CONSOLIDATED INTERIM REPORT OF THE DADA GROUP AT 31 MARCH 2013

Registered office: Piazza Annigoni, 9B - Florence
Share capital: EUR 2,755,711.73 fully paid-in
Florence Company Register no. FI017- 68727 - 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.

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CORPORATE OFFICERS

The current officers were elected by the General Meeting held on 24 April 2012 for the 2012-2014 three-year period. At the date of approval of this Interim Report, the Board of Directors was composed as follows:

BOARD OF DIRECTORS

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

1 The Board of Directors appointed Alberto Bianchi, Esq. Chairman of the Company during the meeting held on 24 April 2012.
2 The Board of Directors appointed Claudio Corbetta Chief Executive Officer and General Manager of the Company during the meeting held on 24 April 2012.
3 The Board of Directors appointed Lorenzo Lepri General Manager and CFO of the Company during the meeting held on 24 April 2012.
4 Appointed member of the Control and Risk Committee during the meeting of the Board of Directors held on 24 April 2012.
5 Appointed member of the Committee for Related Party Transactions during the meeting of the Board of Directors held on 24 April 2012.
6 Appointed member of the Compensation Committee during the meeting of the Board of Directors held on 24 April 2012.
7 Independent director pursuant to Art. 148 par. 3 of Legislative Decree n. 58/1998 and the Corporate Governance Code for Listed Companies.
8 Independent director pursuant to Art. 148 par. 3 of Legislative Decree n. 58/1998.
9 Member and Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001.
10 Director appointed by the AGM held on 11 April 2013.
11 Director appointed by the AGM held on 11 April 2013.
12 Standing Auditor appointed by the AGM held on 11 April 2013.
13 Alternate Auditor appointed by the AGM held on 11 April 2013.

BOARD OF STATUTORY AUDITORS

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

EXTERNAL AUDITORS

KPMG S.p.A.

DADA GROUP FINANCIAL HIGHLIGHTS

Consolidated income statement (3 months)

(€mn)	31/03/2013	31/03/2012	Total difference	% difference
Revenue	**20.6**	22.0	-1.4	-6%
EBITDA *	**3.3**	3.1	0.2	6%
Depreciation and amortization	**-1.6**	-1.6	0.0	0%
EBIT	**1.7**	1.5	0.2	12%
Group net profit/(loss)	**0.4**	0.5	-0.1	-24%

* Gross of impairment losses and other non-recurring items

Consolidated statement of financial position at 31 March 2013

(€mn)	31 March 2013	31 December 2012	Total difference	% difference
Net Working Capital	**-12.5**	-12.8	0.3	-3%
Net Capital Employed	**76.2**	76.6	-0.4	0%
Shareholders' Equity	**49.5**	50.4	-0.9	-2%
Net short-term financial position	**-7.6**	-7.5	-0.1	-1%
Total Net Financial Position	**-26.8**	-26.2	-0.6	-2%
Number of employees*	**384**	372	12.0	3%

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

DIRECTORS' REPORT

INTRODUCTION

The Interim Management Report at 31 March 2013 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 subsequently 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.

The Dada Group is organized around two distinct businesses falling under the "Domain and Hosting" and "Performance Advertising" divisions. The 1Q12 Interim Report was, instead, based on a single business. Following this organizational change, the comparative figures of the divisions have been restated. Regarding the methods to identify the business units and their main financial components, reference should be made further below in this Interim Report to the results of the divisions and to explanatory note no. 3 on segment reporting under IFRS 8 of the specific notes. Reference should also be made to the accounting standards regarding the separate financial statements at 31 December 2012.

Despite the highly challenging reference market and fiercer international competition, in 1Q13 DADA maintained its strong position in Europe and improved margins. This proves the greater sustainability of the Group's current business model and the positive outcome of the rationalization and cost-optimization measures adopted in 2012.

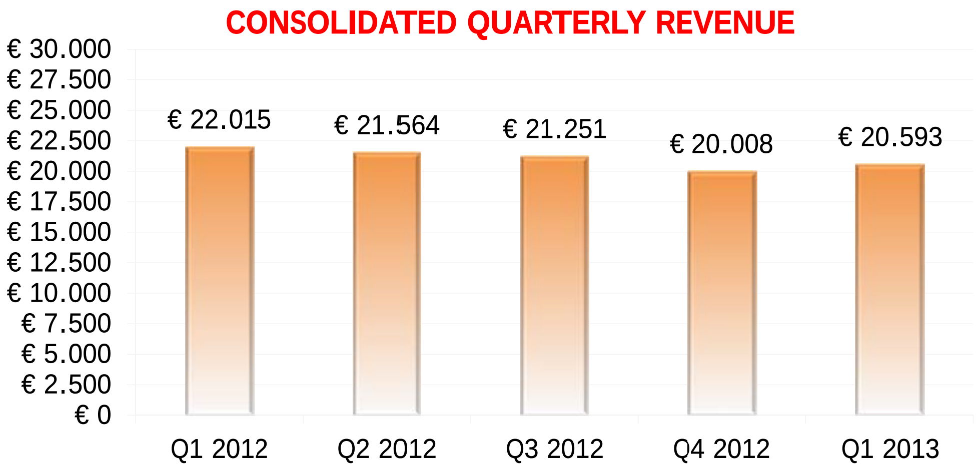
In 1Q13, the **Domain and Hosting** division strengthened its position in Europe in the business of professional services for domain name registration**,** hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection, by broadening the product portfolio, particularly in Italy, and expanding the international user base, which boasted more than 515,000 business clients (and over 1.7 million domains registered) at the end of the first quarter.

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

PERFORMANCE REVIEW

In 1Q13, the **Dada Group** achieved **consolidated revenue of €20.6 million** versus €22 million in 1Q12 (down 6%) and €20 million in 4Q12 (up 3%).

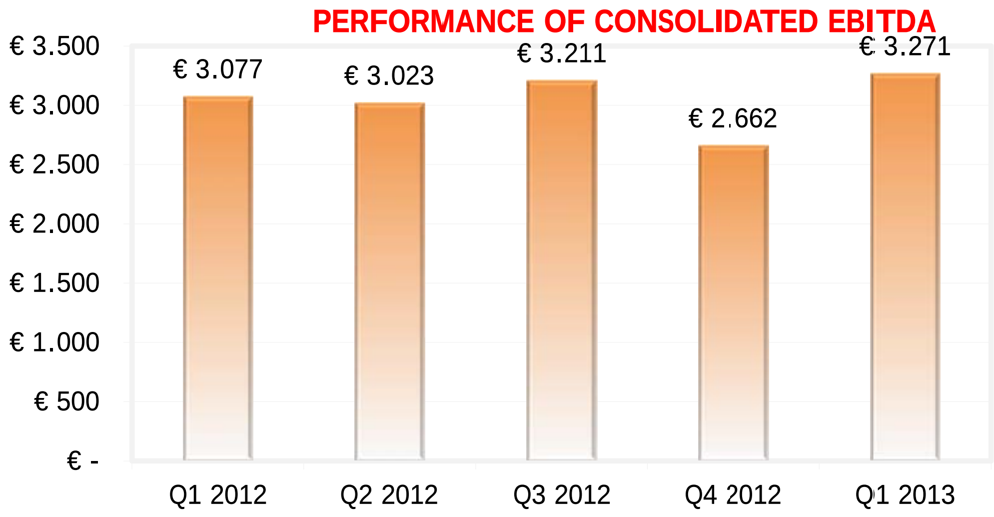
The following graph shows the Dada Group's consolidated revenue over the last five quarters:



In 1Q13, the Dada Group's consolidated EBITDA (gross of impairment losses and other non-recurring items) came to **€3.3 million** (16% of consolidated revenue) versus the €3.1 million in 1Q12 (14% of consolidated revenue) and €2.7 million in 4Q12 (13% of consolidated revenue), increasing by 6% and 23% respectively.

For more details on the performance of consolidated revenue and EBITDA in 1Q13, reference should be made to the Results section.

