DADA S.P.A. AND DADA GROUP FINANCIAL STATEMENTS AT DECEMBER 31, 2008

2008

Dada

DADA S.P.A. AND DADA GROUP FINANCIAL STATEMENTS AT DECEMBER 31, 2008

(prepared in accordance with IAS/IFRS international accounting standards)

Registered Office: Piazza Annigoni, 9/b - Florence
Share capital Euro 2.755.711,73 fully paid-in
Florence Company Registration Office No. FI017-68727-
REA 467460
Fiscal code/VAT No. 04628270482

Dada S.p.A. and Dada Group Financial Statements at December 31, 2008

Prepared in accordance with IAS/IFRS international accounting standards

CONTENTS

CORPORATE BOARDS

The corporate boards were appointed by the Shareholders' Meeting on April 21, 2006 for the three-year period 2006-2008.

BOARD OF DIRECTORS[6]

Paolo Barberis	Chairman
Barbara Poggiali	Chief Executive Officer [1]
Lorenzo Lepri	Director [2]
Salvatore Amato	Director [3,4,5]
Raffaello Napoleone	Director [3.4]
Monica Alessandra Possa	Director [5]
Roberto Ravagnani	Director
Riccardo Stilli	Director
Giorgio Valerio	Director
Pietro Varvello	Director
Danilo Vivarelli	Director [3,4,5]

1 - Chief Executive Officer with signatory powers for all operational areas of the Company from January 7, 2009
2 - Director with power of attorney for some areas of the Company from January 7, 2009
3 - Independent Director in accordance with the self-governance code for Listed Companies
4 - Member of the Internal Control Committee
5 - Member of the Remuneration Committee
6 – The Directors Angelo Falchetti and Marco Argenti, previously appointed by the Shareholders' Meeting of April 2006, remained as Directors of the Company until the date of their effective resignation of December 3, 2008. The Shareholders' Meeting of January 9, 2009 decided not to appoint two new directors but to reduce the number of members of the Board of the Company from 13 to 11.

BOARD OF STATUTORY AUDITORS[1]

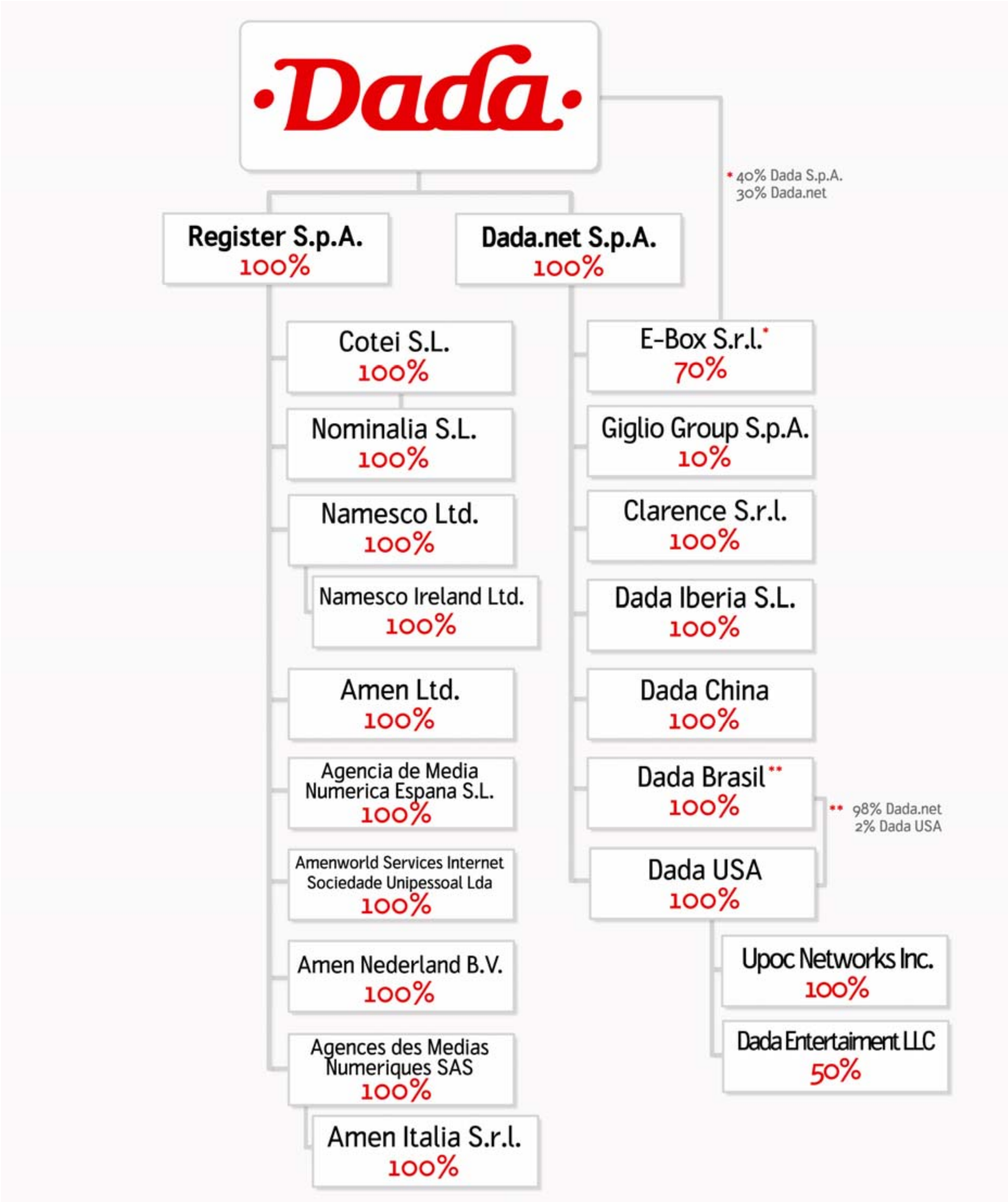
Pier Angelo Dei	Chair - Board of Stat. Auditors
Piero Alonzo	Statutory Auditor
Claudio Pastori	Statutory Auditor
Maria Stefania Sala	Alternate Auditor
Francesca Pirrelli	Alternate Auditor

