



Press release pursuant to CONSOB Regulation 11971/1999, as subsequently amended

1Q16 CONSOLIDATED RESULTS APPROVED:

**REVENUE €16.8 MN, UP BY 5% YOY
(€16.0 MN IN 1Q15)**

**EBITDA¹ UP BY 5% TO €3.0 MN, WITH 18% MARGIN ON REVENUE
(€2.8 MN IN 1Q15)**

EBIT UP BY 31% TO €1.4 MN (€1.1 MN IN 1Q15)

NET PROFIT +€0.1 MN (€11 THOUSAND IN 1Q15)

**NET FINANCIAL POSITION DOWN TO -€25.0 MN (FROM -€27.9 MN AT 31
DECEMBER 2015)**

**KEY BUSINESS METRICS CONTINUE TO GROW:
CUSTOMER BASE CLIMBS BY 6% TO 580,000,
NEW CUSTOMERS ACQUIRED SURGE BY 47% YOY,
NEW DOMAINS UNDER MANAGEMENT GROW BY OVER 40% YOY**

Florence, 12 May 2016 - Today, the Board of Directors of DADA S.p.A., listed in the STAR segment of the Milan Stock Exchange, and European leader in digital services for the online presence and visibility of SMEs, approved the Interim Report at 31 March 2016.

Claudio Corbetta, CEO of DADA: *"We are highly satisfied with the results achieved in the first quarter of the current year, which continued the business growth trend previously reported in 2015. The expansion of our customer base, along with the high levels of customer retention, are key drivers in consolidating our projects geared towards organic revenue and profitability growth. Our market shares have grown in the main countries of operation, and we expect to keep up the good momentum in the coming quarters, thanks to the full implementation of the projects launched over the past few years."*

Lorenzo Lepri, General Manager & CFO of DADA: *"The first quarter ended on a positive tone, with operating and financial results in line with our 2016 guideline. In 1Q16, revenue increased by 5% YoY, reaching, considering the current core D&H business, the highest level in the past sixteen quarters, confirming the success of the refocusing strategies completed in 2015. In the remaining months of the year, we expect to*

NB: for the sake of clarity, changes in percentage and absolute terms appearing in this Press Release have been calculated using exact amounts.

¹ EBITDA is before impairment losses and non-recurring items



strengthen the organic growth of business volumes and of operating profit, keeping a constant sharp eye on any opportunities that may appear for growth through acquisitions.”

CHANGES IN THE SCOPE OF CONSOLIDATION

In order to compare figures for the two years more properly, mention should be made that in 2015 the Group completed the focusing process on the core business of online presence and visibility services for SMEs. Specifically, 2015 saw the completion of the following extraordinary transactions, which changed the Group’s structure and the resulting scope of consolidation:

- on 23 March 2015, DADA S.p.A. sold to Italiaonline S.p.A. the entire share capital of Moqu Adv S.r.l.. This agreement had required the application of the accounting standard IFRS 5 "Non-current assets held for sale and discontinued operations". The main effect of applying IFRS 5 was that all of the income statement items relating to the disposed companies had been grouped, as from 1 March 2015, on the line "Profit/(loss) from discontinued operations". This item does not appear in 1Q16.
- On 30 June 2015, the DADA Group completed the transfer of the ProAdv/Simply BU to 4w MarketPlace S.r.l., acquiring 25% of the transferee’s share capital. This investment is now accounted for under the equity method, while 1Q15 included the full consolidation of the assets of the ProAdv/Simply BU.
- on 8 July 2015, through its subsidiary Register.it S.p.A., DADA completed the acquisition of 100% of the share capital of Etinet S.r.l., a company that provides digital communication services to SMEs. This investment is fully consolidated in the DADA Group’s financial statements as of 1 July 2015. Conversely, 1Q15 had no financial benefit from this company.

As a result of the abovementioned focusing process, the DADA Group is currently organized around the single business unit falling under the "Domain and Hosting" division.