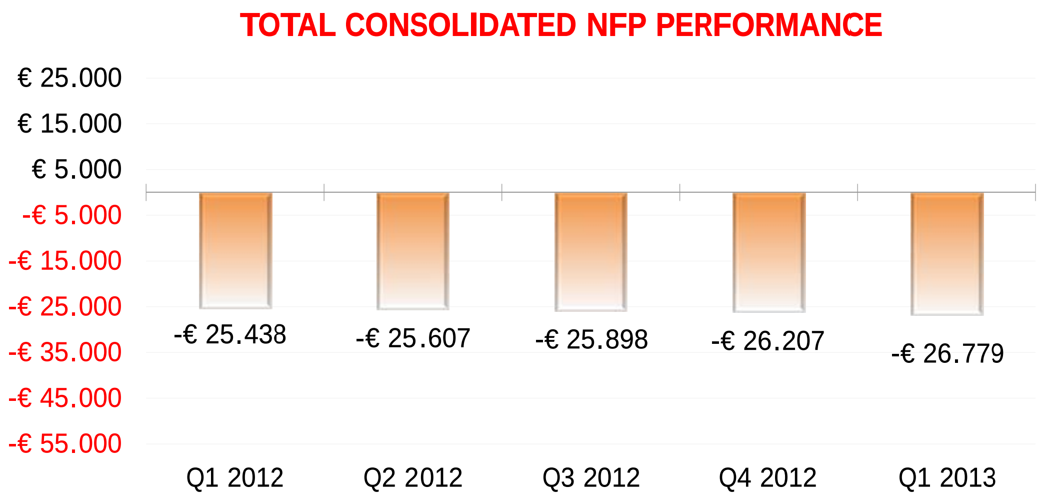
The following graph shows the performance of consolidated EBITDA over the last five quarters:



The total Net Financial Position of the Dada Group at 31 March 2013, which includes funding to be repaid beyond one year, came to a negative €26.8 million versus a negative €25.4 million at 31 March 2012 and a negative €26.2 million at 31 December 2012. In 1Q13, total cash absorbed came to €0.6 million versus the benefit of €1.6 million at 31 March 2012, due also to the one-off investments incurred over the period in the project regarding the construction of the new Data Center in the UK.

For more details, reference should be made to the Financial Position section.

The following graph shows the performance of the net financial position at 31 March 2013 and at the end of the four previous quarters:



Results

The following tables show the **Dada Group's** key results in 1Q13 versus 1Q12:

IN EUR/000	31-Mar-13 3 months		31-Mar-12 3 months		DIFFERENCE	
	Amount	%	Amount	%	Absolute	%
Net revenue	**20,593**	**100%**	**22,015**	**100%**	**-1,422**	**-6%**
Chg. in inventories & inc. in own wk. capitalized	899	4%	900	4%	-1	0%
Service costs and other operating expenses	-13,264	-64%	-14,827	-67%	1,563	-11%
Payroll costs	-4,958	-24%	-5,011	-23%	53	-1%
EBITDA *	**3,271**	**16%**	**3,077**	**14%**	**194**	**6%**
Depreciation and amortization	-1,595	-8%	-1,600	-7%	5	0%
Other provisions and write-downs	-21	0%	-	0%	-21	
EBIT	**1,654**	**8%**	**1,477**	**7%**	**177**	**12%**

* gross of impairment losses and other non-recurring items

In 1Q13 the Dada Group achieved **consolidated revenue** of €20.6 million, down 6% versus €22 million in 1Q12.

Revenue generated by Domain and Hosting (accounting for approximately 78% of total revenue) and Performance Advertising (approximately 22% of Group revenue) declined versus 1Q12.

Despite the entry of some major competitors, particularly on the Italian market, in 1Q13 Dada's **Domain and Hosting** division confirmed its strong position among the top European players in the business of **professional services for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection**: important goals were achieved to improve the average renewal rate of services and to expand the international user base, which boasted more than **515,000 clients** (mostly Small and Medium sized Businesses) and over **1.7 million domains** managed at the end of the first quarter, thanks to the evolution and optimization of a series of marketing initiatives and to the expansion of the portfolio services with the launch of new applications which have received positive feedback from the market. These include:

- the launch in Italy and Spain of **Cloud Site**, a solution designed to easily create professionally-advanced websites based on cloud platforms, in line with the latest trends in technology and based on the increasingly strategic role of mobility and integration with social networks to effectively engage with target audiences; this ground-breaking solution is available in the two versions for consumers and businesses, both featuring an intuitive interface and customizable graphical models allowing users to build a fully-fledged website that meets every market need;

- accreditation by the Italian Digital Agency of Register.it as one of the official operators of **certified e-mail**, a digital solution for sending documents with legal validity, giving the senders certainty that the message has been sent and delivered to recipients. Certified e-mail is mandatory in Italy for businesses, professionals, government agencies and, starting from 30 June 2013, also for sole proprietorships. To date, Register.it counts over 47,000 active mailboxes on its platform;

- Dada's debut on TV with Register.it in Italy through a resounding advertising campaign with a spot blending TV and web platforms to reach different targets, aimed at raising the awareness on a massive scale among viewers and users of the importance of the Internet for growth and development.

During the period under review, the **Performance Advertising** division continued its strategy to consolidate the business through the international expansion of its brands Peeplo and Save n' keep, and the continuous improvement of its proprietary algorithms. Despite the drop in volumes in 4Q12 versus the previous months caused by the changing measures regarding Google's global policies starting from end September 2012, the first three months of 2013, while declining versus 1Q12, saw revenue grow and margins hold ground versus 4Q12.

Looking at the **geographic breakdown** of the Dada Group's consolidated revenue, in 1Q13 foreign-based activities accounted for 64% of consolidated revenue, slightly down on the result in 2012 and in 1Q12.

In 1Q13, consolidated EBITDA of the Dada Group, gross of impairment losses and other non-recurring items, **rose to €3.3 million** (16% of consolidated revenue) from €3.1 million in 1Q12 (14% of consolidated revenue).

An improvement in margins attributable to greater operational efficiency of the Domain and Hosting business - whose margins on consolidated revenue increased to 19% (approximately 21% excluding the negative contribution of Simply) versus the previous 18% - and to the measures taken throughout the year to control general and overhead costs. Despite the drop in volumes, performance advertising marginality was in line with the prior year, accounting for 11% of the division's revenue.

Looking at each line of the income statement, service costs decreased from 67% in 1Q12 to 64% on revenue. Payroll costs remained basically unchanged at approximately €5.0 million, or 24% on consolidated revenue.

The Group's headcount rose by 12 units from 372 at 31 December 2012 to 384 at 31 March 2013.

The item "change in inventories and increase in own work capitalized", amounting to €0.9 million in 1Q13 (in line with the figure in 1Q12), consists of expenses incurred for the development of the proprietary platforms needed to launch and manage the services provided by the Dada Group, specifically those related to the provision of Domain & Hosting and Performance Advertising services.

In 1Q13, **consolidated EBIT** of the Dada Group came to €**1.7 million** versus €1.5 million in 1Q12, up by €0.2 million (+12%), and versus €0.6 million in 4Q12, improving by €1.1 million (+198%).

EBIT in 1Q13 was impacted by amortization of €0.8 million (€0.7 million at 31 March 2012 and €1.1 million in 4Q12) and depreciation of €0.8 million (€0.9 million at 31 March 2012 and €0.8 million in 4Q12).

The amortization trend was basically in line with 1Q12, while decreasing versus 4Q12, a trend impacted by the investment plan over the relating periods and the subsequent amortization plans broken down by month, which impact more on the final quarters of the year compared to the opening ones. In essence, there is a cumulative effect quarter after quarter during the year, and this situation impacted specifically on intangible assets. The main investments during the period referred to the Data Center project being implemented at the British subsidiary Namesco, which have not generated new amortizations so far as they are fully classified as assets under development and advances. Internal development projects continued. For further details, reference should be made to the financial position section below.

Non-recurring charges in 1Q13 amounted to a modest figure of €21 thousand (write-down of current assets relating to UK subsidiaries). There were no non-recurring charges in 1Q12, while non-recurring charges in 4Q12 amounted to €187 thousand (mainly write-downs of receivables).

The **Dada Group** closed **the first quarter of 2013 with a consolidated net profit of €0.4 million** versus €0.5 million in 1Q12, decreasing slightly by €0.1 million. The 1Q13 figure improved by €0.7 million versus the negative €0.3 million in 4Q12.

Overall financial activities (the difference between financial income and charges) showed a negative figure of €1 million in 1Q13 versus €0.79 million in 1Q12 and €0.9 million in 4Q12.

