointment of the Board of Statutory Auditors

As the term of the Board of Statutory Auditors expired, a new Board of Statutory Auditors was also appointed for the period 2012 - 2014, through the approval of the Financial Statements for FY 2014.

The Shareholders, therefore, appointed the Chairman and members of the Board of Statutory Auditors as follows:

STANDING AUDITORS
Claudio Pastori, Chairman of the Board
Cesare Piovene Porto Godi
Sandro Santi
ALTERNATE AUDITORS
Maria Stefania Sala
Mariateresa Diana Salerno

The Statutory Auditors appointed were included in the only list submitted, within the timeframe established by law and the company's By-laws, by the majority shareholder RCS MediaGroup S.p.A.. The Shareholders also determined the relative remuneration.

Assignment of the External Auditors for the period 2012/2020

Pursuant to Articles 13 and 17 par. 1 of Legislative Decree n. 39/2010, as the previous assignment granted to the company Reconta Ernst & Young S.p.A. had expired, the assignment for financial audit was made to KPMG S.p.A. for the period 2012-2020. The compensation was also approved based on the proposal submitted by the Company's Board of Statutory Auditors.

Approval of the Remuneration Report and the share Buy-back plan

The Shareholders 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 21 April 2011, 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 as of the date of this authorization, for a period of up to 18 months.
The purpose of this authorization is to give the Company a means of strategic and operational flexibility. It will be allowed, among other things, to dispose of any treasury shares acquired and to carry out transactions such as purchases/sales, swaps and assignments.
According to the Board's proposal, treasury shares may be purchased at a price which is not less than 20% or more than 10% of the official Stock Price registered on the trading day before each purchase. The shares are to be purchased under the laws and regulations of the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A., as per the procedures established by the latter which prohibit the direct matching of bid prices with predetermined ask prices.
The sale of treasury shares, rather, may be done at a price or valuation which is not less than 95% of the average stock price registered for a period of ninety trading days prior to the disposal or any previous binding offers made in this regard, in accordance with the law and the applicable accounting standards. At the moment neither the Company nor its subsidiaries hold any treasury shares.

**On 24 April 2012 – the Board of Directors of Dada S.p.A**.
which met after the AGM, confirmed Alberto Bianchi, as Chairman, Claudio Corbetta as Chief Executive Officer and General Manager and Lorenzo Lepri as General Manager and Chief Financial Officer, renewing the mandates and powers granted in order to manage the Company. The Board, lastly, appointed the Internal Control and Compensation Committees comprised integrally of independent Directors, in accordance with Art. 148 par. 3 of Legislative Decree n. 58/1998 and

the Corporate Governance Code for listed companies currently adopted by Dada S.p.A.. The Board appointed as members of the two Committees the following Directors:

- the Internal Control Committee: Vincenzo Russi (Chairman), Stanislao Chimenti and Alessandro Foti
- the Compensation Committee: Danilo Vivarelli (Chairman), Alessandro Foti and Maria Oliva Scaramuzzi

having previously estimated their independence, together with the other independent Directors' declaration submitted in the filing of the candidate list. The Board also stated the independence of the Statutory Auditors appointed by the AGM, in accordance with Art. 148 par. 3 of Legislative Decree n. 58/1998.

## OUTLOOK FOR THE CURRENT YEAR

As already announced, in 2012 Dada will consolidate its position in strategic markets and further expand its core business in Europe: the focus will be on strengthening client loyalty while acquiring new clients thanks to the improved customer service and the ability to provide more performing services by continuously updating the technological platforms and increasing the range of products offered.

In 2012 steps will continue to be taken to carefully manage fixed and operating costs in order to sustain the gradual improvement of the Group's efficiency and margins.

Therefore, in absence of any currently unforeseeable events and despite an increased competitive pressure, the estimates for the current year which forecast an increase with respect to the prior year for Group's revenue, EBITDA and net profit, are still confirmed.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2012

# DADA GROUP: CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2012

| | Note | 31 March 2012 | 31 March 2011 |
|---|---|---|---|
| **Net revenue** | | **22,015** | **21,005** |
| Cost of raw materials and consumables | | -8 | -16 |
| Chg. in inventories & inc. in own wk. capitalized | | 900 | 855 |
| Service costs and other operating expenses | | -14,766 | -14,782 |
| Payroll costs | | -5,011 | -4,798 |
| Other operating revenue and income | | 4 | 31 |
| Other operating costs | | -58 | -1,754 |
| Provisions and impairment losses | | 0 | 0 |
| Depreciation and amortization | | -1,600 | -1,940 |
| Impairment of fixed assets | | 0 | 0 |
| **EBIT** | | **1,477** | **-1,399** |
| Investment income | | 376 | 180 |
| Financial charges | | -1,084 | -1,062 |
| **Profit/(loss) before taxes** | | **769** | **-2,282** |
| Income taxes | | -261 | -181 |
| **Profit/(loss) from continuing operations** | | **508** | **-2,463** |
| Non-controlling interests | | 0 | 0 |
| Profit/(loss) from discontinued operations | | 0 | -475 |
| **Group net profit/(loss)** | | **508** | **-2,938** |
| Basic earnings/loss per share | | 0.031 | -0.181 |
| Diluted earnings/loss per share | | 0.030 | -0.181 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME at 31 MARCH 2012

| In EUR/000 | 31-Mar-12<br>3 months | 31-Mar-11<br>3 months |
|---|---|---|
| | | |
| **Net profit/(loss) for the period (A)** | **508** | **-2,938** |
| | | |
| Gains/(losses) on exchange rate derivatives (cash flow hedges) | 38 | 446 |
| Tax effect on other gains/(losses) | -10 | -123 |
| | 28 | 323 |
| Gains/(losses) from the translation of foreign currency financial statements | 85 | -2,425 |
| **Total other gains/(losses), net of tax effects (B)** | **112** | **-2,102** |
| **Total comprehensive income/(loss) (A) + (B)** | **620** | **-5,040** |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2012