1 - Following the resignation of Mr. Massimo Cremona on May 31, 2008, Mr. Claudio Pastori assumed the office of standing auditor until the next Shareholders' Meeting. The Shareholders' Meeting of January 9, 2009 therefore appointed Mr. Claudio Pastori as a new statutory auditor and Ms. Maria Stefania Sala as a new alternate auditor of the company.

INDEPENDENT AUDIT FIRM

Reconta Ernst & Young S.p.A.

STRUCTURE OF THE GROUP



FINANCIAL HIGHLIGHTS OF THE DADA GROUP AND DADA SPA AS PER IAS/IFRS ACCOUNTING STANDARDS

Consolidated Results (3 months)

(millions of Euro)	31/12/2008	31/12/2007*
Revenues	44.2	43.5
Ebitda	6.9	6.8
Amortisation & depreciation	-2.7	-1.8
Ebit	-0.7	4.4
Group net profit	-3.8	3.2

Consolidated Results (12 months)

(millions of Euro)	31/12/2008	31/12/2007*
Revenues	170.2	158.5
Ebitda	28.9	23.4
Amortisation & depreciation	-8.3	-5.4
Ebit	14.6	17.0
Group net profit	7.6	13.7

* Restated data in accordance with change in accounting principle.

Consolidated Balance Sheet as at December 31, 2008

(millions of Euro)	31/12/2008	31/12/2007*
Net Working Capital	-11.5	-4.7
Net Capital Employed	92.9	79.1
Net Equity	61.5	62.3
Short-term net financial position	-2.9	9.7
Total net financial position	-31.4	-16.8
Number of employees	563	474

* Restated data in accordance with change in accounting principle.

Results of Dada SpA (12 months)

(millions of Euro)	31/12/2008	31/12/2007
Revenues	50.0	106.4
Ebitda	2.5	8.2
Amortisation & depreciation	-3.1	-3.4
Ebit	-1.0	4.0
Net profit for the year	-1.7	1.0

Balance Sheet data of Dada SpA as at December 31, 2008

(millions of Euro)	31/12/2008	31/12/2007
Net Working Capital	-3.8	2.0
Net Capital Employed	54.2	46.8
Net Equity	57.1	-56.9
Short-term net financial position	2.8	10.1

DIRECTORS' REPORT ON OPERATIONS

INTRODUCTION

The present consolidated financial statements at December 31, 2008 were prepared in accordance with IAS/IFRS issued by the IASB and approved by the European Union as per article 81 of the Issuers' Regulations No. 11971, issued by Consob on May 14, 1999, and subsequent amendments. For comparative purposes, the figures for the previous periods were also prepared in accordance with IAS/IFRS.

The present report was prepared taking into consideration the current accounting standards at the date of their preparation. It is possible that new versions or interpretations of the IFRS will be issued before the publication of the financial statements for 2008. If this occurs, therefore, it is possible that there will be an effect on the data presented in the IFRS first half-year report.

DADA GROUP PROFILE

Dada S.p.A. is an international leader in Community and Entertainment services through web and mobile, as well as in Domain, Hosting and advanced online Advertising solutions.

Dada is listed on the Milan Stock Exchange in the STAR segment (DA.MI) and includes among its shareholders the founder and chairman Paolo Barberis with 5.4% of the share capital and the RCS group which holds 49.5%.

Today, Dada is divided into 2 business areas: Dada.net (www.dada.net, community & entertainment services focused on music) and Dada.pro (www.dada.pro, professional services and advertising on the Internet).

Dada.net

Dada's offer to the final user is currently focused on the "Dada – The Music Movement" service, a community in which users can form relationships, share their musical tastes and purchase tracks in MP3 DRM-free format from a large catalogue of the major and independent record labels, and on value-added services offered throughout more than 14 countries.

The unique nature of the Dada services is the convergence of a vast number of applications and a rich library of content, from Entertainment/Infotainment to Social Networking and Music Store, in a single all inclusive subscription, accessible via PC and mobile.

The Dada Group also includes Blogo, the most visited vertical blog network in Italy, Splinder, the popular brand in the blog and social networking sector and Upoc Networks - a provider of added value web and mobile services on the US market.

Dada.pro

With over 430 thousand business clients and more than 1.3 million domains under management, of which 70% overseas, Dada.pro is one of the leading European companies in the registration of internet domains and the management of online presence for both individuals and businesses. This division also includes the activities of Register.it, established leader in Italy, the companies Nominalia and Namesco, leaders respectively in Spain and in the UK, and from July 2008, the Amen Group, one of the leading operators in France, Spain and Portugal, offering services also in the U.K., Holland and Italy.