GROUP RESULTS IN 1Q16

The DADA Group ended 1Q16 with **consolidated revenue** of **€16.8** million, up by **+5.0%** versus €16.0 million in 1Q15.

The revenue performance reflects the adverse trend of the appreciation of the Euro against the British Pound, which had a negative effect of approximately €0.2 million versus 1Q15, as well as the following changes in the business scope:

- the disposal of ProAdv/Simply, the online advertising product, starting from 1 July 2015, which contributed €0.5 million to revenue in 1Q15;



- the consolidation of the results of Etinet S.r.l., starting from 1 July 2015, which contribute €0.3 million to revenue in 1Q16.

Net of these effects, consolidated revenue would have grown by 8% versus 1Q15.

Foreign-based activities contributed **55%** to consolidated revenue in 1Q16, **up slightly** versus 54% in 1Q15, confirming the significant weight of international contribution to the overall development of the Group.

In 1Q16, DADA Group **EBITDA** came to **€3.0 million**, up by **5% versus 1Q15** (€2.8 million), with an **18% margin** on revenue.

Looking at each line of the income statement:

- **service costs** grew by €0.3 million, also as a result of the greater volumes managed, while dropping as a **percentage of revenue**, from 58% in 1Q15 to **56%** in 1Q16. Specifically, mention should be made of the **higher marketing costs** (€1.7 million, up 3% versus 1Q15) to support the revenue trend in an increasingly competitive market, and of the **benefits** arising from the full operation of the **new Datacenter in the UK** and from the gradual **disposal of the French datacenters** (with a total reduction of €0.1 million, or 12% less than in 1Q15);
- **payroll costs** in 1Q16 amounted to €5.0 million, up by 9% versus €4.5 million in 1Q15, accounting for 30% of revenue versus 28%. The trend of this aggregate is mostly ascribable to the **increase in staff** (416 units at 31 March 2016 versus 348 at 31 March 2015), as a result mainly of the **consolidation of Etinet S.r.l.** and of the **insourcing of customer care services** in Italy and in other countries, which took place in 2015.
- **“Change in inventories and increase in own work capitalized”**, amounting in 1Q16 to **€0.6 million**, or 3% of consolidated revenue (**in line with 1Q15**), consists of **expenses incurred for the development of the proprietary platforms** needed to launch and manage the services provided by the DADA Group.

In 1Q16, the DADA Group achieved **EBIT** of **€1.4 million** (**8% margin** on consolidated revenue), **up by 31%** versus €1.1 million achieved in 1Q15 (**7% margin**).

In addition to the previous comments on EBITDA growth, EBIT’s performance reflects the following elements:

- **depreciation and amortization**, amounting to **€1.6 million** (9% of revenue), **€0.9 million** of which for **tangible assets** and **€0.7 million** for **intangible assets**; the overall figure **dropped** (-5%) versus 1Q15 (€1.7 million), due mainly to the reduction in the internal development of the platforms;
- EBIT in 1Q16 felt no significant impact from **impairment losses, provisions and other non-recurring income/charges** (-€10 thousand) versus -€0.1 million reported in 1Q15 for the impairment of trade receivables and for charges related to the efficiency of the organizational structure.



Financial activities (the difference between financial income and charges) of the DADA Group came to **-€0.9 million** (-€0.7 million from financial charges and -€0.2 million from the negative effect of forex) versus -€0.4 million in 1Q15 (-€0.8 million from financial charges and +€0.3 million from the positive effect of forex). The trend of this aggregate was **impacted** in particular by the effects of **forex fluctuations**, especially those regarding the Euro/British pound exchange rate.

The trend in **spreads and rates** charged on loans **improved** versus both 1Q15 and 4Q15, thanks also to the **positive outcome of the renegotiation of outstanding long-term loans** made in 1Q15, the benefits of which began to be felt from 2Q15. Consequently, **overall financial charges, net of exchange losses**, amounted to €0.7 million in 1Q16 versus €0.8 million in 1Q15 (down by 11%), and refer to: **interest expense** on medium/long-term bank loans, amounting to **€0.28 million** (€0.34 million in 1Q15); interest owed on bank overdrafts and other bank commissions amounting to €0.4 million (in line with 1Q15), **€0.3 million** of which refer to bank commissions on **credit card payments**.