| ASSETS | | 31 March 2012 | 31 December 2011 |
|---|---|---|---|
| *Non-current assets* | | | |
| Goodwill | | 76,232 | 76,162 |
| Intangible assets | | 7,117 | 6,860 |
| Other property, plant and equipment | | 6,917 | 6,872 |
| Equity investments in non-consolidated subsidiaries, associates and other companies | | - | - |
| Financial assets | | 1,025 | 1,181 |
| Deferred tax assets | | 5,996 | 5,963 |
| **Total non-current assets** | | **97,286** | **97,037** |
| *Current assets* | | | |
| Inventories | | - | - |
| Trade receivables | | 8,791 | 9,133 |
| Tax receivables and others | | 5,265 | 4,879 |
| Financial assets held for trading | | 1 | |
| Cash and cash equivalents | | 6,486 | 7,476 |
| **Total current assets** | | **20,544** | **21,488** |
| **Assets held for sale** | | | |
| **TOTAL ASSETS** | | **117,829** | **118,526** |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2012

| EQUITY AND LIABILITIES | | 31 March 2012 | 31 December 2011 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| *Capital and reserves* | | | |
| Share capital | | 2,756 | 2,756 |
| Share premium reserve | | 32,071 | 32,071 |
| Legal reserve | | 950 | 950 |
| Other reserves | | -108 | -272 |
| Retained earnings | | 12,745 | 21,287 |
| Net profit/(loss) | | 508 | -8,542 |
| **Total equity, Group share** | | **48,922** | **48,250** |
| **Non-controlling interests** | | **0** | **0** |
| **Total shareholders' equity** | | **48,922** | **48,250** |
| *Non-current liabilities* | | | |
| Bank loans (due beyond one year) | | 22,463 | 17,745 |
| Provision for risks and charges | | 2,141 | 2,781 |
| Provision for employee termination indemnities | | 884 | 877 |
| Deferred tax liabilities | | 0 | 0 |
| Other payables due beyond one year | | 738 | 521 |
| **Total non-current liabilities** | | **26,226** | **21,924** |
| *Current liabilities* | | | |
| Trade payables | | 14,392 | 13,650 |
| Other payables | | 16,358 | 15,590 |
| Taxes payable | | 2,918 | 2,696 |
| Bank overdrafts and financial payables (due within one year) | | 9,014 | 16,415 |
| **Total current liabilities** | | **42,682** | **48,351** |
| **Liabilities relating to assets held for sale** | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **117,829** | **118,526** |

## CONSOLIDATED CASH FLOW STATEMENT AT 31 MARCH 2012

| In EUR/000 | 31 March 2012 | 31 December 2011 |
|---|---|---|
| **Operating activities** | | |
| **Net profit (loss) for the period** | **508** | **-8.542** |
| *Adjustments for:* | | |
| Income from trading | -376 | -1.099 |
| Financial charges | 1.084 | 3.938 |
| Income taxes | 261 | 1.304 |
| Profit (loss) from discontinued operations | 0 | -1.239 |
| Depreciation | 926 | 3.667 |
| Amortization | 675 | 3.291 |
| Impairment of fixed assets | 0 | 3.764 |
| Other provisions and impairment losses | 0 | 1.705 |
| Increases/(decreases) in provisions | -165 | -1.630 |
| **Cash flow from operating activities before changes in working capital** | **2.912** | **5.159** |
| Increase in inventories | 0 | 0 |
| (Increase)/decrease in receivables | -72 | 1.104 |
| Increase/(decrease) in payables | 1.262 | 896 |
| **Cash flow from operating activities** | **4.102** | **7.159** |
| Income taxes paid | 0 | -941 |
| Interest paid | -800 | -3.585 |
| **Net cash flow from operating activities** | **3.301** | **2.633** |
| **Investing activities** | | |
| Interest received | 206 | 763 |
| Acquisition of subsidiaries and associates | 0 | -7.200 |
| Sale of subsidiaries and associates | 0 | 33.633 |
| Purchase of property, plant and equipment | -969 | -2.514 |
| Sale of fixed assets | 0 | 200 |
| Purchase of intangible assets | -27 | -346 |
| Product development costs | -900 | -3.573 |
| **Net cash flow used in investing activities** | **-1.690** | **20.963** |

## CONSOLIDATED CASH FLOW STATEMENT AT 31 DECEMBER 2011

| In EUR/000 | 31 March 2012 | 31 December 2011 |
|---|---|---|
| **Financing activities** | | |
| Dividends paid by subsidiaries | | |
| Change in long term financing | 4,718 | -3,013 |
| Proceeds of capital increase | | |
| New loans | | 6,235 |
| Other changes | 86 | -4 |
| Increase/(decrease) in bank overdrafts | | |
| **Net cash flow from financing activities** | **4,804** | **3,218** |
| | | |
| Net increase/(decrease) in cash and cash equivalents | **6,415** | **8,097** |
| | | |
| Cash and cash equivalents at beginning of period | **-8,392** | **-5,045** |
| | | |
| Total cash and cash equivalents at end of period | **-1,977** | **3,052** |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2012**

| | Attributed to the shareholders of the Parent Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | **Share Capital** | **Share Premium Reserve** | **Legal Reserve** | **Other Reserves** | **Equity Transaction Reserve** | **Cash Flow Hedge Reserve** | **Translation Reserve** | **Retained Earnings** | **Net Profit/Loss** | **Total** | **Minority interests** | **Total Net Equity** |
| **Balance at 1 January 2012** | **2.756** | **32.070** | **950** | **7.171** | **0** | **-299** | **-7.142** | **21.286** | **-8.542** | **48.250** | **0** | **48.250** |
| **Allocation of 2011 profit** | | | | | | | | **-8.542** | **8.542** | **0** | | **0** |
| Profit/(loss) for the period | | | | | | | | | 508 | 508 | | 508 |
| S.O. old plan | | | | | | | | | | | | |
| Other comprehensive income (losses) | | | | 0 | 0 | 28 | 85 | | | 112 | 0 | 112 |
| **Total comprehensive income (losses)** | | | | **0** | **0** | **28** | **85** | **0** | **508** | **620** | **0** | **620** |
| Reclassifications | | | | | | | | | | 0 | | 0 |
| Decons./acquis./chg. % hd. | | | | | | | | | | 0 | 0 | 0 |
| Others representing Equity | | | | 47 | | | | | | 47 | | 47 |
| Other changes | | | | 3 | | | | | | 3 | 0 | 3 |
| **Balance at 31 March 2012** | **2.756** | **32.070** | **950** | **7.221** | **0** | **-272** | **-7.057** | **12.745** | **508** | **48.921** | **0** | **48.921** |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2011**