Through the brand Dada Ad, Dada.pro also offers advertising solutions on the internet and portals of UMTS mobile carriers (through exclusive advertising on the 3 Italia mobile network and in Brazil through the management of the mobile portals of Oi and Claro).

The investment in the Company E-Box Srl (owner of Blogo) increased to 70% in July. Reference should be made to the paragraph 'significant events in the year' for further information.

From October 1, 2007, the joint venture of Dada Entertainment LLC by Dada and SONY BMG MUSIC ENTERTAINMENT became operative, which aims to develop new entertainment services accessible via web and mobile. 50% of Dada Entertainment is held by Dada and the remaining 50% by SONY BMG MUSIC ENTERTAINMENT.

In accordance with article 37, No.2 of the Consob Issuers' Regulations, it is stated that Dada S.p.A. is not under the control and direction of the parent company RCS MediaGroup S.p.A. In fact, this latter does not exercise such activity on the operations of Dada. Dada S.p.A., acting under its own management, trading and financial autonomy and independently examines and approves, among other matters, its operations and strategic plans, as well as its procedures and organisational and control models. In relation to this, the Corporate Governance Report of the holding company is of particular note (last publication on the date of approval of the present report), whereby – among other matters – it is expressly stated that the Board of Directors of this latter exercised its stated strategic functions (for example the approval of significant operations) respecting the independent management of subsidiaries with listed shares on regulated markets and in particular those not subject to coordination and direction by the same RCS MediaGroup S.p.A.; this independent responsibility is expressly stated in relation to the activities necessary for the formation of the internal control systems.

OPERATIONAL OVERVIEW

Dear Shareholders,

In reviewing the income statement and balance sheet data reported in the following directors' report, account should be taken of the effects related to the change in the consolidation scope (as described on page 14) and the change in the accounting principle relating to the acquisition of users (as described in page 85).

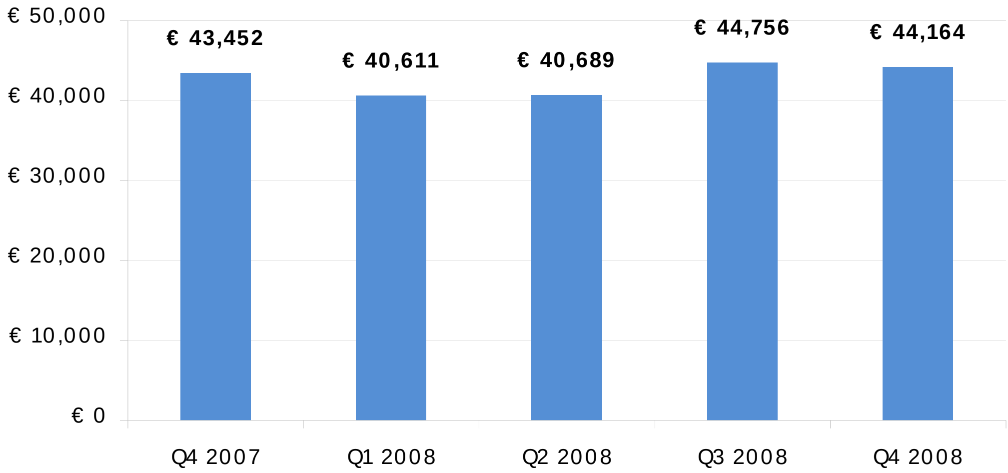
In 2008, the **Dada Group** recorded **consolidated revenues of Euro 170.2 million,** compared to Euro 158.5 million in the previous year**, an increase of 7%.**

In the fourth quarter of 2008, the Dada Group recorded **consolidated revenues of Euro 44.2 million –** in line with the fourth quarter of 2007 (Euro 43.4 million - growth of 1.8%), while slightly decreasing (Euro 44.8 million, -1%) compared to the third quarter of the present year.

The **Parent Company Dada S.p.A** in 2008 recorded revenues of Euro 50 million compared to Euro 106 million in 2007, a contraction of 52%. In the fourth quarter, the sales of the Parent Company amounted to Euro 7.6 million compared to Euro 26 million in 2007. The result of the Parent Company is a consequence of the corporate reorganisation during the year, which saw the conferment of the business units Dada.net Italia and Dada.Adv respectively into the subsidiaries Dada.net S.p.A. and Register.it S.p.A. This operation results in the Parent Company benefiting from the financial results of the subsidiaries.

The consolidated revenues trend in the last 5 quarters is shown in the table below:

CONSOLIDATED QUARTERLY REVENUES



In relation to the respective divisions, the contribution of the Dada.net division to the consolidated turnover in 2008 was 54% compared to 68% in the previous year.

The Dada adv division - as previously stated – merged into the Dada.pro division, which accounted for 46% of consolidated turnover, a significant growth compared to 32% in the previous year.

The contribution of the divisions was impacted by the change in the consolidation scope, whose effects are described below.