This figure was affected by total financial charges of €0.8 million (€0.7 in 1Q12), whose main components were: interest expense on bank loans to finance acquisitions made in prior years amounting to €0.3 million (basically unchanged versus 1Q12); other bank commissions and interest owed on bank overdrafts amounting to €0.4 million (basically unchanged versus 1Q12), of which bank commissions on credit card payments of €0.3 million (€0.2 million in 1Q12), and derivative differentials of €0.1 million (basically unchanged versus 1Q12). The impact of forex in 1Q13 came to a negative €0.2 million compared with the basic balance achieved in 1Q12 and the negative €0.2 million in 4Q12.

These financial aggregates were impacted by the increase in various bank spreads and by the weaker Pound, which affected the local UK entities in their intercompany financing dealings defined by contract in Euro.

In 1Q13, the tax burden of the Dada Group amounted to €0.3 million, in line with the figure of 1Q12, while in 4Q12 tax had amounted to a positive €0.1 million.

Breaking down tax in 1Q13 into current and deferred, current tax amounted to €0.2 thousand, while deferred tax amounted to a negative €0.1 thousand. It must be noted that there was no recovery of deferred tax assets in respect of their use for the current tax burden in 1Q13. In 1Q12 instead, current tax amounted to €266 thousand and deferred tax assets to -€5 thousand. In 4Q12 alone, current tax amounted to €0.5 million and deferred tax assets recognized in the income statement amounted to a positive €0.6 million.

Mention must be made that current tax consists mainly of the regional *IRAP* tax on Italian companies and of tax from foreign-based companies which posted positive income.

It must be noted that the Dada Group has accrued tax losses of €35.4 million which, in accordance with the changes made to Italian tax law on loss recovery, may be fully carried forward indefinitely. Deferred tax assets have been recognized only on part of these losses (€14.8 million), specifically on those considered recoverable in a short time period, as resulting from the potential taxable income related to the financial results of the plans used for the 2012 impairment tests. At the close of the first quarter of 2012, carry-forward tax losses amounted to €31.4 million, and the tax losses on which deferred tax assets were calculated in the prior period amounted to €11.9 million.

PERFORMANCE BY BUSINESS SEGMENT

For operational purposes, beginning 31 December 2012, the Dada Group is organized into two business divisions, “Domain and Hosting” and “Performance Advertising”.

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

This redefinition stems also from the corporate reorganization which led to the formation of two distinct branches of the Group’s organizational structure, each heading a particular business activity. Specifically, Domain and Hosting is managed by the direct subsidiary Register.it S.p.A., while Performance Advertising is managed by the direct subsidiary MOQU Adv S.r.l.. This reorganization is the consequence of the sharp increase reported by Performance Advertising, whose results now have a growing impact on the volumes of the Dada Group revenue. Corporate activities are considered so completely integrated with the two business segments that they no longer require qualification as a separate division. Following this change, for the sake of comparison, figures have been restated for 1Q12 (when there was only one business segment). For further details, reference should be made to note 3 to this Interim Report.

Main results by segment

The following table shows the main results of the “Domain and Hosting” and “Performance Advertising” divisions in 1Q13 versus 1Q12:

	31/03/2013 (3 months)					31/03/2012 (3 months)				
Segment	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**	**Revenue**	**EBITDA**	**Margin %**	**EBIT**	**Margin %**
Domain and Hosting	16,130	3,131	19%	1,757	11%	16,532	2,941	18%	1,588	10%
Performance Advertising	4,295	452	11%	336	8%	5,254	573	11%	494	9%
Adjustments	168	-312	-185%	-439	-261%	229	-437	-190%	-605	-264%
Total	**20,593**	**3,271**	**16%**	**1,654**	**8%**	**22,015**	**3,077**	**14%**	**1,477**	**7%**

Geographic breakdown of consolidated revenue:

The following table shows the breakdown of consolidated revenue generated in Italy and abroad in 1Q13 and 1Q12:

	1Q13		1Q12	
	Amount	% of total	Amount	% of total
Revenue - Italy	7,479	36%	7,501	34%
Revenue - abroad	13,114	64%	14,515	66%
Total	**20,593**		**22,015**	

Domain and Hosting Services

"Domain and Hosting" is the Dada Group division dedicated to self-provisioning professional services for the management of the online presence of individuals and businesses. The Group, which now has over 515,000 customers, more than 1.7 million domains under its management and 500,000 websites hosted on its platforms, operates in Europe through its brands, leaders in their respective geographic areas: Register.it in Italy (headquartered in Florence, with branches in Milan and Bergamo), Nominalia in Spain, Names.co.uk and Poundhost in the UK, Gruppo Amen in Portugal, France and the Netherlands, and Register365 in Ireland.

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

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

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

In 1Q13, the division's **revenue** amounted to €16.1 million, down 2% versus 1Q12 (€0.4 million). The Italian and UK markets contributed 75% of the division's revenue, while the remaining 25% came from the French, Spanish, Portuguese and Dutch markets.

EBITDA rose from €2.9 million in 2012 to €3.1 million in 2013, thanks to the reduction in operating and payroll costs. No increase was recorded in payroll costs, including in absolute terms, versus 2012. Capitalized research and development costs amounted to €0.7 million, in line with the 2012 figure.

EBIT came to €1.8 million, net of depreciation and amortization, impairments and other non-operating items of €1.4 million.

Performance Advertising Services

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

The main proprietary brands through which it operates are Peeplo and Save'n Keep, which count about 30 million unique monthly users.

In 1Q13, the division's **revenue** amounted to €4.3 million, losing just less than €1.0 million, or 18%, versus 1Q12. Almost all the revenue is generated in Ireland and, starting from 2012, an increasing portion comes from web traffic from the new generation of tablets and smartphones. Revenue was heavily impacted, as mentioned earlier, by the change in Google's policy, which stifled the pace of growth starting from October 2012 (when revenue had grown by over 20% versus 2011).

EBITDA fell slightly from €0.6 million in 2012 to €0.5 million in 2013, the drop in revenue being fully offset by the reduction in operating costs. Capitalized costs for research and development amounted to €0.2 million, in line with the 2012 figure.

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

Financial position

The following table shows the total Net Financial Position of the Dada Group at 31 March 2013 versus the position at 31 December 2012:

	TOTAL NET FINANCIAL POSITION				
	IN EUR/000	**31-Mar-13**	**31-Dec-12**	**DIFFERENCE Absolute**	**DIFFERENCE %**
A	Cash on hand	11	9	2	22%
B	Bank and post office deposits	2,809	2,997	-188	-6%
C	Liquidity (A+B)	2,820	3,006	-186	-6%
D	Time deposits and other receivables	1,000	1,000	-	-
E	Derivatives	76	-	76	-
F	Other financial receivables (D + E)	1,076	1,000	76	8%
G	**Total financial assets (C+F)**	**3,896**	**4,006**	**-110**	**-3%**
H	Current credit lines and account overdrafts with banks	-7,283	-6,913	-370	5%
I	Current bank borrowings	-3,961	-3,811	-150	4%
L	Other current financial payables	-	-561	561	-100%
M	Current portion of derivatives	-184	-210	26	-12%
N	Current debt (H+I+L+M)	-11,428	-11,495	67	-1%
O	Non-current bank borrowings	-19,211	-18,679	-532	3%
Q	Non-current portion of derivatives	-36	-39	3	100%
R	Non-current debt (O+Q)	-19,247	-18,718	-529	3%
S	**Total financial liabilities (N+R)**	**-30,675**	**-30,213**	**-462**	**2%**
T	**Total net financial position (G+S)**	**-26,779**	**-26,207**	**-572**	**2%**

At 31 March 2013, the **total Net Financial Position of the Dada Group came to a negative €26.8 million** versus the negative €26.2 million at 31 December 2012 and the negative €25.4 million at 31 March 2012. The current Net Financial Position at 31 March 2013 came to a negative €7.4 million versus the negative €7.5 million at 31 December 2012 and the negative €2.7 million at 31 March 2012. This latter figure had benefited from the renegotiation at the beginning of 2012 of the loans held with Banca Intesa. Specifically, as a result of the bullet repayment of the first maturity at 18 months (31 December 2013), at the close of the first quarter of 2012, a larger portion had been classified beyond one year.

Such an effect does not emerge when comparing the situation with 31 December 2012, which shows a similar classification of the current portion of non-current debt.

The item “time deposits and other receivables” includes the final installment amount of €1 million for the transaction completed with Buongiorno, to be released on 31 May 2013.