| | Attributed to the shareholders of the parent company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | **Share capital** | **Share prem. reserve** | **Legal res.** | **Other res.** | **Equity trans-action res.** | **Cash flow hedge res.** | **Transla-tion reserve** | **Retained earnings** | **Net profit /(loss)** | **Total** | **Minority interests** | **Total NE** |
| **Balance at 1 January 2011** | 2.756 | 32.070 | 950 | 9.724 | 1.428 | -469 | -7.342 | 35.024 | -17.499 | **56.642** | 65 | **56.707** |
| **Allocation of 2010 profit** | | | | | | | | -17.499 | 17.499 | 0 | | 0 |
| Profit/(loss) for the period | | | | | | | | | -2.938 | **-2.938** | -75 | **-3.013** |
| Other comprehensive income (losses) | | | | 0 | 0 | 323 | -2.425 | | | **-2.102** | 0 | -2.102 |
| **Total comprehensive income (losses)** | | | | **0** | **0** | **323** | **-2.425** | **0** | **-2.938** | **-5.041** | **-75** | **-5.116** |
| Share-based payments | | | | 0 | | | | | | **0** | | 0 |
| Decons./Acquis./Chg. % held | | | | 49 | 911 | | 657 | | | | -79 | -79 |
| Other changes | | | | | | | | | | **0** | 14 | 14 |
| **Balance at 31 March 2011** | **2.756** | **32.070** | **950** | **9.773** | **2.339** | **-146** | **-9.110** | **17.525** | **-2.938** | **53.219** | **-75** | **53.144** |

# 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 Companies Register, and an issuer of shares traded on the STAR segment of the Milan Stock Exchange. Its registered office is stated in the introduction to this report.

The Dada Group (www.dada.eu) is an international leader in professional services for online presence (domain and hosting, servers, brand protection) and in certain advanced online advertising solutions.

See the directors' report for further information.

## 2. Preparation criteria

The condensed interim financial statements were prepared in accordance with the historical cost convention, with the exception of financial assets held for sale, which were measured at fair value.

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

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

The publication of this report was authorized by the Board of Directors on 10 May 2012.

## Statement of compliance with IFRS

The condensed quarterly report at 31 March 2012 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 condensed interim 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 of annual reports and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2011.

## Main accounting standards

The accounting standards adopted for the preparation of the interim financial statements are the same as those used in the Group's annual financial statements for the year ended 31 December 2011, with the exception of the following new standards and interpretations applicable from 1 January 2012:

- IFRS 2 – Share-based payments
  The IASB issued an amendment to IFRS 2 which clarifies the accounting of share-based payments at Group level. This amendment supersedes IFRIC 8 and IFRIC 11. Its adoption has had no impact on the Group's financial position or performance.
- IAS 39 - Financial instruments: recognition and measurement - eligible hedged items
  The amendment concerns the designation of a one-sided risk in a hedged instrument and the designation of inflation as a hedged risk or a portion of hedged risk in certain situations. Its adoption has had no impact on the Group's financial position or performance.

- IFRIC 17 – Distributions of non-cash assets to shareholders
  This interpretation provides guidance for the accounting of transactions in which the company distributes non-cash assets to shareholders as dividends or from reserves. It has had no effect on the Group's financial position or performance.

Changes in the following standards have had no impact on the Group's accounting policies, financial position or results:

- *IFRS 2 – Share-based payments*
- *IFRS 5 – Non-current assets held for sale and discontinued operations*
- *IAS 1 - Presentation of financial statements*
- *IAS 17 – Leases*
- *IAS 38 - Intangible assets*
- *IAS 39 - Financial instruments: recognition and measurement*
- *IFRIC 9 – Reassessment of embedded derivatives*
- *IFRIC 16 - Hedges of a net investment in a foreign operation*

## Consolidation procedures

The condensed interim report includes the results of the parent company. Dada S.p.A.. and of its subsidiaries at and for the period ended 31 March 2012.

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.

Exchange differences between opening net equity translated at current exchange rates and historical exchange rates. as well as the difference between the net profit or loss expressed at average and current exchange rates. are allocated to "Other reserves" under equity.

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

| **CURRENCY** | **Exchange rate at 31.03.2012** | **Average Exchange rate in Q1 2012** |
|---|---|---|
| US dollar | 1.3356 | 1.310823 |
| British pound | 0.8339 | 0.834476 |

| **Currency** | **Exchange rate at 31.03.2011** | **Average Exchange rate in Q1 2011** |
|---|---|---|
| US dollar | 1.421 | 1.368 |
| Canadian dollar | 1.379 | 1.348 |
| Brazilian real | 2.306 | 2.28 |
| British pound | 0.884 | 0.854 |

# Consolidation Scope

The Dada Group's scope of consolidation has changed since 31 March 2011, due to the extraordinary transactions involved in the sale of the Dada.net Group while it is unchanged with respect to 31 December 2011. See the financial statements at 31 December 2011 for further information. A list of consolidated companies is provided in an annex to this report.

# Risks

*Market risks*

With regard to risks associated with trends in the industry and the economy at large, our business is influenced by general economic conditions, which may vary from one market to the next. An economic crisis and the resulting decline in consumption can hurt sales of some of the services provided by the Group.

The Dada Group's market is highly competitive, due to constant innovation and technological advancements and to the entry of new competitors. Such an environment requires a non-stop commitment to offering new and improved services in order to maintain market positioning.

In Italy as in other countries, the industry 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 market.