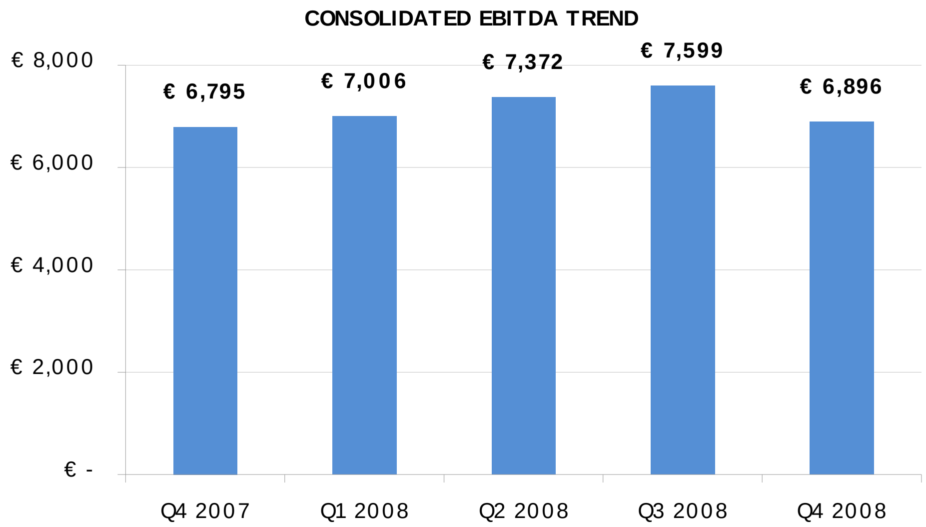
For further information on the performance of the divisions, reference should be made to the paragraph on segment information as per IAS 14.

International sales have consolidated gains on the year, prevalently through acquisitions by the Dada.pro division, increasing from 47% in 2007 to 48% in 2008. The previous year benefited from VAS services revenues on the United States market for the first 9 months of the year – this activity was then conferred to the Joint Venture with Sony BMG Dada Entertainment LLC.

The **consolidated EBITDA of the Group in 2008** (before write-downs and other extraordinary items) **amounted to Euro 28.9 million** compared to Euro 23.4 million in the previous year, growth of 23%. In the fourth quarter of the year the EBITDA was Euro 6.9 million, in line with the fourth quarter of 2007 (Euro 6.8 million) and a decrease on the third quarter of 2008 which recorded an EBITDA of Euro 7.6 million.

The **Parent Company Dada S.p.A.** reported an Ebitda of Euro 2.5 million compared to Euro 8.2 million in 2007; the reorganisation described previously also had an impact on this result.

The trend of the consolidated Ebitda in the last 5 quarters is shown in the graph below:



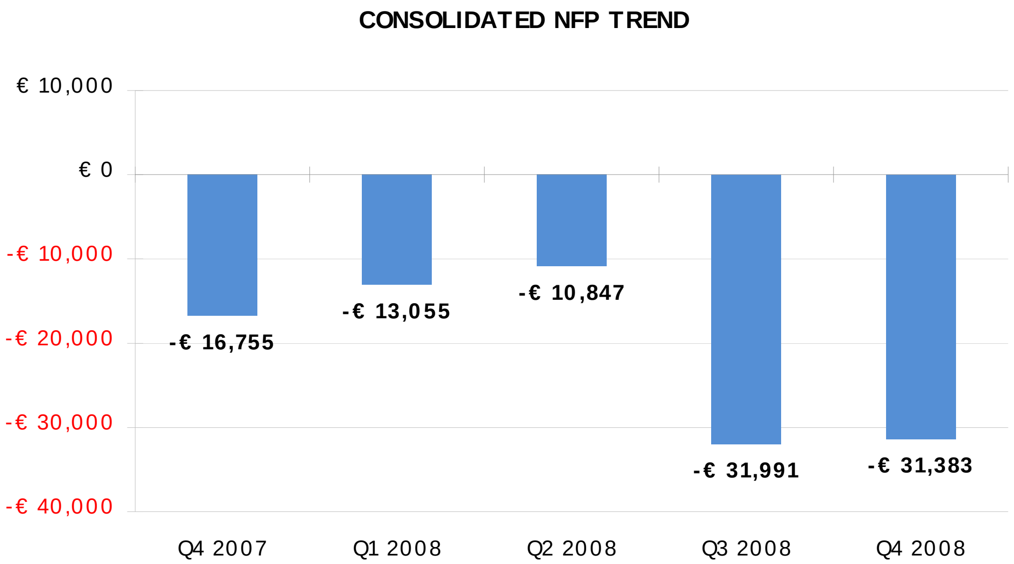
The total net financial position, which also includes loans repayable beyond one year, was a net debt of Euro 31.4 million compared to Euro 16.8 million at December 31, 2007 and Euro 32 million at September 30, 2008. Therefore, cash absorption amounted to Euro 14.6 million in 2008 while cash generated amounted to Euro 0.6 million in the fourth quarter.

In 2008, the net financial position was impacted by the Group investment activities (prevalently the acquisition of holdings) during the year as described in further detail in the present report.

Investments were also made in the year related to the provision of new services and the preparation of new proprietary platforms.

The graph below shows the changes in the Net Financial Position:

The graph below shows the changes in the net financial position:



The short-term Consolidated Net Financial Position of the Dada Group at December 31, 2008 was a debt of Euro 2.9 million compared to net funds of Euro 9.7 million at December 31, 2007.

The **Parent Company Dada S.p.A.** ended the year with short-term net funds of Euro 2.8 million compared to Euro 10.1 million at December 31, 2007.