The item “current portion of derivatives” refers to the financial payable related to the market-to-market measurement at 31 March 2013 of the IRS hedging the mortgage with Banca Intesa which expires within one year, while the portion beyond one year is included in “non-current derivatives”.

Non-recurring cash-out in the first three months of 2013 amounted to €0.1 thousand and regarded the final installment payment for the official tax audit report from the Regional Revenue Agency Offices relating to tax in 2007, and settlement of contractual disputes (all these amounts had been previously assessed in the provisions and liabilities of the 2012 financial statements). In 2012, this item had amounted to approximately €0.2 million, most of which related to a penalty imposed by the Privacy Authority and to the previously mentioned agreement to settle the official tax audit report.

The deterioration in the Net Financial Position is solely related to the increase in non-current financial payables, whereas current debt remained basically unchanged. Mention must be made, in fact, that in March 2013 the subsidiary Namesco Ltd drew down £0.6 million to pay the installment for the on-going work on the Data Center project in the UK. The loan was granted by a major UK bank and amounts to £0.8 million (the residual £0.2 million was drawn down in April), with variable-rate repayment on a monthly basis starting from August 2013 up to August 2016; the rate applied is the Bank’s Sterling Base Rate + 3% spread.

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

(in EUR/000)	**31 March 2013 (3 months)**	**31 March 2012 (3 months)**
Cash flow from operating activities	2,734	4,102
Taxes and interest paid	-935	-800
Cash flow from investing activities	-2,372	-1,690
Cash flow from financing activities	-134	4,804
Net cash flow for the period (cash and cash equivalents)	**-706**	**6,416**

The reconciliation between cash flow of the Net Financial Position and the cash flow included in the consolidated financial statements is shown in note 16 of the notes to this Interim Report.

Investment activities

In the first three months of 2013, in addition to the above, the Dada Group also made the following investments in:

- intangible assets totaling €1.1 million, mostly (€0.9 million) for the development of the proprietary processes and platforms needed to provide Domain & Hosting and Performance Advertising services, as well as €0.2 million for the purchase of software/brands;
- property, plant and equipment totaling €1.3 million mostly for the purchase of network servers and new machinery to extend the Group server farm, while investment in furnishings and fittings amounted to €70 million.

A large portion of property, plant and equipment investments - €0.7 million - consists in assets under development and advances, which include the amounts paid for the new Data Center in the UK. In 1Q13, as at year-end 2012, the project was still in the construction phase, hence, the period of amortization will start with the completion of the Data Center, which is expected by the second quarter of 2013.

Financing activities

The cash flow from financing activities in 1Q13 came to a negative €0.1 million and is explained by the combined effect of the positive contributions of the previously mentioned new loans related to the Data Center in the UK (+€0.6 million as the difference between current and non-current component), and by the negative impact of cash outs to close the current account with the parent RCS (-€0.6 million) and payment of the IRS differential (-€0.1 million).

In 1Q12, the cash flow from financing activities came to a positive €4.8 million as a result of the renegotiation of loans with Banca Intesa, which resulted in a drop in short-term versus an increase in long-term debt.

These differences clearly impact on “cash, cash equivalents and current bank borrowings” but are neutral on the “total Net Financial Position” which includes non-current debt.

For further details, reference should be made to the Statement of Cash Flows at page 28 of this Interim Report.

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

IN EUR/000	31-Mar-13	31-Dec-12	DIFFERENCE	
			Absolute	%
Non-current assets (A)	**91,036**	**91,872**	**-836**	**-1%**
Current operating assets (B)	19,314	18,825	490	3%
Current operating liabilities (C)	-31,786	-31,615	-171	1%
Net working capital (D)=(B)-(C)	**-12,472**	**-12,790**	**318**	**-2%**
Termination indemnities (E)	-847	-849	1	-
Provision for risks and charges (F)	-1,302	-1,461	159	-11%
Other payables due beyond one year (G)	-166	-166	-	-
Net capital employed (A+D+E+F+G)	**76,249**	**76,606**	**-357**	**-**

Net Working Capital

The Dada Group's Net Working Capital at 31 March 2013 was –€12.5 million, improving versus -€12.8 million at 31 December 2012 and -€13.6 million at 31 March 2012.

The positive performance of this aggregate is explained by the increased business activities and improved consolidated results (especially versus 4Q12).

Generally speaking, the net working capital trend in the various quarters of a year is linked to the Group's business performance (especially for the Domain and Hosting business), which usually concentrates a higher number of payments from services provided in the first three months of the year, which are subsequently recognized over the whole year. This has a lower impact in terms of the income statement as some services are recognized over the period in which they are provided.

Looking at the single aggregates, it must be noted that current liabilities also include deferred income of approximately €11.9 million related to web hosting services; these will not entail future financial outlays but, rather, the recognition of revenue in the income statement. Deferred income amounted to €11.9 million at 31 December 2012 and to €12.2 million at 31 March 2012.

For information on investment activities, reference should be made to the description of the Net Financial Position above and to the notes to this Interim Report.

The number of employees at 31 March 2013 is shown below:

	Italy		Abroad		Total	
	31/03/2013	31/12/2012	31/03/2013	31/12/2012	31/03/2013	31/12/2012
Employees *	218	209	166	163	384	372

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

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

	Italy		Abroad		Total	
	31/03/2013	31/12/2012	31/03/2013	31/12/2012	31/03/2013	31/12/2012
Employees *	218	209	166	163	384	372

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

Alternative performance indicators:

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

EBITDA: As the composition of EBITDA is not governed by the accounting policies, the Dada Group's method of calculating it may differ from that used by others and may therefore make comparisons unreliable.

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

Pre-tax profit and the net gains/(losses) pertaining to assets held for sale
+ Financial charges
- Financial income
+/- Gains/losses from equity investments in associates

Operating profit
+ Restructuring costs
+ Amortization, depreciation and impairment losses on fixed assets
+/- Atypical charges/income
+ Impairment losses on trade receivables

EBITDA - Operating profit before amortization, depreciation, impairment losses, atypical charges/income and impairment losses on receivables.

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

SIGNIFICANT EVENTS IN 1Q13

- **Investment in new Data Center in the UK**

  In order to expand the portfolio of solutions offered, improve service quality and streamline operating costs, in 4Q12 DADA undertook a project to realize a dedicated Datacenter in the UK. A strategic partnership was started with a highly experienced UK player, who is in charge of the realization and management of a new facility covering about 5,000 m^2, based on cutting-edge specifications shared by the two parties (Tier 4 level). A large part of the facility will be dedicated specifically to DADA. The agreement has an initial five-year validity, with the possibility, at DADA's discretion, to be extended for another 5 years. DADA is expected to invest about €3 million over a three-year period, of which approximately €0.7 million incurred in 4Q12 and €0.7 million in 1Q13. The facility will start operations from the second half of 2013.

- **Company reorganization**

  After completing the corporate reorganization process of the DADA Group, on 1 January 2013, the newly-formed company MOQU Adv S.r.l., wholly-owned by DADA S.p.A., began operations at the head of the Performance Advertising business activities. MOQU Adv Ireland Ltd. wholly-owned by MOQU Adv S.r.l., was also formed, and after acquiring in February all the assets and liabilities of the Performance Advertising business held by Namesco Ireland Ltd., began operations on 1 March 2013.

- **On 19 March 2013,** the Board of Directors of DADA S.p.A., with regard to the request received from the parent RCS MediaGroup S.p.A., and previously announced to the market by the latter on 13 March 2013, to provide information on the DADA Group to potential interested parties, as part of the activities of valorization of its assets made by RCS, resolved to agree to such request, having regard to the interests of the Company and all its shareholders.

SIGNIFICANT EVENTS AFTER 1Q13

On 11 April 2013, the Annual General Meeting of DADA S.p.A., which in ordinary session and on first call, approved DADA S.p.A.'s Separate Financial Statements at 31 December 2012, the Remuneration Report and the authorization to purchase and dispose of treasury shares, confirmed Maurizio Mongardi, previously co-opted by DADA's Board of Directors on 22 February 2013, following the resignation of Monica Alessandra Possa, as Director of the Company; appointed as new Director Riccardo Taranto, who replaces Riccardo Stilli, and Maria Stefania Sala as Standing Auditor, who replaces Cesare Piovene Porto Godi. The Meeting also appointed Agostino Giorgi as Alternate Auditor..