In this respect, some Group companies are or could soon be involved in disputes or affected by supervisory or regulatory decisions regarding the provision of services.

*Financial risks*

The Dada Group's international expansion, including through the acquisition of important operating companies, 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 loans taken out to finance the acquisition of Namesco Ltd., the Amen Group, Poundhost and other companies; and liquidity risk, 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.

The Dada Group is intent on 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

Due to the sale of the Dada.net Division, as discussed in the introduction to this report, there have been significant changes in the structure and composition of the risks to which the Group is exposed.

To hedge interest rate risk, a 3.81% IRS was taken out with a major bank against €10.7 million loan (at 31 March 2012) taken out by the subsidiary Register.it. The fair value of this derivative instrument is recorded in the statement of financial position, with a balancing entry in an equity reserve in accordance with IAS 39 (cash flow hedges). Two interest rate caps were also arranged with major banks: one with a strike rate of 3.5% on principal of €4 million, and one with a strike rate of 3% on principal of €4.5 million. The fair value adjustment relative to both caps (€2 thousand) was posted in full to the income statement in first quarter 2012. Exchange risk has been hedged through forward contracts for the purchase or sale of US dollars, the effect of which has been fully recognized in the income statement.

*Liquidity risk*

Liquidity risk is managed by the Dada Group on a centralized basis. To optimize use of the Group's liquidity, the parent company Dada S.p.A. has a cash pooling agreement with its subsidiaries Register.it S.p.A. and Fueps S.p.A. Register.it S.p.A. also has a cash pooling agreement with its French subsidiary Amen SA.

At 31 March 2012 the Group had credit lines of €51.2 million, of which €31.5 million drawn down.

*Exchange risk*

The Group's international expansion and scope of operations now expose it to fluctuations in exchange rates, especially EUR/GBP and EUR/USD. This exposure to exchange risk is the result of sales or purchases made in currencies other than the euro, and of company assets denominated in foreign currencies. Approximately 22% of the Group's sales are denominated in a currency other than the primary one (the euro), while about 24% of its costs are expressed in foreign currency (USD).

In first quarter 2012, the Group engaged in currency forwards in order to hedge its exchange rate risk.

*Credit risk*

The Group's exposure to credit risk is related to trade and financial receivables. The Dada.pro Division 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, investments are only made with banks of the highest standing.

*Price risk*

The Group is not exposed to significant price volatility risk.

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

*Terms of payment*

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

(i) a second installment of €1,000,000 must be paid at a later date to be determined on the basis of criteria established in the contract, but in any case no later than 24 months from the date of closing; and

(ii) €2,750,000.00 was placed in an escrow account on the date of closing and must remain in that account for the subsequent twelve months, to service the standard representations and warranties. At 31 March 2012, the exact date on which the second installment will be paid is unknown, while the sum in the escrow account could be reduced or eliminated if the seller is forced to indemnify the buyer in accordance with the terms of the contract.

*Earn-out*

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

In this case, the buyer shall pay the seller a sum in proportion to the capital gain realized from the disposal of Giglio, up to a maximum earn-out of €2,500,000. However, the disposal of Giglio could fail to take place or could occur under conditions that fail to produce a capital gain or otherwise to satisfy the conditions requiring the earn-out to be paid.

The Dada Group will recognize the earn-out only when the conditions for its payment have been met.

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

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

Should the buyer, Dada.net, its wholly-owned subsidiaries, Giglio and/or Youlike become liable for any out-of-period expenses, costs or charges due to non-fulfillment of the representations and warranties made by the seller, the seller will be required to indemnify and hold harmless the buyer for the amount of such liabilities, provided that the total sum of the individual losses exceeding a given minimum amount exceeds an established threshold, for a total maximum penalty of €7,125,000.

The Group has also provided certain representations and warranties regarding the separate contract for the sale of its interest in E-Box S.r.l., signed on 16 February 2011, and has placed the appropriate amounts in escrow.

*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.

*Risks from reconciliation with telephone companies and aggregators*

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

*Risks relating to the non-compete clause*

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

*Risks of the reduced scope of operations*

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

*Risks associated with changes in the Dada Group due to the sale*

The sale of Dada.net means significant changes in the Dada Group's business, corporate structure, organization and ownership of assets, potentially exposing it to 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 earn-out right and the penalty and reconciliation obligations stated in the contract, at 31 March 2012 the Company had recognized no assets and no liabilities, as it currently estimates that nothing will be received or paid. Should the above situations concerning the sale of Dada.net come to pass, this could generate liabilities for Dada S.p.A. and the Dada Group and change the economic effects of the sale.

## Seasonal trends

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

# 4. Segment reporting pursuant to IFRS 8

For operational purposes, starting from fourth quarter 2011, the Dada Group is organized into a single business segment. This is due to the reorganization following the sale of the Dada.net Group; the remaining product lines (domain and hosting and performance advertising) and corporate activities have been so completely integrated that they no longer qualify as separate business segments under IFRS 8.

Comparative figures have been restated to reflect this new structure.

See the Directors' report for comments on the main items found in the tables below.

## Income statement by business segment at 31 March 2012

| 1st quarter 2012 | | | |
|---|---|---|---|
| **Segment reporting** | **Continuing operations** | **Discontinued operations** | **Total consolidated** |
| Revenue Italy | 7,501 | | 7,501 |
| Revenue abroad | 14,515 | | 14,515 |
| **Net revenue** | **22,015** | **0** | **22,015** |
| Increase in own work capitalized | 900 | | 900 |
| Cost of services | -14,827 | | -14,827 |
| Payroll costs | -5,011 | | -5,011 |
| **Segment EBITDA** | **3,077** | **0** | **3,077** |
| Depreciation, amortization and impairment of fixed assets | -1,600 | | -1,600 |
| Impairment, provisions and non-recurring charges | 0 | | 0 |
| **EBIT** | **1,477** | **0** | **1,477** |
| Net financial charges | -708 | | -708 |
| **Profit (loss) before taxes** | **769** | **0** | **769** |
| Income taxes | -261 | | -261 |
| **Group & non-controlling interests profit (loss)** | **508** | **0** | **508** |
| Non-controlling interests | 0 | | 0 |
| Profit/(loss) from discontinued operations | 0 | | 0 |
| **Group net profit (loss)** | **508** | **0** | **508** |