The consolidated **tax burden** of the DADA Group at 31 March 2016 amounted to -€0.4 million (-€0.3 million at 31 March 2015), and reflects: (i) current taxes of -€0.3 million (in line with the figure at 31 March 2015), (ii) deferred taxes of -€0.1 million (€59 thousand at 31 March 2015).

Profit/(loss) from discontinued operations, which is not included in 1Q16, had amounted to -€0.3 million at 31 March 2015 and included income statement figures referring to the Performance Advertising division (as well as the costs incurred to carry out the transaction), sold to Italiaonline in March 2015, with financial effects from 28 February.

The consolidated **Net Profit** of the DADA Group in 1Q16 came to a **positive €0.1 million**, **improving** versus the basically breakeven result of 1Q15 (€11 thousand).

GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 MARCH 2016

The total **Net Financial Position** at 31 March 2016 came to **-€25.0 million**, **improving** versus -€27.9 million at 31 December 2015, **thanks mainly to the contribution from cash flows from operations** generated by the DADA Group in the reporting period.

In 1Q16, the NFP trend reflects: (i) the **positive cash flows generated by operating activities** after changes in net working capital of **€4.6 million** (€3.8 million in 1Q15, including the effects of discontinued operations); (ii) **investing activities** of -€1.3 million (+€3.4 million at 31 March 2015, including the benefits from the disposal of Moqu, amounting to €5.0 million).

Cash outlays for interest and tax came to -€0.45 million at 31 March 2016 versus -€0.53 million at 31 March 2015.

The consolidated **Net Financial Position** at 31 March 2016 consisted of **current debt** of **€10.5 million** (€11.2 million at 31 December 2015), mortgage and other **medium/long-term loans** of **€19.9 million** (€20.4 million at 31 December 2015) and of **banks and financial assets** totaling **€5.4 million** (€3.7 million at 31 December 2015). The reduction in



net current exposure is mostly attributable, as mentioned, to the operating cash flows generated by the Group in the reporting period and to a number of loan renegotiations.

Investments in the period totaled **€1.1 million** (€1.2 million at 31 March 2015), **€0.7 million** of which for **intangible assets** versus €0.6 million at 31 March 2015, and **€0.4 million** of which for **tangible investments in technology** versus €0.5 million in 1Q15.

The DADA Group's **Net Working Capital** was **-€13.3 million** at 31 March 2016 versus -€11.5 million at 31 December 2015. It should be noted that the trend of this aggregate is closely tied to the Group's operations, which normally report higher cash-ins in the first quarter of the year for service revenue than in subsequent quarters, part of which is recognized over 12 months as deferred income on a pro-rata basis. Deferred income (€13.8 million at 31 March 2016 versus €12.9 million at 31 December 2015) is included in other payables, but will not entail future financial outlays, rather the recognition of revenue in the income statement.

The DADA Group's **Shareholders' Equity** amounted to **€56.1 million** at 31 March 2016 versus **€59.3 million** at 31 December 2015; the decrease is explained mainly by the contribution of **profit for the period** of €0.14 million, and by the translation of financial statements of consolidated companies denominated in GBP of -€3.4 million.

BUSINESS PERFORMANCE IN 1Q16

Today, the DADA Group is one of the **top European players in the field of digital services** for the online presence and business of SMEs. The Group operates in **7 European countries** through highly established brands (Register.it in Italy, Nominalia in Spain, Amen in France, Holland and Portugal, Poundhost, Namesco and Register365 in the UK and Ireland), which allow it to hold leadership positions in its markets of operation, including in **Italy and the United Kingdom**, where it ranks as **second and fourth player**, respectively.

In 1Q16, despite the persistently fierce competitive market environment, DADA recorded a **strong improvement in all key business metrics**, continuing the positive trend that had started in 2015. The **customer base grew by 6%** versus 1Q15, topping the **580,000 mark**; **new customers** in 1Q16 increased by **+47% YoY**, thanks also to the effective sales strategies and the investments made in marketing, which have continued since 2H15.