BUSINESS OUTLOOK FOR THE CURRENT YEAR

Early indications on the Group's performance in the first three months of 2013 to date basically confirm expectations for both business lines:

- in the **Domain and Hosting** division, corporate strategy will focus on enhancing service quality and launching increasingly-performing products which combined can help gain new clients and retain the existing customer base, with the aim of consolidating the Company's position on the main reference markets, Italy and the UK in particular, which currently contribute about 75% of the division's revenue;
- the **Performance Advertising** division will continue with its strategy of international expansion of innovative solutions for online traffic monetization, thanks also to the release of new portals and development of the offering in new languages, and also by leveraging on the opportunities offered by the mobile channel. While forecasts point to lower revenue this year as a result of the changes adopted by Google in 4Q12, the growth recorded in 1Q13 versus 4Q12 indicates a positive outcome of the strategic measures implemented to tackle this change.

The ongoing project regarding the realization of the new Datacenter in the UK will impact on the 2013 results in terms of higher costs of approximately €1 million, but will allow DADA to achieve economic benefits of over €1 million on an annual basis starting from 2014, when the migration of all the hardware to the new facility will be completed, as well as to have adequate space to sustain the future growth of the Group.
The initiatives implemented to ensure tight control of operating costs and overheads, in order to enhance the Group's overall efficiency, will continue to be carried out also in 2013.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT OF THE DADA GROUP AT 31 MARCH 2013

		31 March 2013	31 March 2012
Net revenue		**20,593**	**22,015**
Cost of raw materials and consumables		-	-8
Chg. in inventories & inc. in own wk. capitalized		899	900
Service costs and other operating expenses		-13,211	-14,766
Payroll costs		-4,958	-5,011
Other operating revenue and income		4	4
Other operating costs		-61	-58
Provisions and impairment losses		-17	-
Depreciation and amortization		-1,595	-1,600
EBIT		**1,654**	**1,477**
Investment income		279	376
Financial charges		-1,231	-1,084
Profit/(loss) before taxes		**702**	**769**
Income taxes		-317	-261
Group net profit/(loss)		**385**	**508**
of which: shareholders of the Parent		385	508
Basic earnings/loss per share		0.024	0.031
Diluted earnings/loss per share		0.023	0.030

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DADA GROUP AT 31 MARCH 2013

IN EUR/000	31-Mar-13 3 months	31-Mar-12 3 months
Net profit/(loss) for the period (A)	**385**	**508**
Gains/(losses) on exchange rate derivatives (cash flow hedges)	61	38
Tax effect on other gains/(losses)	-17	-10
	44	28
Gains/(losses) from the translation of foreign currency financial statements	-1,404	85
Total other gains/(losses), net of tax effects (B)	**-1,359**	**112**
Total comprehensive income/(loss) A)+(B)	**-974**	**620**
Total income/(loss) attributable to:		
Shareholders of the parent	-974	620

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE DADA GROUP AT 31 MARCH 2013

ASSETS		31 March 2013	31 December 2012
Non-current assets			
Goodwill		75,634	77,123
Intangible assets		7,875	7,639
Other property, plant and equipment		7,311	6,893
Financial assets		320	216
Deferred tax assets		6,116	6,273
Total non-current assets		**97,255**	**98,144**
Current assets			
Trade receivables		7,753	8,070
Tax and other receivables		5,445	4,482
Current financial receivables		1,000	1,000
Cash and cash equivalents		2,819	3,006
Total current assets		**17,017**	**16,558**
TOTAL ASSETS		**114,272**	**114,702**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE DADA GROUP AT 31 MARCH 2013

EQUITY AND LIABILITIES		**31 March 2013**	**31 December 2012**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		2,756	2,756
Other equity instruments		257	213
Share premium reserve		32,071	32,071
Legal reserve		950	950
Other reserves		6,271	7,630
Retained earnings/Loss carried forward		6,779	5,840
Net profit/(loss)		385	939
Total equity		**49,470**	**50,399**
Non-current liabilities			
Bank loans (due beyond one year)		19,211	18,679
Provision for risks and charges		1,302	1,461
Provision for employee termination indemnities		847	849
Financial liabilities for derivatives		247	249
Other liabilities due beyond one year		166	166
Total non-current liabilities		**21,773**	**21,404**
Current liabilities			
Trade payables		12,922	13,572
Other payables		16,849	15,630
Taxes payable		2,015	2,413
Bank overdrafts and financial payables (due within one year)		11,244	11,285
Total current liabilities		**43,030**	**42,900**
TOTAL EQUITY AND LIABILITIES		**114,272**	**114,702**

CONSOLIDATED CASH FLOW STATEMENT OF THE DADA GROUP AT 31 MARCH 2013

IN EUR/000	31 March 2013	31 March 2012
Operating activities		
Net profit (loss) for the period	**385**	**508**
Adjustments for:		
Income from trading	-279	-376
Financial charges	1,231	1,084
Income taxes	317	261
Depreciation	789	926
Amortization	807	675
Granting of stock options	44	-
Other provisions and impairment losses	21	-
Increases/(decreases) in provisions	-152	-165
Cash flow from operating activities before changes in working capital	**3,163**	**2,912**
(Increase)/decrease in receivables	-448	-72
(Increase)/decrease in payables	18	1,262
Cash flow from operating activities	**2,734**	**4,102**
Income taxes paid	-51	-
Interest (paid)/received	-884	-594
Net cash flow from operating activities	**1,799**	**3,507**
Investing activities		
Purchase of property, plant and equipment	-1,315	-969
Other changes in fixed assets	-1	-
Purchase of intangible assets	-155	-27
Product development costs	-900	-900
Net cash flow used in investing activities	**-2,372**	**-1,896**

CONSOLIDATED CASH FLOW STATEMENT OF THE DADA GROUP AT 31 MARCH 2013

IN EUR/000	31 March 2013	31 March 2012
Financing activities		
Change in loans	532	4,718
Other changes	-666	86
Net cash flow from/(used in) financing activities	**-134**	**4,804**
Net increase /(Decrease) in cash and cash equivalents	**-706**	**6,415**
Cash and cash equivalents at beginning of period	**-7,718**	**-8,392**
Cash and cash equivalents at end of period	**-8,424**	**-1,977**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2013

	Attributed to the shareholders of the Parent										
	Share capital	**Share premium reserve**	**Legal reserve**	**Other reserves**	**Other equity instruments**	**Cash flow hedge res.**	**Translation reserve**	**Retained earnings**	**Net profit / (loss)**	**Total**	**Total equity**
Balance at 1 January 2013	2,756	32,070	950	14,045	213	-163	-6,251	5,840	939	**50,399**	**50,399**
Allocation of 2012 profit								939	-939		**-**
Profit/(loss) for the period									385	**385**	**385**
Other comprehensive income (losses)						44	-1,404			**-1,359**	**-1,359**
Total comprehensive income (losses)						**44**	**-1,404**		**385**	**-974**	**-974**
Other equity instruments					44					**44**	44
Balance at 31 March 2013	**2,756**	**32,070**	**950**	**14,045**	**257**	**-119**	**-7,655**	**6,779**	**385**	**49,469**	**49,469**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2013

	Attributed to the shareholders of the Parent										
	Share capital	**Share premium reserve**	**Legal reserve**	**Other reserves**	**Other equity instruments**	**Cash flow hedge res.**	**Translation reserve**	**Retained earnings**	**Net profit / (loss)**	**Total**	**Total equity**
Balance at 1 January 2012	2,756	32,070	950	7,137	34	-299	-7,142	21,286	-8,542	**48,250**	**48,250**
Allocation of 2011 profit								-8,542	8,542		-
Profit/(loss) for the period									508	**508**	508
Other comprehensive income (losses)						28	85			**112**	112
Total comprehensive income (losses)						**28**	**85**		**508**	**620**	**620**
Other equity instruments					47					**47**	47
Other changes					3					**3**	3
Balance at 31 March 2012	**2,756**	**32,070**	**950**	**7,137**	**84**	**-271**	**-7,057**	**12,744**	**508**	**48,921**	**48,921**

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 in the introduction to this report.

The 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 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 9 May 2013.

Statement of compliance with IFRS

The condensed quarterly report at 31 March 2013 was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, and with the measures enacted for the implementation of Art. 9 of Legislative Decree 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The 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 2012.