## Income statement by business segment at **31 March 2011**

| Segment reporting | 1st quarter 2011 Continuing operations | Discontinued operations | Total consolidated |
|---|---|---|---|
| Revenue Italy | 7,130 | | 7,130 |
| Revenue Abroad | 13,874 | | 13,874 |
| **Net revenue** | **21,005** | **0** | **21,005** |
| Increase in own work capitalized | 855 | | 855 |
| Cost of services | -15,085 | | -15,085 |
| Payroll costs | -4,799 | | -4,799 |
| **Segment EBITDA** | **1,976** | **0** | **1,976** |
| Depreciation, amortization and impairment of fixed assets | -1,940 | | -1,940 |
| Impairment, provisions and non-recurring charges | -1,436 | | -1,436 |
| **EBIT** | **-1,400** | **0** | **-1,400** |
| Net financial charges | -882 | | -882 |
| **Profit (loss) before taxes** | **-2,282** | **0** | **-2,282** |
| Income taxes | -181 | | -181 |
| **Group & non-controlling interests profit (loss)** | **-2,463** | **0** | **-2,463** |
| Non-controlling interests | 0 | | 0 |
| Profit/(loss) from discontinued operations | 0 | -475 | -475 |
| **Group net profit (loss)** | **-2,463** | **-475** | **2,938** |

## Geographical breakdown of the Dada Group's revenue

| Description | 1st quarter 2012 | | 1st quarter 2011 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Revenue Italy | 7,501 | 34% | 7,131 | 34% |
| Revenue Abroad | 14,515 | 66% | 13,874 | 66% |
| **Consolidated revenue** | **22,015** | | **21,005** | |

## 5. Related party transactions

Transactions with related parties are within the normal scope of operations and are carried out at arm's length. They are similar to those described in the notes to the consolidated financial statements for the year ended 31 December 2011. Related party transactions are governed by a specific procedure approved by Dada S.p.A.'s Board of Directors. For further information see the section on significant events during the quarter.

## 7. Non-recurring income and charges

No non-recurring income or charges were recorded at 31 March 2012, while in first quarter 2011 they amounted to €1.4 million and related primarily to the departure of the former Chairman in February 2011.

## 8. Property, plant and equipment

Plant and machinery increased by €0.9 million in the first three months of 2012, mostly due to the purchase of network servers and the installation of networking systems, servers and storage systems to enhance the server farm used by Register.it and the Poundhost Group.

## 9. Intangible assets

In the first three months of 2012, intangible assets increased by €0.9 million: €900 thousand for product and process development and €27 thousand for brands, licenses and software.

More in detail, the increase in "product/service development costs" refer to the capitalization of expenses incurred to develop new products and services needed to provide domain & hosting and online advertising services.

In the first three months of 2012 these activities were mainly geared toward the gradual development of the new PEC and Windows shared hosting for domain & hosting products, and the continued development of the Save'n'keep platform and the Peeplo search engine in the performance advertising business.

The recognition of intangible assets is based on the future profitability calculated in accordance with the applicable International Accounting Standards.

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

Amortization is completed over five years.

## 10. Equity investments, financial assets and deferred tax

| Description | 31/03/12 | 31/12/11 | Change | % change |
|---|---|---|---|---|
| Financial receivables and other non-current assets | 1,025 | 1,181 | -156 | -13% |
| **Total financial assets** | **1,025** | **1,181** | **-156** | **-13%** |
| | | | | |
| **Deferred tax assets** | **5,996** | **5,963** | **33** | **1%** |

| Description | Balance at 31/12/2011 | Increases | Utilization s | Exchange difference | Other movements | Balance at 31/03/2012 |
|---|---|---|---|---|---|---|
| Deferred tax assets | 5,962 | 45 | 0 | -1 | -11 | 5,996 |
| | | | | | | |
| **Total** | **5,962** | **45** | **0** | **-1** | **-11** | **5,996** |

Financial receivables and other non-current assets" consist of security deposits and financial receivables due beyond 12 months. Most security deposits concern the rental of business premises, while financial receivables include € €1 million due from Buongiorno S.p.A. for the sale of Dada.net within 24 months of the closing.

The deferred tax assets of €5,996 thousand stem from prior fiscal losses and temporary differences. Fiscal losses that can be carried forward to subsequent years amount to €31.4 and can be carried forward indefinitely.

The fiscal losses based on which the deferred tax assets were calculated amount to €11.9 million.

For the sake of prudence, deferred tax assets have been recognized in the amount for which they will likely be recovered.

## 11. Trade receivables

Consolidated trade receivables at 31 March 2012 came to €8.8 million, largely in line with the €9.1 million recorded at 31 December 2011.

The average turnover on trade receivables is 45 days, and varies from one 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.

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

The provision for doubtufl accounts was not increased in the period and the provision at 31 March 2012 was deemed sufficient to cover potential losses on all trade receivables.

## 12. Net debt

| In EUR/000 | 31-Mar-12 | 31-Dec-11 | DIFFERENCE | |
|---|---|---|---|---|
| | | | Absolute | % |
| Cash on hand | 148 | 9 | 139 | 1544% |
| Bank and post office deposits | 3,427 | 4,301 | -874 | -20% |
| Liquidity | 3,575 | 4,310 | -735 | -17% |
| Time deposits and other receivables | 2,911 | 3,166 | -255 | 100% |
| Derivatives | 1 | 156 | -155 | -99% |
| Other financial receivables | 2,912 | 3,322 | -410 | 100% |
| | | | | |
| **Total financial assets** | **6,487** | **7,632** | **-1,145** | **-15%** |
| Current bank borrowings and other financial payables | -113 | -7,317 | 7,204 | -98% |
| Current portion of long-term debt | -8,349 | -8,551 | 202 | -2% |
| Other current financial payables | -551 | -547 | -4 | 1% |
| Current portion of derivatives | -258 | -258 | 0 | 100% |
| Current debt | -9,271 | -16,673 | 7,402 | -44% |
| Non-current financial payables | -22,463 | -17,745 | -4,718 | 27% |
| Non-current portion of derivatives | -191 | -263 | 72 | 100% |
| **Non-current debt** | -22,654 | -18,008 | -4,646 | 26% |
| | | | | |
| **Total financial liabilities** | **-31,925** | **-34,681** | **2,756** | **-8%** |
| | | | | |
| **Total net financial position** | **-25,438** | **-27,049** | **1,611** | **-6%** |

The balance represents liquidity at major banks and cash on hand at 31 March 2012.