Financial Highlights

The key financial highlights of the **Dada Group** in 2008 are provided below, together with a comparison with the previous year:

Amounts in Euro/thousand	Dec. 31, 08 12 months		Dec. 31, 07 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	170,220	100%	158,514	100%	11,706	7%
Changes in inventory and internal work	4,879	3%	4,557	3%	322	7%
Service costs and other operating costs	-117,725	-69%	-115,788	-73%	-1,937	2%
Personnel costs	-28,500	-17%	-23,895	-15%	-4,605	19%
Ebitda*	28,874	17%	23,388	15%	5,486	23%
Amortisation & depreciation	-8,314	-5%	-5,368	-3%	-2,946	55%
Non-recurring income (charges)	-214	0%	-261	0%	47	-18%
Write-down of fixed assets	-4120	-2%		0%	-4,120	
Revaluations/(Write-downs)	-1635	-1%	-751	0%	-884	118%
Ebit	14,591	9%	17,008	11%	-2,417	-14%

* before write-downs and extraordinary items of Euro 1.8 million

The reclassified results of the **Parent Company Dada S.p.A.** for 2008 and 2007 are reported below:

Amounts in Euro/thousand	Dec. 31, 08 12 months		Dec. 31, 07 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	49,973	100%	106,441	100%	-56,468	-53%
Changes in inventory and internal work	1,442	3%	3,110	6%	-1,668	-54%
Service costs and other operating costs	-40,808	-82%	-89,456	-179%	48,648	-54%
Personnel costs	-8,104	-16%	-11,931	-24%	3,827	-32%
Ebitda	2,503	5%	8,164	16%	-5,661	-69%
Amortisation & depreciation	-3,116	-6%	-3,364	-7%	248	-7%
Non-recurring income (charges)	-184	0%	-183	0%	-1	1%
Revaluations/(Write-downs)	-200	0%	-575	-1%	375	-65%
Ebit	-997	-2%	4,042	8%	-5,039	-125%

For further information on the results, reference should be made to attachments 2) and 3) on pages 63 and 64.

The consolidated revenues **of the DADA Group in 2008 amounted to Euro 170.2 million** (of which Euro 35 million, net of inter-company sales, related to the Parent Company Dada S.p.A.) compared to Euro

158.5 million in the previous year (Euro 72 million, net of inter-company sales, from Dada S.p.A), an increase of 7%.

However, sales for the fourth quarter recorded limited growth on the same period of 2007 (Euro 43.5 million in 2008 compared to Euro 43.5 million in 2007), while decreasing on the third quarter of the present year (Euro 44.8 million).

Consolidation scope

In 2008, the consolidation scope changed significantly from the previous year.

A description of the changes in the year and their effects on the main accounts is illustrated below. For further information on the operations affecting the consolidation scope, reference should be made to the section "significant events in 2008" and to the consolidated notes:

- in the 2007 annual accounts, Softec S.p.A. was fully consolidated for the first three months of the year. This company was subsequently sold in April 2007 and therefore not included in the consolidation scope in 2008;
- in the first nine months of 2007, the VAS activities on the American market were still included in the company Dada Usa Inc. (a fully consolidated company). These activities were conferred in September last year into the Joint Venture Dada Entertainment LLC, held 50% with Sony BMG. The above-mentioned holding is valued in the financial statements under the equity method (share of results under financial income/charges), and therefore does not contribute to revenues and to the other income statement accounts;
- for 2008, the company Namesco Ltd (acquired in July 2007) was fully consolidated and therefore contributed to revenues in 2007 only in the second half of the year;
- in July, 2008, the companies of the Amen Group and E-Box Srl were fully consolidated for the second half year of 2008, while they were not included in the consolidation scope of the previous year. In particular, the Group already held a minority shareholding in the company E-Box Srl and therefore was consolidated under the equity method;
- in July 2008, 10% of the company Giglio S.p.A. was also acquired, which based on the related contractual agreements and in accordance with international accounting standards, was fully consolidated for the second half of 2008.

The effect on the consolidated revenues of the Dada Group in 2008 deriving from the above changes on the consolidation scope would have been lower revenues of Euro 4 million compared to 2007.

Sectors of activity

In relation to the individual sectors of activity, from the present year the structure was reorganised with the activities of the previous division Dada adv being incorporated into the Dada.pro division and therefore the figures of the previous year were also reclassified. The reorganisation was carried out through a significant extraordinary operation which involved the Parent Company Dada S.p.A. and the 100% held subsidiaries Dada Net S.p.A. and Register.it S.p.A. In particular, with effect from July 1, 2008, Dada S.p.A. conferred its business units VAS Italia services and Advertising respectively to Dada Net S.p.A. and Register.it S.p.A., companies which therefore act as the operating companies in the two sectors of activity Dada.net and Dada.pro (reference should also be made to the Structure of the Group graph on page 4).

An effect of this organisational change is a substantial change in the contribution of the divisions to the consolidated revenues of the Dada Group.

The breakdown of consolidated revenues by division was significantly impacted by the change in the consolidation scope, whose effects were described previously. For further detailed information, reference should be made to the section on "Segment information".