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 2012, with the exception of the following new standards and interpretations applicable from 1 January 2013:

• **IFRS 9 - Financial instruments -** The standard, issued by IASB in November 2009 and amended in October 2010, is the opening part of a process that aims to overhaul IAS 39. It is applicable from 1 January 2015.

• **Improvements to IFRSs: 2009-2011 Cycle** - On 17 May 2012, IASB issued a set of amendments to the IFRS which will be retrospectively applicable from 1 January 2013 summarized below:

IFRS 1 First - **Time Adoption of International Financial Statements** - Repeated application: it clarifies that if an entity has applied IAS/IFRS in the past, has stopped applying IAS/IFRS and then returns to applying IAS/IFRS, the entity must re-apply IFRS 1. Moreover, regarding – Capitalized financial charges – it clarifies that if an entity has incurred and capitalized financial charges directly attributable to the acquisition, construction or manufacturing of an asset capitalized using local accounting standards, the amount can be maintained at the date of transition to IAS/IFRS; from the date of transition to IAS/IFRS the capitalization of financial charges will follow the rules set out by IAS 23 Borrowing Costs.

IAS 1 Presentation of Financial Statements - Comparative information: it clarifies that when additional comparative information is provided, it must be presented in accordance with IAS/IFRS. It also clarifies that when an entity changes an accounting policy or makes a retrospective restatement/reclassification, the entity should present a balance sheet at the beginning of the comparative period ("third balance sheet" in the financial statements), while no comparative information is required in the supporting notes for the "third balance sheet", apart from the items concerned.

IAS 16 Property, Plant & Equipment - Classification of servicing equipment: it clarifies that servicing equipment must be classified in Property, plant and equipment if used for more than one financial year, in inventory if used for one financial year.

IAS 32 Financial Instruments: Presentation - The tax effect of distributions to equity holders and of transaction costs of equity instruments: it clarifies that direct tax related to this specific case follows the rules of IAS 12.

IAS 34 Interim Financial Reporting - Total assets for a reportable segment: it clarifies that total assets need to be disclosed if the amounts are regularly provided to the chief operating decision maker of the entity, and there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements.

• **Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities:** Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) – Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) – On 28 June 2012, IASB issued amendments to applicable IFRS, together with the relevant standards, for financial periods beginning on 1 January 2013, assuming no early application. One of the document's purposes is to amend IFRS 10 to clarify how an investor is required to adjust comparative periods retrospectively if the consolidation conclusions reached at the date of initial application are different under IAS 27/SIC 12 and IFRS 10. The Board also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide similar relief for the disclosure or change in comparatives referring to prior periods with respect to comparative periods presented in the financial statements.

IFRS 12 was further amended by providing additional relief in presenting comparatives for disclosures regarding unconsolidated "structured entities" for periods beginning before the date of application of IFRS 12.

• **Draft "Hedge accounting -** Chapter 6 of IFRS 9 Financial Instruments" - Issued by IASB on 7 September 2012. The document seeks to address the remarks raised against the requirements set out by IAS 39 for the application of hedge accounting, considered too stringent and inappropriate.

The new elements bring significant changes to the types of transactions eligible for hedge accounting, changes to forward contracts and options accounting when they are included in a hedge accounting relationship, and changes to the effectiveness test, replaced by the principle of "economic relationship" between hedge item and hedging instrument; moreover, a retrospective effectiveness assessment is no longer required for hedging relationships. Further information is however required on an entity's risk management strategy.

• **Investment Entities** (Amendments to IFRS 10, IFRS 12, IAS 27 and IAS 28). – Published by IASB in October 2012. The amendment introduces an exception to IFRS 10 that requires investment entities to measure certain subsidiaries at fair value through profit and loss instead of consolidating them. This standard applies to financial statements of periods beginning from 1 January 2014. Early application is allowed.

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 2013.

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 31.03.2013	Average exchange rate 1° quarter 2013
US dollar	1.2805	1.320629
British pound	0.8456	0.851107

Currency	Exchange rate at 31.03.2012	Average exchange rate 1° quarter 2012
US dollar	1.3356	1.310823
British pound	0.8339	0.834476

Consolidation Scope

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

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

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

Risks

Financial risks

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

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

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

Due to the sale of the Dada.net Division, as discussed in the introduction to this Interim 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 a €6.4 million loan (at 31 March 2013) taken out by the subsidiary Register.it. The fair value of this derivative instrument was recognized in the statement of financial position, with a balancing entry in an equity reserve in accordance with IAS 39 (cash flow hedges). Two interest rate caps were also arranged with major banks: one with a strike rate of 3.5% on principal of €2.4 million, and one with a strike rate of 3% on principal of €3.0 million. The fair value adjustment relative to both caps was posted in full to the income statement, as they are not treated according to the rules of hedge accounting. Exchange risk has been hedged through forward contracts for the purchase 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., Fueps S.p.A. and Clarence S.r.l.. Register.it S.p.A. also has a cash pooling agreement with its wholly-owned subsidiaries. At 31 March 2013, the Group had credit lines of €42.5 million, of which approximately €30.8 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 30% of its service costs are expressed in foreign currency (USD). In the first three months of 2013, the Group engaged in currency forwards in order to hedge its exchange rate risk.

Credit risk

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

In 1Q13, a client which has an existing contract with a Dada Group company and an exposure of approximately €0.9 million at 31 March 2013, was in financial distress and has thus applied for admission to the composition with creditors procedure (blank option); the relevant information is found in note 9.

Price risk

The Group is not exposed to significant price volatility risk.

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

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

Terms of payment

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

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

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

Earn-out

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

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

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

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

Special penalties

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

Risks from reconciliation with telephone companies and aggregators

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

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

Risks relating to the non-compete clause

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

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

Risks of the reduced scope of operations

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

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

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

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

With regard to the rights and obligations set out in the contract, mention must be made that after the close of 1Q13, Dada S.p.A. received a claim for compensation from the buyer under the sale contract. Such claim arises from a complaint made by Receita Federal do Brasil referring to certain alleged anomalies found in a tax audit which had started in March 2011, against Dada Brasil Servicos de Tecnologia Ltda and relating to the 2008 tax return for a total disputed amount of 13.4 million Brazilian Reais (approximately €5.1 million). The Company, under the sale contract and in conjunction with the buyer, has established defense against such claim and has reserved the right to rebut the claim for compensation received from the buyer. Based on the preliminary technical-legal indications received, the dispute with the Brazilian tax authorities may most likely extend in time.

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

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

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

Seasonal trends

The 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, the Dada Group is organized by business segment (Business Unit) comprising the **"Domain and Hosting"** and **"Performance Advertising"** Divisions.

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

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

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

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

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

The two current divisions can be summarized as follows:

a) **"Domain and Hosting"**, self-provisioning professional services which include:

- Domain name registration – digital solutions for online identity.
- Hosting services
- Website 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" (**forming the Scalable CGU), management of online advertising, with a business model based on web traffic monetization through partnerships with major search engines. These activities are carried out mainly by the proprietary brands Peeplo and Save N Keep. The Performance Advertising Division heads up the Italian company MOQU Adv S.r.l. (wholly-owned by Dada S.p.A.) and the Irish company MOQU Adv. Ireland Ltd, wholly-owned by the former.