The interest earned on Italian bank deposits, most of them held at two banks, is the one-month Euribor minus a spread of 0.1-0.5%.

Financial payables and liabilities include the Dada Group's amortizing loans of €30.8 million, overdraft facilities and credit lines of €0.1 million and overdrafts on the current account with RCS MediaGroup of €0.6 million.

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

The loans held at 31 March 2012 are described below.

*Description of loans held by the Dada Group at 31 March 2012:*

- **Register.it S.p.A.**
  on 27 March 2012 the subsidiary Register.it S.p.A. amended the loan agreement with a major bank which resulted in the merging of the two existing lines of credit, of €11.7 million, relating to the acquisition of Namesco Ltd in July 2007, and of €10.7 million, relating to the loans used to acquire the Amen Group and Poundhost which were combined on 22 December 2010;
  the loan has a remaining balance at 31 March 2012 of €22.4 million;

the new loan maturity is 30 June 2016, and the new amortization schedule calls for bullet repayments for 18 months followed by 6 half-yearly installments due on 31 January and 31 July of each year;
the interest rate is the six-month Euribor plus a spread of 4.10%. The loan is hedged by the pre-esxiting interest rate swap at the rate of 3.81% which was adjusted for the new expiration of the underlying notional amount. Two interest rate caps are still in effect, with respective strike rates of 3.5% and 3%; the caps failed to qualify as hedges so the rules of hedge accounting do not apply.

- Dada S.p.A.
- On 17 February 2012 an overdraft account was used to extinguish the €5 million overdraft facility held with a major bank.
- Namesco Ltd
- On 5 March 2012 the loan agreement entered into with a major bank was extinguished.

Some of the loans described above include covenants requiring the Group to satisfy certain financial ratios. A breach of the covenants entitles the lending bank to call in the loan. There are no situations putting the Group at risk in this regard.

## 13. Provisions for payroll, risks and charges

The following table shows movements in the provision for employee termination indemnities from 31 December 2011 to 31 March 2012:

| Description | Balance at 31/12/2011 | Increases | Utilizations | Other movements | Balance at 31/03/2012 |
|---|---|---|---|---|---|
| Provision for termination indemnities | 877 | 133 | -18 | -108 | 884 |
| **Total** | **877** | **133** | **-18** | **-108** | **884** |

At 31 March 2012, the provision amounted to €884 thousand 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 following table shows movements in the provision for risks and charges between 31 December 2011 and 31 March 2012:

| Description | Balance at 31/12/2011 | Increases | Utilizations | Other movements | Exchange difference | Balance at 31/03/2012 |
|---|---|---|---|---|---|---|
| Provision for risks and charges | 2,782 | 0 | -147 | -493 | -1 | 2,141 |
| **Total** | **2,782** | **0** | **-147** | **-493** | **-1** | **2,141** |

The provision for risks and charges at 31 March 2012 amounted to €2,141 thousand, down with respect to 31 December 2011 due to utilizations which took place during the first three months of the year related to employee severance and other disputes from previous years.

The item "other movements" includes the provision associated with a tax audit begun the prior year which was recognized in "other payables" once the amount owed was defined.

The provision for risks and charges covers probable liabilities from pending disputes concerning the Group's operations, charges realting to corporate reorganization and “other” disputes which were undefined at 31 March 2012.

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

## 14. Trade payables

Trade payables are amounts due for purchases of a commercial nature and other costs strictly related to the Group's operations. At 31 March 2012 they came to €14.4 million, compared with €13.7 million at 31 December 2011, an increase of 5%.

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

## 15. Other payables and liabilities

Trade payables at 31 March 2012 amounted to €14.4 million, versus €13.7 million, in line with the business trend.

Taxes payable (€2.9 million) include withholding tax on salaries and consultants' pay for the month of September 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. This item also includes €434 thousand owed the tax authorities after having acknowledged, in February, the results of the tax audit made in 2011.

The item “other payables”, totalling €16.4 million, are mainly comprised of:

- bonus salaries due to employees (*tredicesima* and *quattordicesima*), pay in lieu of holiday, and other amounts payable for a total of €3.7 million, as well as €0.5 million in social security payments due;
- deferred income of €12.2 thousand, originating from contract revenue on domain, hosting, connectivity and other resale services pertaining to future periods.

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

## 16. Non-current assets of relevance to the Cash Flow Statement

Movements in non-current intangible and tangible assets are shown below:

| **Description** | **Balance at 31/12/11** | **Increases** | **Decreases** | **Exchange differences** | **Amort./ deprec.** | **Balance at 31/03/12** |
|---|---|---|---|---|---|---|
| | | | | | | |
| Goodwill | 76,161 | | 0 | 71 | 0 | 76,232 |
| *Total goodwill* | *76,161* | *0* | *0* | *71* | *0* | *76,232* |
| | | | | | | |
| Product/service development costs | 5,534 | 900 | 0 | 0 | -529 | 5,905 |
| Concessions, licenses and brands | 63 | 12 | 0 | 0 | -23 | 52 |
| Other | 1,240 | 15 | 0 | 3 | -123 | 1,135 |
| Patents and other rights | 0 | 0 | 0 | 0 | | 0 |
| Assets under dvpmt. & advances | 24 | 0 | 0 | 0 | 0 | 24 |
| *Total non-current intangible assets* | *6,861* | *927* | *0* | *3* | *-675* | *7,116* |
| | | | | | | |
| **Total** | **83,022** | **927** | **0** | **74** | **-675** | **83,348** |

| Description | Balance at 31/12/11 | Increases | Decreases | Exchange differences | Amort./ deprec. | Balance at 31/03/12 |
|---|---|---|---|---|---|---|
| Plant and EDP machines | 6,110 | 927 | 0 | 2 | -854 | 6,185 |
| Furniture and fittings | 752 | 39 | 0 | 0 | -70 | 721 |
| Other property, plant and equipment | 10 | 3 | 0 | 0 | -2 | 11 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,872** | **969** | **0** | **2** | **-926** | **6,917** |