Looking at the product portfolio, on the **domains** front, **new domain registrations** grew by over **+40% YoY**, with an overall stock of **1.83 million domains managed** at the end of the quarter, increasing by **+6%** versus 1Q15.

At 31 March 2016, the Group managed over **1.6 million email accounts** and over **650 thousand hosting plans** in Italy, the UK and Ireland, Spain, France, Portugal and Holland, **increasing its market share** in the segment of **virtual and dedicated servers**, and solutions for the **creation, management and visibility of web and e-commerce sites** for European SMEs, as well as in **online brand protection services**.



In the quarter, the DADA Group demonstrated, once again, its solid ability to retain customers (with a **monthly churn steady at <1.2%**), thanks also to the success of the efforts to improve service performance levels and customer support and consulting. In this sense, the Group, as early as mid-2015, also extended the interaction channels and contact time of the various local Customer Care desks, today fully internalized in all countries.

Service performance and focus on retention goals continue to translate into **an average renewal rate** even higher than 90% for a number of products, while increasing opportunities for the **upselling of incremental and higher value-added services** to the established customer base, with the aim of **increasing its ARPU** (average revenue per user).

As in 2015, **price repositioning** policies in 1Q16 were implemented to cover a wider range of potential customers. These policies are expected to drive operating profit especially from the second half of the current year.

Additionally, in the first three months of 2016, the portfolio of solutions was further developed to offer growing levels of **performance, security and reliability**. **Sharp focus** was placed on tailor-made solutions to satisfy increasingly customized needs, with a view to providing a **one-stop-shop** experience of digital services for the online presence and business of SMEs at a European level.

Specifically, the expansion of the product portfolio regarded:

- the **new, advanced cPanel hosting solution**, released in the second part of 2015 and **fully managed at the proprietary Datacenter located in Reading (UK)**, which posted positive volume results also in 1Q16, confirming the keen interest of the European market in this particular product;
- the range of advanced **Cloud Hosting, Virtual and Dedicated Servers** services, highly performing and with highly flexible pricing policies, which have strengthened DADA's market share in this segment as well;
- **'We do it for you'** mode services delivered in all of DADA's countries of operation, which allow professionals and businesses to rely on a **team of web designers, developers and Internet communication consultants** for the creation and management of custom projects of their web and e-commerce site, including in **mobile mode**;
- the expansion to new markets of dedicated services for **SMEs and SOHOs**, such as **online trademark registration**, e-invoicing in Italy or accreditation as Trade Mark Clearing House agents.



SIGNIFICANT EVENTS IN 1Q16

There are no significant events to report in the first quarter of 2016.

EVENTS AFTER 1Q16, GROUP STRATEGIC GUIDELINES AND BUSINESS OUTLOOK FOR THE YEAR

EVENTS AFTER THE REPORTING PERIOD

On 28 April 2016, the Annual General Meeting of Shareholders of DADA S.p.A. met and resolved on:

- (i) the approval of the Separate Financial Statements of DADA S.p.A. for the year ended 31 December 2015, as proposed by the Board of Directors at the meeting held on 14 March 2016. The Shareholders also resolved to carry forward the result for the year of €1,575,094.94;
- (ii) the confirmation, as Directors of the Company, of Youssef Mohamed Salah Abdelsalam Bassem and of Fadi Zafer Boulos Antaki, previously co-opted by the Board of Directors of DADA S.p.A. on 11 November 2015, following the resignation of Khaled Bishara and Antonio Converti on 8 September 2015;
- (iii) the approval of the Remuneration Report in accordance with art. 123-ter of Legislative Decree 58/98;
- (iv) the renewal of the authorization, after revoking the previous one granted on 28 April 2015, to purchase treasury shares for up to a maximum number of shares not exceeding one tenth of the share capital and to sell shares for a period of up to 18 months from authorization. The purpose of this authorization is to give the Company a means of strategic and operational flexibility. It will be allowed, among other things, to dispose of any treasury shares acquired and to carry out transactions such as purchases/sales, swaps and assignments. Based on the Board's proposal, treasury shares may be purchased at a price which is not less than 20% or more than 10% of the official stock price registered on the trading day prior to each purchase. The shares are to be purchased according to the laws for markets organized and operated by Borsa Italiana S.p.A., as per the procedures established by the latter which prohibit the direct matching of bid prices with predetermined ask prices. The sale of treasury shares, rather, may be done at a price or valuation which is not less than 95% of the average stock price registered for a period of ninety trading days prior to the disposal or any previous binding offers made in this regard, in accordance with the law and the applicable accounting standards.