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

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

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

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

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

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

Income statement by business segment at 31 March 2013

31 March 2013 (3 months)				
Segment reporting	**D&H**	**Performance Adv.**	**Adjustments**	**Consolidated**
Revenue – Italy	7,223	88	168	7,480
Revenue – abroad	8,907	4,207		13,114
Net revenue	**16,130**	**4,295**	**167**	**20,593**
Increase in own work capitalized	724	175		899
Costs for services	-9,870	-3,608	-168	-13,646
Payroll costs	-3,853	-410		-4,263
Segment EBITDA	**3,131**	**452**	**-**	**3,583**
Depreciation and amortization	-1,353	-116		-1,469
Impairment and provisions	-21			-21
Segment EBIT	**1,758**	**336**	**-**	**2,093**
		Amort. and depr. fix. assets corp.		-127
		Provisions and impairment		
		Unallocated overheads		-312
		EBIT		**1,654**
		Net financial charges		-952
		Profit (loss) before taxes		**702**
		Income taxes		-317
		Group net profit (loss)		**385**

Income statement by business segment at 31 March 2012

31 March 2012 (3 months)				
Segment reporting	**D&H**	**Performance Adv.**	**Adjustments**	**Consolidated**
Revenue Italy	7,279	-	229	7,508
Revenue – abroad	9,253	5,254		14,507
Net revenue	**16,532**	**5,254**	**229**	**22,015**
Increase in own work capitalized	725	175	-	900
Cost of services	-10,431	-4,449	-229	-15,110
Payroll costs	-3,885	-406	-	-4,291
Segment EBITDA	**2,941**	**573**	**-**	**3,514**
Depreciation and amortization	-1,353	-79	-	-1,432
Depreciation of fixed assets	-	-	-	-
Segment EBIT	**1,588**	**494**	**-**	**2,082**
		Amort. and depr. fix. assets corp.		-168
		Provisions and impairment		-
		Unallocated overheads		-437
		EBIT		**1,477**
		Net financial charges		-708
		Profit (loss) before taxes		**769**
		Income taxes		-261
		Group net profit (loss)		**508**

Geographic breakdown of the Dada Group revenue

	1Q13		1Q12	
	Amount	**% of total**	**Amount**	**% of total**
Revenue - Italy	7,479	36%	7,501	34%
Revenue – abroad	13,114	64%	14,515	66%
Total	**20,593**		**22,015**	

4. 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 2012. Related party transactions are governed by a specific procedure approved by Dada S.p.A.'s Board of Directors. For further information, reference should be made to the section on significant events during the quarter.

5. Non-recurring income and charges

No non-recurring income or charges were recorded at 31 March 2013, as at 31 March 2012.

6. Property, plant and equipment

Plant and machinery increased by €1.3 million in 1Q13, €0.6 million of which for the purchase of network servers and the installation of networking systems, servers and storage systems to enhance the server farm used by Register and the Poundhost Group companies, and €0.7 million for the increase in assets under development and advances related to the amounts paid for the construction of the new Data Center in the UK. For further information, reference should be made to the Directors’ Report.

7. Intangible assets

Investments in intangible assets made by the Dada Group in 1Q13 came to €1.1 million, €0.9 million of which for the development of products and internal processes, and €0.2 million for licenses, brands and software.

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

In 1Q13, these activities were mainly geared toward further development of the new PEC and Windows shared hosting for domain and hosting products begun in previous quarters, along with the continuous development of the Save'n'keep platform and the performance advertising’s Peeplo search engine.

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, which represents the estimated useful life of these projects.

8. Equity investments, financial assets and deferred tax

The following table shows financial assets and deferred tax assets at 31 March 2013 and 31 December 2012:

	31/03/13	31/12/12	Change	% change
Financial receivables and other non-current assets	320	216	104	48%
Total financial assets	**320**	**216**	**104**	**48%**
Deferred tax assets	**6,116**	**6,273**	**-157**	**-2%**

The following table shows the movements in deferred tax assets from 31 March 2013 to 31 December 2012:

	Balance at 31/12/2012	Increases	Utilizations	Exchange difference	Other movements	Balance at 31/03/2013
Deferred tax assets	6,272	108	-222	-25	-17	6,116
Total	**6,272**	**108**	**-222**	**-25**	**-17**	**6,116**

"Financial receivables and other non-current assets" consist of security deposits, which include the rental of business premises.

The deferred tax assets of €6.1 million stem from both prior fiscal losses and temporary differences shown in tax returns which will be recovered in the future. Fiscal losses that can be carried forward to subsequent years amount to €35.4 million. These can be carried forward indefinitely and are 80% recoverable (as per Italian law).

The fiscal losses based on which the deferred tax assets were calculated amount to €14.8 million.

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

9. Trade receivables

Consolidated trade receivables at 31 March 2013 came to €7.8 million, mostly in line with the €8.1 million recorded at 31 December 2012.

The average turnover on trade receivables is 45 days, and varies based on the different products provided by the Dada Group. Specifically, the domain and hosting business collects receivables very quickly (or even in advance), while there is a longer turnover period in the online advertising business.

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

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

In 1Q13, there were no increases in the provision for doubtful accounts and, therefore, the provision at 31 March 2013 was deemed sufficient to cover potential losses on all trade receivables.

Trade receivables include those from Seat PG Italia S.p.A., amounting to €871 thousand at 31 March 2013, €179 thousand of which are about to expire and refer to services provided in March 2013, and €692 thousand expired at the date of approval of this Interim Report and refer to services provided up to 6 February 2013. It must be noted, however, that Seat PG Italia S.p.A. on 6 February 2013 announced that it had applied for admission to the composition with creditors procedure (blank option) and that, based on preliminary information received, the company intends to pay the full amount and settle the procedure in a positive way.

10. Cash and cash equivalents and net debt

Total liquidity, which comprises liquidity at major banks, cash on hand and current financial receivables, amounted to €3.9 million at 31 March 2013 versus €4 million at 31 December 2012. Italian bank deposits, concentrated mainly at two banks, pay interest at the one-month Euribor less a spread of 0.1%-0.25%.

The table below shows loans and borrowings and their movements between 31 December 2012 and 31 March 2013:

	Balance at 31/12/12	Increases	Decreases	Balance at 31/3/13
Loans				
Non-current portion of loans due to banks	18,678	533	-	19,211
Current portion of loans due to banks	3,811	177	-27	3,961
Subtotal	**22,489**	**710**	**-27**	**23,172**
Account overdrafts	6,914	1,738	-1,369	7,283
Other	561	-	-561	-
Subtotal	**7,475**	**1,738**	**-1,930**	**7,283**
Total	**29,964**	**2,448**	**-1,957**	**30,455**

Financial payables and liabilities include the Dada Group's amortizing loans of €23.2 million, overdraft facilities and credit lines of €7.3 million.

The Dada Group's outstanding loan agreements include those taken out to finance acquisitions made in prior years.

The loans held at 31 March 2013 are described below:

Description of loans held by the Dada Group at 31 March 2013:

- Register.it S.p.A.
  Loan with a remaining balance of €22.4 million; maturity by contract is 30 June 2016, with half-yearly installments starting from 31 December 2013, for a total of 6 installments due on 31 December and on 30 June each year of €3.7 million; the interest rate is the six-month Euribor plus a spread of 4.10%. The loan is hedged by the existing interest rate swap adjusted to the new maturities of the underlying amounts (interest rate at 3.81%).
  Two interest rate caps are still in effect, with respective strike rates of 3.5% and 3%; the caps failed to qualify as hedges so the rules of hedge accounting do not apply.
- Dada S.p.A.
  Dada S.p.A. has only account overdrafts with major banks which amount to €7.3 million, with interest charged at one-month Euribor plus a spread of between 3.0% and 6.0%
  Namesco Ltd
- On 6 February 2013, Namesco Ltd drew down £0.6 million (€0.7 million) out of the total loan of £0.7 million entered into on 24 October 2012; maturity by contract is 6 August 2016, with monthly installments starting from August 2013; the rate applied is the Bank's Sterling Base Rate + 3% spread.
  Poundhost
- Poundhost has finance leases with a residual amount under €0.1 million scheduled to be fully repaid in 2013.

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

11. Provisions for payroll, risks and charges

The following table shows movements in the provision for employee termination indemnities from 31 December 2012 to 31 March 2013:

	Balance at 31/12/2012	Increase	Utilizations	Other movements	Balance at 31/03/2013
Provision for termination indemnities	849	118	-5	-115	847
Total	**849**	**118**	**-5**	**-115**	**847**

At 31 March 2013, the provision amounted to €0.8 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 following table shows movements in the provision for risks and charges between 31 December 2012 and 31 March 2013:

	Balance at 31/12/2012	Increases	Utilizations	Exchange differences	Balance at 31/03/2013
Provision for risks and charges	1,461	-	-151	-8	1,302
Total	**1,461**	**-**	**-151**	**-8**	**1,302**

The provision for risks and charges amounted to €1.3 million at 31 March 2013, down versus 31 December 2012 due to utilizations in the first three months of the year relating to the settlement of (mainly legal/commercial) disputes from prior years.

The provision for risks and charges was set up mainly to cover potential liabilities from commercial disputes and from reorganization costs, and was made up of €0.6 million for severance and of €0.7 million for "other" legal disputes pending settlement at 31 March 2013.

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

12. 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 2013, they came to €12.9 million, down 5% versus the €13.6 million at 31 December 2012.

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

13. Other payables and liabilities

Taxes payable (€2 million) include withholding tax on salaries and consultants' pay for the month of March 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 €122 thousand owed to the tax authorities following the agreement reached in February 2012 through the settlement related to the tax audit of 2011.