Regarding goodwill:

the increase in "other movements" relative to goodwill is explained by exchange differences on goodwill expressed in other currencies, in particular for the British company Namesco Ltd..

With regard to the main increase in non-current intangible and tangible assets refer to the section above relating to increases in property, plant and equipment and intangible assets.

*Increases:*

Increases for continuing operations came to €3,943 thousand for the year and mainly concerned product/service development costs, which refer to the capitalization of expenses incurred to develop new products, services, and platforms needed to provide the domain & hosting and online advertising services.

In 2011 these activities were mainly geared toward the gradual development of the new PEC and Windows shared hosting for domain & hosting products, and the continued development of the Save'n'keep platform and the Peeplo search engine in the online advertising business. For further information, see the description of the divisions' performance in the directors' report.

The recognition of intangible assets is supported by a careful evaluation of the future economic benefits of these services, based on available forecasts for the two divisions.

Amortization is completed over five years.

The heading "Other" covers software purchased during the year, while trademark registration costs and user licenses reflect extensions acquired by the Group for new activities initiated in 2011. They are generally amortized over a five-year period.

*Decreases:*

Decreases for the period came to €29,148 thousand and relate entirely to the sale of the Dada.net Group and the consequent application of IFRS 5. The residual value, after amortization for the period from 1 January through the sale date of 31 May 2011, has been fully eliminated as a result of this disposal.

*Impairment losses:*

Impairment losses with reference to product and service development refer to the capitalization of some projects carried out by Register.it in previous years. The writedown was necessary to reflect the difficulties of certain projects in producing benefits the Group can enjoy within a reasonable period of time.

Assets under development and advances refer to projects begun in late 2011 but put into production in 2012. There was no work in progress at the close of the previous year.

Exchange differences cover the changes in intangible assets contributed by foreign companies due to exchange rate fluctuations.

"Other movements" in intangible assets (excluding goodwill) concern changes in the scope of consolidation.

## 17. Changes in equity reserves

At 31 March 2012, Dada S.p.A.'s share capital was comprised of 16,210,069 ordinary shares with a par value of €0.17 each, for a total of €2,756 thousand. There were no increases in the first three months of 2012.

Movements in equity items are reported in the schedules on page 26.

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

<u>*Share premium reserve:*</u> this is a capital reserve consisting of contributions from shareholders. There is no specific limit on its use, once the legal reserve reached one fifth of the share capital. At 31 March 2012 it amounted to €32.1 million and there were no increases during the first three months of 2012.

<u>*Other reserves:*</u> these include:

- *FTA reserve* (first-time adoption of IFRS), with a negative balance of €6.5 million; movements refer to the portion of the new stock option plan recognized in the income statement;
- *Extraordinary reserve* of €12.5 million, unchanged on the previous year;
- *Cash flow hedge reserve,* with a negative balance of €0.3 million at 31 December 2011, a change of €28 thousand with respect to the prior year;
- *Translation reserve*, containing the differences arising from the translation of subsidiaries' financial statements prepared in currencies other than the euro, with a negative balance of €7.1 million at 31 March 2012. Movements in the period, totalling approximately €85 thousand, arose from the translation of the financial statements of Poundhost and Namesco;
- *Other reserves,* these are the reserves produced by the deconsolidation of the Dada.net Group, amounting to €1.1 million.

## 18. Net change in financial payables and other financial assets recorded in the Cash Flow Statement

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

| Description | 31/03/12 | 31/12/11 |
|---|---|---|
| **Change in net financial position** | 1,611 | 23,596 |
| Change in non-current portion of loans | 4,718 | -10,796 |
| Change in non-cash derivatives | 83 | -364 |
| RCS - current account | 4 | 167 |
| **Change in cash and cash equivalents recorded in the statement of cash flows** | **6,415** | **12,603** |

The more important changes refer to the change of short and long term financing granted in prior years.

## 19. Commitments

The table below shows changes in commitments between 31 December 2011 and 31 March 2012:

| Description | Balance at 31/12/11 | Increase for the period | Decrease for the period | Balance at 31/03/12 |
|---|---|---|---|---|
| Guarantees | 1,695 | 8 | 0 | 1,703 |
| **Total** | **1,695** | **8** | **0** | **1,703** |

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

Florence, 10 May 2012

For the Board of Directors

The Chief Executive Officer
Claudio Corbetta

Statement by the Financial Reporting Officer

Pursuant to Art. 154 *bis* (2) of the Consolidated Finance Act (*Testo Unico della Finanza),* it is hereby declared that the figures contained in this Interim Report correspond to the company's records, ledgers and accounting entries.