For further details, reference should be made to the press releases issued on the foregoing event.



STRATEGIC GUIDELINES AND OUTLOOK FOR THE YEAR

The **results** achieved by the DADA Group in the first quarter **are fully in line** with the **2016** guideline previously announced in the financial report at 31 December 2015, whose forecasts point to a “mid-single-digit” organic growth of business volumes, while operating profit is expected to grow more than proportionally especially from the third quarter of 2016, benefiting from the contribution of the sales and technological initiatives launched starting from the second half of 2015.

The **strategic** growth lines of the DADA Group, today fully focused on the **Domain & Hosting** segment, aim to **strengthen its position** as a **leading player at a European level** in online presence and business services tailored to SMEs.

Specifically, the Group’s strategic priorities seek to **increase the market share** in the **various geographies of operation**, expanding the range of services in “we do it for you” mode and strengthening the **foothold** in the **cloud, and virtual & dedicated servers** segment, placing growing attention on the quality of **advice and consulting** services for SMEs.

Organic revenue growth is expected to be achieved by acquiring more and more **new customers**, building on the continuation of increasingly effective sales policies, and by further improving the retention rate, leveraging on **upselling strategies** (selling an increasing number of products to existing customers), and on **increase in ARPU** (average revenue per user) of established customers.

Great attention will remain on opportunities to achieve growth also **through acquisitions**, focusing on those in the Group’s countries of operation, with the aim of complementing the product portfolio and enhancing the Group’s internal skills.

Profitability - wise, future strategic priorities will be centered on the continued integration of the technology platforms and full implementation of the Datacenter in the UK, as well as on constant commitment to the optimization of other operating costs and overheads.



Statement by the Manager responsible for preparing the Company's Financial Reports

Mr. Federico Bronzi, the Manager responsible for preparing the Company's financial reports, declares pursuant to art. 154 bis (2) of the Consolidated Finance Act (Testo Unico della Finanza or TUF) that the financial information contained in this press release corresponds to the Company's records, ledgers and accounting entries.

The **Consolidated Interim Report at 31 March 2016** will be made available to the public at the Company's registered office, as well as on the Company's website www.dada.eu (Investor Relations/Financial Reports section) in accordance with the law.

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CONFERENCE CALL

The Company will **present the results at 31 March 2016** to the financial community at the **conference call to be held today at 3 PM** (Italian time). The presentation will be made available before the start of the conference call on the authorized storage mechanism NIS-Storage www.emarketstorage.com, managed by Blt Market Services, and on the Company website www.dada.eu (in the Investor Relations/Financial Presentations section).

This press release is also available on www.dada.eu in the Investor relations/Financial Press Releases section.

*DADA S.p.A. - listed in the STAR segment of the Italian Stock Exchange - is an international leader in online presence and visibility services (domains, hosting, servers, online brand protection) for European SMEs. With over 580 thousand business clients and 1.83 million domains under management, and 1.6 million email accounts and 650 thousand active hosting plans, DADA is one of the leading names in the European **Domain & Hosting** segment and is a key player in its markets of operation: in Italy through its established brand *Register.it*, as well as in the UK, Ireland, Spain, France, Portugal and Holland under the Namesco, PoundHost, Register365, Nominalia and Amen brands, respectively.*