The item "other payables", totaling €16.8 million, mainly comprises:

- bonus salaries due to employees (*tredicesima* and *quattordicesima*), pay in lieu of holiday, and other amounts payable for a total of €4.5 million, as well as €0.4 million in social security payments due;
- deferred income of €11.9 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.

14. Non-current assets of relevance to the cash flow statement

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

	Balance at 31/12/12	Increases	Decreases	Other movements	Exchange differences	Amort./ deprec.	Balance at 31/03/13
Goodwill	77,125	-	-	-	-1,491	-	75,634
Total goodwill	*77,125*	-	-	-	*-1,491*	-	*75,634*
Product/service development costs	6,557	900	-	-20	-15	-670	6,752
Concessions, licenses, and brands	176	82	-	-	-	-29	229
Other	906	73	-	20	1	-107	893
Total non-current intangible assets	*7,639*	*1,055*	-	-	*-14*	*-806*	*7,874*
Total	**84,764**	**1,055**	**-**	**-**	**-1,505**	**-806**	**83,508**

	Balance at 31/12/12	Increases	Decreases	Other movements	Exchange differences	Amort./ Deprec.	Balance at 31/03/13
Plant and EDP machines	5,587	649	-	2	-77	-734	5,427
Furniture and fittings	511	1	-	-142	-	-34	335
Other property, plant and equipment	60	1	-	140	-4	-21	176
Other property, plant and equipment under devt.	735	663	-	-	-26	-	1,373
TOTAL	**6,893**	**1,313**	**-**	**-**	**-107**	**-789**	**7,311**

Regarding goodwill:

the decrease in "exchange differences" relating to goodwill is explained by exchange differences on goodwill expressed in other currencies, in particular for the British company Namesco Ltd., offset by the translation reserve recognized under consolidated equity reserves.

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

Increases in intangible assets over the period came to €1.1 million and mainly concerned product/service development costs, which refer to the capitalization of expenses incurred to develop new products, services, and platforms for the provision of Domain & Hosting and Performance Advertising services.

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. In this regard, at the end of the present quarter, an evaluation was made to ensure that there were no material differences between the quarterly forecasts used in the annual impairment tests at 31 December 2012 and the actual figures at 31 March 2013. The evaluation regarded in particular the Amen/Nominalia CGU, which had shown a value in use slightly lower than the carrying amount at the close of 2012. The evaluation gave a positive outcome.

Amortization is completed mainly over five years.

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

Reference should be made to the section in the mentioned Directors' Report on cash flow and investing activities for information on investments in property, plant and equipment.

Most of the increases in intangible assets concerns:

- the purchase and installation of servers, networking systems and storage systems to enhance the server farm, constituting the basis for provision of the domain hosting and registration service as well as for online advertising. The applicable depreciation rate is between 20% and 33%;
- the increase in assets under development and advances related to the amounts paid for the construction of the new Data Center in the UK. For further information, reference should be made to the Directors' Report.

Decreases:

there were none in 1Q13.

Impairment losses:

no impairment losses were recorded in 1Q13.

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

"Other movements" in property, plant and equipment and intangible assets (excluding goodwill) concern reclassifications of different categories.

15. Changes in equity reserves

At 31 March 2013, the share capital of Dada S.p.A. was divided into n. 16,210,069 ordinary shares with a par value of €0.17 each, for a total value of €2,756 thousand. There were no increases in the first three months of 2013.

Movements in equity items in 1Q13 are reported in the statements at page 30.

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

Share premium reserve: this is a capital reserve consisting of contributions from shareholders. There is no specific limit on its use, once the legal reserve reaches one fifth of the share capital. At 31 March 2013, it amounted to €32.1 million.

There were no increases in the first three months of the current year.

Other reserves: these include:

- *Other equity instruments:* these include the payroll costs incurred in relation to the Group's stock option plans which, at 31 March 2013, amounted to €0.3 million. At 31

December 2012, they amounted to €0.2 million. Changes during the period refer to the recognition in the income statement of the portion of the stock option plan.

- *FTA reserve*, built for the first-time adoption of IFRS, at 31 March 2013 it had a negative balance of €6.2 million.
- *Extraordinary reserve* of €19.1 million, there were no changes in 1Q13.
- *Cash flow hedge reserve,* net of tax effects, it shows a negative balance of €0.1 million at 31 March 2013, with a net change of -€44 thousand versus 31 December 2012.
- *Translation reserve*, containing the differences arising from the translation of subsidiaries' financial statements prepared in currencies other than the euro, with a negative balance of -€7.7 million at 31 March 2013 (€6.3 million at 31 December 2012). Movements over the period, amounting to approximately €1.4 million, arose from the translation of the financial statements of the subsidiaries Poundhost and Namesco.
- *Other reserves,* these are the reserves produced by the deconsolidation of the Dada.net Group, amounting to €1.1 million.

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

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

	31/03/13	31/03/12
Change in net financial position *	**-572**	**1,611**
Change in non-current portion of loans	532	4,718
Change in non-cash derivatives	-105	83
Current account with RCS	-561	4
Change in cash and cash equivalents from the Statement of Cash Flows	**-706**	**6,415**

* as defined among the aggregates included in the alternative performance indicators (pages 20-21)

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

17. Commitments

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

	Balance at 31/12/2012	Increase for the period	Decrease for the period	Other Changes	Balance at 31/03/2013
Guarantees	1,848	874	-10	5	2,716
Total	**1,848**	**874**	**-10**	**5**	**2,716**

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

The decrease relates to the guarantee for a commercial contract which expired in 1Q13. 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, 9 May 2013

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 management statement correspond to the company's records, ledgers and accounting entries.

Financial reporting Officer
Federico Bronzi

ANNEX 1

RESTATED CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2013

IN EUR/000	31-Mar-13 3 months		31-Mar-12 3 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net revenue	**20,593**	**100%**	**22,015**	**100%**	**-1,422**	**-6%**
Chg. in inventories & inc. in own wk. capitalized	899	4%	900	4%	-1	0%
Service costs and other operating expenses	-13,264	-64%	-14,827	-67%	1,563	-11%
Payroll costs	-4,958	-24%	-5,011	-23%	53	-1%
EBITDA *	**3,271**	**16%**	**3,077**	**14%**	**194**	**6%**
Depreciation and amortization	-1,595	-8%	-1,600	-7%	5	-
Writedowns of receivables and other provisions	-21	-	-	-	-21	-
EBIT	**1,654**	**8%**	**1,477**	**7%**	**177**	**12%**
Financial income	279	1%	376	2%	-97	-26%
Financial charges	-1,231	-6%	-1,084	-5%	-147	14%
Profit/(loss) before taxes	**702**	**3%**	**769**	**3%**	**-67**	**-9%**
Income taxes	-317	-2%	-261	-1%	-56	21%
Group net profit/(loss)	**385**	**2%**	**508**	**2%**	**-123**	**-24%**

* Gross of impairment losses and other non-recurring items

ANNEX 2

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

IN EUR/000	31-Mar-13	31-Dec-12	DIFFERENCE	
			Absolute	%
Fixed assets (A)	**91,036**	**91,872**	**-836**	**-1%**
Current operating assets (B)	19,314	18,825	490	3%
Current operating liabilities (C)	-31,786	-31,615	-171	1%
Net working capital (D)=(B)-(C)	**-12,472**	**-12,790**	**318**	**-2%**
Provision for termination indemnities (E)	-847	-849	1	0%
Provision for risks and charges (F)	-1,302	-1,461	159	-11%
Other payables due beyond one year (G)	-166	-166	-	-
Net capital employed (A+D+E+F+G)	**76,249**	**76,606**	**-357**	**0%**
Non-current financial payables	-19,211	-18,679	-532	3%
Shareholders' equity	**-49,470**	**-50,399**	**930**	**-2%**
Current bank debt	-11,244	-10,724	-520	5%
Current financial receivables and derivatives	1,103	1,000	103	10%
Current financial payables and derivatives	-247	-810	564	-70%
Cash and cash equivalents	2,819	3,006	-187	-6%
Net current financial position	**-7,568**	**-7,528**	**-40**	**1%**
Total net financial position	**-26,779**	**-26,207**	**-572**	**2%**

ANNEX 3

Consolidation scope at 31 March 2013

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

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