Dirigente Preposto alla redazione dei documenti
contabili societari
Federico Bronzi

# ANNEX 1

## RESTATED CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2012

| In EUR/000 | 31-Mar-12 3 months | | 31-Mar-11 3 months | | DIFFERENCE | |
|---|---|---|---|---|---|---|
| | Amount | % of revenue | Amount | % of revenue | Absolute | % |
| **Net revenue** | **22,015** | **100%** | **21,005** | **100%** | **1,010** | **5%** |
| Chg, in inventories & inc, in own wk, capitalized | 900 | 4% | 855 | 4% | 45 | 5% |
| Service costs and other operating expenses | -14,827 | -67% | -15,085 | -72% | 258 | -2% |
| Payroll costs | -5,011 | -23% | -4,798 | -23% | -213 | 4% |
| **EBITDA **** | **3,077** | **14%** | **1,976** | **9%** | **1,100** | **56%** |
| Depreciation and amortization | -1,600 | -7% | -1,940 | -9% | 340 | -18% |
| Non-recurring income/(charges) | 0 | 0% | -1,436 | -7% | 1,436 | -100% |
| Writedowns of receivables and other provisions | 0 | 0% | 0 | 0% | 0 | #DIV/0! |
| **EBIT** | **1,477** | **7%** | **-1,400** | **-7%** | **2,877** | **-205%** |
| Financial income | 376 | 2% | 179 | 1% | 198 | 111% |
| Financial charges | -1,084 | -5% | -1,061 | -5% | -23 | 2% |
| **Profit/(loss) before taxes** | **769** | **3%** | **-2,282** | **-11%** | **3,051** | **-134%** |
| Income taxes | -261 | -1% | -181 | -1% | -80 | 44% |
| **Profit (loss) from continuing operations** | **508** | **2%** | **-2,463** | **-12%** | **2,971** | **-121%** |
| Non-controlling interests | 0 | 0% | 0 | 0% | 0 | |
| Profit/(loss) from discontinued operations | 0 | 0% | -475 | -2% | 475 | -100% |
| **Group net profit/(loss)** | **508** | **2%** | **-2,938** | **-14%** | **3,446** | **-117%** |

# ANNEX 2

## NET WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AT 31 MARCH 2012

| In EUR/000 | 31-Mar-12 | 31-Dec-11 | DIFFERENCE | |
|---|---|---|---|---|
| | | | Absolute | % |
| | | | | |
| **Fixed assets (A)** | **91,290** | **90,918** | **371** | **0%** |
| Current operating assets (B) | 20,052 | 19,975 | 77 | 0% |
| Current operating liabilities (C) | -33,668 | -31,936 | -1,732 | 5% |
| **Net working capital (D)=(B)-(C)** | **-13,616** | **-11,961** | **-1,655** | **14%** |
| Provision for termination indemnities (E) | -884 | -877 | -7 | 1% |
| Provision for risks and charges | -2,141 | -2,781 | 640 | -23% |
| Other payables due beyond one year (G) | -289 | 0 | -289 | |
| **Net capital employed (A+D+E+F+G)** | **74,359** | **75,299** | **-939** | **-1%** |
| Non-current financial payables | -22,463 | -17,745 | -4,718 | 27% |
| **Shareholders' equity** | **-48,922** | **-48,250** | **-671** | **1%** |
| | | | | |
| **Assets/liabilities held for sale** | **0** | **0** | | |
| Current bank debt | -8,463 | -15,868 | 7,405 | -47% |
| Current financial receivables and derivatives | 1 | 156 | -155 | -99% |
| Current financial payables and derivatives | -1,000 | -1,069 | 69 | -6% |
| Cash and cash equivalents | 6,486 | 7,476 | -990 | -13% |
| **Net current financial position** | **-2,975** | **-9,304** | **6,329** | **-68%** |
| **Total net financial position** | **-25,438** | **-27,049** | **1,611** | **-6%** |

# ANNEX 3

## Consolidation Scope at 31 March 2012

| NAME | REGISTERED OFFICE | CURRENCY | SHARE CAPITAL | HELD BY | % held | Consoli-dation period |
|---|---|---|---|---|---|---|
| *Dada S.p.A. (Parent company)* | *Florence* | *Euro* | *2.755.712* | *Parent company* | | *Jan-Mar 2012* |
| | | | | | | |
| Agence des Medias Numerique Sas | Paris | Euro | 37.000 | Register.it S.p.A. | 100 | Jan-Mar 2012 |
| Amen Ltd. | London | GBP | 2 | Register.it S.p.A. | 100 | Jan-Mar 2012 |
| Amen Nederland B.V. | Amsterdam | Euro | 18.000 | Register.it S.p.A. | 100 | Jan-Mar 2012 |
| Amenworld Servicios internet | Lisbon | Euro | 10.000 | Register.it S.p.A. | 100 | Jan-Mar 2012 |
| Clarence S.r.l. | Florence | Euro | 21.000 | Dada S.p.A. | 100 | Jan-Mar 2012 |
| Fueps S.p.A. | Florence | Euro | 1.500.000 | Dada S.p.A. | 100 | Jan-Mar 2012 |
| Namesco Inc | New York (USA) | USD | 1.000 | Namesco Ltd. | 100 | Jan-Mar 2012 |
| Namesco Ltd. | Worcester | GBP | 100 | Register.it S.p.A. | 100 | Jan-Mar 2012 |
| Namesco Ireland Ltd | Dublin | Euro | 1 | Namesco Ltd. | 100 | Jan-Mar 2012 |
| Nominalia Internet S.L. | Barcelona | Euro | 3.005 | Register.it S.p.A. | 100 | Jan-Mar 2012 |
| Poundhost Internet Ltd | Worcester | GBP | 200 | Namesco Ltd. | 100 | Jan-Mar 2012 |
| Register.it S.p.A. | Florence | Euro | 8.401.460 | Dada S.p.A. | (1) 100 | Jan-Mar 2012 |
| Simply Virtual Servers Limited | Worcester | GBP | 2 | Namesco Ltd. | 100 | Jan-Mar 2012 |
| Simply Virtual Servers Llc | Delaware (USA) | USD | 2 | Simply Virtual Servers Ltd | 100 | Jan-Mar 2012 |
| Simply Transit Limited | Worcester | GBP | 2 | Namesco Ltd. | 100 | Jan-Mar 2012 |
| Simply Acquisition Limited | Worcester | GBP | 200 | Namesco Ltd. | 100 | Jan-Mar 2012 |
| Server Arcade Limited | Worcester | GBP | 150 | Simply Acquisition Ltd | 100 | Jan-Mar 2012 |

(1) The percentage held includes 10% of the share capital held by the company in the form of treasury shares.