The breakdown of consolidated revenues of the Dada Group by sector of activity reports:

The Dada.net division contributed Euro 93.4 million to consolidated revenues of the Dada Group in 2008 (gross of inter-divisional revenues), recording a decrease of Euro 17.7 million on 2007 (Euro 111.1 million - also gross of inter-divisional revenues). Therefore the contribution of the Dada.net division to Group sales fell from 68% in the previous year to 54%, due to both the change in the consolidation scope of the Dada.pro division, which benefited from the sales of the company Namesco Ltd, the acquisition of the Amen Group and to the conferment of the VAS mobile services of the US subsidiary Dada USA to the Joint Venture with Sony Bmg. This is reported in greater detail below. On the other hand, the division benefited from the consolidation of the company Giglio S.p.A. which contributed approx. Euro 4.5 million in the second half of 2008.

The contribution of Dada.net division to Group revenues in the last quarter of the year was Euro 22 million compared to Euro 26 million in 2007, a decrease of Euro 4 million. Also in this period, the contribution to Group consolidated turnover decreased for the same reasons described above.

The Dada.pro division contributed (gross of inter-divisional revenues) Euro 81 million to consolidated revenues in 2008 (46% of Group revenues), compared to Euro 53 million in 2007 (22% of Group revenues), a total increase of 53%.

The inclusion of the English company Namesco Ltd, with revenues for the six months of approx. Euro 6.5 million, and of the companies of the Amen Group with revenues in the second half of 2008 of Euro 5.7 million, contributed to this increase.

At quarterly level, the Dada.pro division recorded revenues of Euro 23.1 million in the fourth quarter of 2008 compared to Euro 19.3 million in the fourth quarter of 2007 (growth of 20%) and Euro 22.5 million in the third quarter of 2008.

The breakdown of consolidated revenues of the Dada Group by geographic area in 2008 shows a contribution of international business substantially stable on the previous year. International sales amount to 48% compared to 47% in the previous year. For the fourth quarter of the year, however, the contribution of the international business grew to 52% compared to 47% in the previous year. The contributions of the Brazilian and Spanish market are particularly significant for Dada.net, while the UK and France are the main markets for the Dada.pro division.

The above-mentioned changes in the consolidation scope also clearly impacted upon this data, particularly in relation to the conferment of the VAS mobile services in the United States from Dada Usa Inc. to the Joint Venture with Sony BMG, Dada Entertainment LLC, and the acquisition of the companies of the Amen Group.

For further information on the performance of the divisions, reference should be made to the section on segment information of the Group.

The consolidated Ebitda of the Dada Group in 2008 (before write-downs and other extraordinary items) was Euro 28.9 million (a margin of 17% on consolidated sales), compared to Euro 23.4 million in the previous year (margin of 15%), growth therefore of 23%.

In the fourth quarter, the Ebitda was Euro 6.9 million (margin of 16% on consolidated sales), compared to Euro 6.8 million in the same period of the previous year (margin of 15%).

Service costs and other operating costs grew in absolute terms in the present year, but decreased as a percentage of consolidated revenues. The breakdown shows, in a similar manner to the preceding quarters, that a significant proportion consisted of expenses incurred in the development and strengthening of the Dada.net division's subscription user base as well as expenses sustained in the launch of new products.

However, this cost item decreased compared to the same period of the previous year due to the change in the consolidation scope (prevalently the conferment to the Joint Venture Dada Entertainment).

Within the individual accounts, the increase both in absolute values and in percentage terms of personnel costs from Euro 23.9 million in 2007 to Euro 28.5 million in 2008 is highlighted, while on a quarterly basis this amount rose from Euro 6.3 million in the fourth quarter of 2007 to Euro 7 million in the fourth quarter of 2008, unchanged as a percentage on revenues. The increase in absolute terms is entirely related to the expansion in the activities of the company and in particular to the changes in consolidation scope following the acquisitions in the year. The number of employees increased from 474 at December 31, 2007 to 563 at December 31, 2008.

General overhead and rental expenses grew in line with the increase in revenues, however with a similar percentage on revenues to the previous year and with the previous quarters of 2008. In particular, these expenses in 2008 amounted to Euro 13 million (8% of consolidated revenues) while in 2007 amounted to

Euro 9 million (8% of consolidated revenues). The effects of the change in the consolidation scope on this cost account were not significant.

The account "inventory changes and increases of internal work capitalised" relate to the expenses incurred in the development of the proprietary platform necessary for the launch and management of the services provided via web and mobile by the Dada Group. In relation to this, the expenses incurred for the Dada.net products, including the Music Movement and Simply products in the Dada.pro sector, are highlighted.

The total effects of the changes in the consolidation scope described above was a higher Ebitda of Euro 4.8 million in 2008 compared to 2007, while the effect on the fourth quarter of 2008 compared to the fourth quarter of 2007 was a higher Ebitda of Euro 1.5 million.

The consolidated EBIT of the Dada Group in 2008 was **Euro 14.6 million** (margin on consolidated revenues of 9%), a decrease compared to Euro 17 million in the previous year (a margin of 11%).

This amount in 2008 in comparison with the previous year was strongly impacted by write-downs of intangible fixed assets (prevalently goodwill) at the balance sheet date and amounting to Euro 4.1 million.

The application of IAS 36 requires that the Group carry out an impairment test annually in order to verify the recoverability of assets with indefinite useful lives. In the present year, particularly due to the current macroeconomic climate, a permanent impairment in value was assessed on some goodwill items following such verifications. These evaluations were based on both economic and financial forecasts, using the most reliable information available. Further information is provided in notes 10 and 11 of the consolidated financial statements.