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ANNEXES

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2016

EUR/000	31-Mar-16 3 months		31-Mar-15 3 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	16,841	100%	16,001	100%	840	5%
Chg. in inventories & inc. in own wk. capitalized	589	3%	607	4%	-18	-3%
Service costs and other operating expenses	-9,481	-56%	-9,230	-58%	-250	3%
Payroll costs	-4,975	-30%	-4,544	-28%	-431	9%
EBITDA	2,974	18%	2,834	18%	140	5%
Depreciation and amortization	-1,569	-9%	-1,657	-10%	89	-5%
Non-recurring income/(charges)	-	-	-21	-	21	100%
Impairment losses and other provisions	-10	-	-92	-1%	82	-89%
EBIT	1,396	8%	1,064	7%	332	31%
Financial income	87	1%	438	3%	-352	-80%
Financial charges	-964	-6%	-848	-5%	-116	14%
Other income/charges from financial assets and liabilities	-1	-	-	-	-1	-
Comprehensive profit/(loss) before taxes	518	3%	654	4%	-137	-21%
Income taxes	-378	-2%	-313	-2%	-64	21%
Comprehensive profit/(loss) from continuing operations	140	1%	341	2%	-201	-59%
Profit/(loss) from discontinued operations	-	-	-330	-2%	330	100%
Group net profit/(loss)	140	1%	11	-	129	1160%



DADA GROUP NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 MARCH 2016

EUR/000	31-Mar-16	31-Dec.-15	DIFFERENCE	
			Absolute	%
Fixed assets	95,426	99,745	-4,319	-4%
Current operating assets	15,710	13,652	2,059	15%
Current operating liabilities	-28,996	-25,113	-3,884	15%
Net working capital	-13,286	-11,461	-1,825	14%
Provision for termination indemnities	-655	-667	12	-2%
Provision for risks and charges	-347	-392	45	-12%
Net capital employed	81,138	87,225	-6,087	-7%
Medium/long-term financial payables and long-term derivatives	-19,903	-20,382	479	-2%
Shareholders' equity	-56,117	-59,335	3,218	-5%
Current bank debt	-10,325	-11,038	713	-6%
Current financial receivables and derivatives	1,500	1,500	-	0%
Current financial payables and derivatives	-180	-177	-4	2%
Cash and cash equivalents	3,888	2,206	1,682	76%
Net short-term financial position	-5,117	-7,508	2,390	32%
Total net financial position	-25,021	-27,890	2,869	10%



GEOGRAPHICAL BREAKDOWN OF CONSOLIDATED REVENUE

Description	31/03/2016 (3 months)		31/03/2015 (3 months)	
	Amount	% of total	Amount	% of total
Revenue - Italy	7,598	45%	7,305	46%
Revenue - abroad	9,243	55%	8,696	54%
Total	16,841		16,001	



DADA GROUP RECLASSIFIED CONSOLIDATED CASH FLOW STATEMENT AT 31 MARCH 2016

EUR/000	31 MARCH 2016	31 MARCH 2015
Cash flow from operating activities before changes in working capital	2,952	2,815
(Increase)/decrease in inventories	7	
(Increase)/decrease in receivables	-2,097	-928
Increase/(decrease) in payables	3,783	1,898
Cash flow from operating activities	4,644	3,785
Income taxes paid	-81	-12
Interest (paid)/received	-367	-516
Net cash flow from operating activities	4,197	3,257
Investing activities		
Sale of subsidiaries and associates	0	5,000
Financial effect of discontinued operations	0	-206
Purchase of property, plant and equipment	-580	-715
Sale of fixed assets	0	10
Other changes in fixed assets	2	0
Purchase of intangible assets	-95	-34
Product development costs	-595	-607
Net cash flow used in investing activities	-1,269	3,449
Financing activities		
Change in loans	-535	5,484
Other changes	1	29
Net cash flow from/(used in) financing activities	-534	5,512
Net increase/(decrease) in cash and cash equivalents	2,394	12,218
Cash and cash equivalents at beginning of period	-8,831	-16,792
Cash and cash equivalents at end of period	-6,437	-4,574