The amortisation on tangible assets amounted to Euro 3.3 million and amortisation on intangible assets amounted to Euro 5 million, while in 2007 the respective amounts were Euro 2.1 million and Euro 3.3 million, an increase of 55%. The effect of the change in the consolidation scope was relatively insignificant on these accounts - however large investments in technology and product development were made in the year. For further information, reference should be made to the section relating to investment activities.

The amount of write downs and non-recurring charges grew however, amounting to Euro 1.8 million compared to Euro 1 million in 2007. These provisions relate prevalently to the provisions for risks and charges, disputes in course and doubtful debt provisions. The movements in this account are also related to the general economic situation.

In the fourth quarter of 2008, the consolidated operating result was a loss of Euro 0.7 million, compared to a profit of Euro 4.4 million in the fourth quarter of 2007. It is important also to note the considerations previously stated as the write downs of goodwill were carried out at December 31, 2008 and therefore only affecting the last quarter of the year, with a consequent disproportionate impact.

The Ebit for the quarter includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 2.7 million compared to Euro 1.8 million in the previous year (+49%), while write-downs and non-recurring charges amounted to Euro 0.7 million compared to Euro 0.5 million in 2007.

The change in the consolidation scope, as previously described, had a positive effect on the Ebit of Euro 2.7 million in 2008 compared to 2007. In the fourth quarter, this effect was Euro 0.7 million.

The Parent Company Dada S.p.A. recorded an Ebit loss of Euro 1 million in 2008 compared to a profit of Euro 4 million in 2007.

The consolidated pre-tax profit for the year was **Euro 12.7 million**, equal to 7% of consolidated revenues, a decrease compared to the previous year, which amounted to Euro 14.7 million (9% of sales). This amount was clearly influenced by that previously stated relating to the write downs of intangible fixed assets.

The result includes the positive contribution of the net equity share of the associated companies of Euro 0.6 million, compared to a negative contribution of Euro 0.35 million in the previous year. This data principally relates to the shareholding of the Dada Group (50%) in the net results of the Joint Venture Dada Ent. LLC.

In 2008, the result includes investment income deriving from interest matured on the Group liquidity substantially in line with 2007 (Euro 0.87 million).

Net financial expenses prevalently relate to the interest expenses on the residual part of the Euro 26 million loan undertaken in the previous year for the acquisition of Namesco Ltd and on new loans (Euro 16 million) undertaken in 2008 to finance the acquisitions of the Amen Group, E-Box S.r.l. and 10% of Giglio S.p.A.

Exchange differences impacted significantly less in the present year compared to the previous year. Therefore the financial charges of the Dada Group in 2008 grew by 19% on 2007, but as a percentage of consolidated revenues were largely unchanged (2% in both 2008 and 2007).

In the fourth quarter of 2008, the pre-tax result was a loss of Euro 1.5 million, after net financial charges of Euro 0.83 million, compared to a profit Euro 2.7 million in the previous year, after net financial charges of Euro 1.7 million.

The Dada Group **Net profit in 2008** was **Euro 7.6 million**, 4% of consolidated sales, compared to Euro 13.7 million in the previous year (9% of consolidated sales).

In the fourth quarter of 2008, the Group net result was a loss of Euro 3.8 million, compared to a profit of Euro 3.2 million in the same period of the previous year (7% of consolidated revenues).

Current income taxes for the year amounted to Euro 4 million, principally relating to Irap taxes for the Italian companies and the income taxes of the foreign companies. Deferred tax charges of Euro 0.2 million were recorded as the difference of deferred tax charges (based on the changes in accounting principles) and deferred tax income calculated on temporary timing differences of provisions and write-downs made in previous years and on the expected recovery of fiscal losses carried forward as resulting from the business plans. The amount of deferred tax income was significantly less than the past due to the provisions already made between 2005 and 2007.

Therefore, the total fiscal effect (current + deferred) for the year was a charge of Euro 4.2 million. In relation to this, the Group has matured fiscal losses carried forward of Euro 50 million, of which Euro 40 million are for an unlimited period.

The minority interest share significantly increased following the acquisition of 10% of the company Giglio group S.p.A. This company in fact was fully consolidated under the contractual clauses related to its purchase, but 90% of its result is attributed to the account “minority interests”.

The change in the consolidation scope, as previously described, had a positive effect on the net result of Euro 2.5 million in 2008 compared to 2007.

The 2007 data was restated in accordance with the new accounting principle relating to user acquisition costs. The details of these changes are reported in the note to the present consolidated financial statements (in the section on consolidation principles) and the related reconciliation statements are included in the attachments.

The parent company Dada S.p.A recorded a net loss of Euro 1.7 million.

Financial position and balance sheet

The composition of the consolidated net financial position at December 31, 2008 compared to December 31, 2007 is shown below:

	FINANCIAL POSITION	Dec. 31, 08	Dec. 31, 07	DIFFERENCE	
				Absolute	Percent.
A	Cash	174	21	153	729%
B	Bank and postal deposits	13,529	15,609	- 2,080	-13%
D	Liquidity (A+B+C)	13,703	15,630	- 1,927	-12%
E	Current financial receivables	2,156	1,388	-	
F	Current bank payables	- 1,315	- 2,377	1,062	-45%
G	Current portion of non-current debt	- 17,433	- 4,942	- 12,491	253%
H	Current debt (F+G+H)	- 18,748	- 7,319	- 11,429	156%
I	Current net financial position (I-E-D)	- 2,889	9,699	-12,588	-130%
J	Non-current bank payables	- 28,494	- 26,454	- 2,040	8%
L	Non-current debt (K+L)	- 28,494	- 26,454	- 2,040	8%
M	Total net financial position (J+M)	- 31,383	- 16,755	-14,628	87%

The short-term Consolidated Net Financial Position of the Dada Group at December 31, 2008 was a debt position of Euro 2.9 million, compared to funds of Euro 9.7 million at December 31, 2007 and a debt position of Euro 2.8 million at September 30, 2008.

The total net financial position, which also includes medium/long term sources and uses was a debt position of Euro 31.4 million at December 31, net of payables to banks and other lenders repayable beyond one year of Euro 28.5 million. This amount in the previous year was debt of Euro 16.8 million and at September 30, 2008 debt of Euro 32 million.

In 2008, there was therefore an absorption of liquidity amounting to Euro 14.6 million. The cash outflows principally relate to the Group investment activities, which particularly refers to the acquisition of controlling shareholdings.

The principal events in 2008 were:

- acquisition of the Amen Group totalling Euro 17.6 million (including indirect acquisition charges);
- acquisition of a further 40% of the company E-box Srl totalling Euro 1.6 million, of which Euro 0.8 million paid on closing;

- acquisition of the company Giglio S.p.A. for a total payment of Euro 0.75 million.

For further information on the structure of these operations, reference should be made to the paragraph relating to "significant events in 2008".

Total expenditure on intangible and tangible fixed assets in the year amounted to Euro 12.84 million. The total effect deriving from the change in the consolidation scope on the acquisitions described above was negative for approx. Euro 2 million in 2008 in comparison to 2007. Therefore, considering the combined effect of that disclosed above, the cash flow generated from operating activities in 2008 amounted to Euro 18.2 million.

Contributing to the Group cash flow in 2008 was a cash inflow from the exercise of the last tranche of a stock option plan. On February 6, 2008, the period closed for the subscription to the share capital increase approved by the Board of Directors on June 20, 2005 for the stock option plan for employees of Dada S.p.A. and its subsidiaries. The number of options exercised was 112,990 and the financial contribution was Euro 1.2 million.

Current financial receivables comprise of the interest bearing loan issued in favour of the associated company Dada Entertainment LLC.

The composition of the net working capital and the net capital employed of the Dada Group at December 31, 2008 is shown below:

Amounts in Euro/thousand	Dec. 31, 08	Dec. 31, 07	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**108,161**	**86,428**	**21,733**	**25%**
Current assets (B)	73,832	73,983	-151	0%
Current liabilities (C)	-85,316	-78,667	-6,649	8%
Net working capital (D) = (B)-(C)	**-11,484**	**-4,684**	**-6,800**	**145%**
Employee leaving indemnity provision (E)	-1,368	-1,545	177	-11%
Provision for risks and charges (F)	-1,907	-1,125	-782	70%
Other payables beyond one year	-539			
Net capital employed (A+D+E+F)	**92,863**	**79,074**	**13,789**	**17%**

The composition of the net working capital and the net capital employed of the Parent Company Dada S.p.A. at December 31, 2008 is shown below:

Amounts in Euro/thousand	Dec. 31, 08	Dec. 31, 07	DIFFERENCE	
			Absolute	%
Fixed assets (A) (*)	58,751	46,781	11,970	26%
Current assets (B)	26,506	95,152	-68,646	-72%
Current liabilities (C)	-30,282	-93,228	62,946	-68%
Net working capital (D) = (B)-(C)	-3,776	1,924	-5,700	-296%
Employee leaving indemnity provision (E)	-266	-1,106	840	-76%
Provision for risks and charges (F)	-467	-805	338	-42%
Net capital employed (A+D+E+F)	54,242	46,794	7,448	16%

The net working capital of the Dada Group at December 31, 2008 was a negative amount of Euro 11.5 million, while at December 31, 2007 it was a negative amount of Euro 4.7 million and at September 30, 2008 negative for Euro 12.7 million. The net working capital is impacted, among other factors, by the change in the accounting treatment of the user acquisition costs which resulted in the elimination of the accrued income under current assets. As described in the present consolidated financial statements, up to December 31, 2007 these amounts were correlated, in accordance with the accruals concept, to the related revenues, while from the year 2008 these costs are recognised in the income statement when incurred.

In addition, the change in the consolidation scope described previously had an impact of approx. Euro 9 million, largely represented by deferred income of the Amen Group for the management of revenues from domains and web & hosting services. This account is included among short-term liabilities in the previous table, but will not generate future cash outflows.

It is recalled that in general the value-added services activities undergo temporary differences between the creation/strengthening of the user base and the benefit in monetary terms. In addition, this business is also characterised by significant temporary differences between the average period between payment and receipt.

In relation to trade receivables, it is recalled that over 80% of the total value is due from telephone carriers, directly or through affiliates, and from which a large part of the sales are generated for fee-based services of the Dada.net division. In addition, the change in the consolidation scope, therefore with the inclusion of the financial position of the Amen Group, of the Company E-Box Srl and of Giglio S.p.A. resulted in a negative effect on the NFP of Euro 1.7 million in 2008 compared to 2007.

The changes in the principal balance sheet accounts are due to the normal increases related to the increased business activity of the Dada Group, both in terms of sales and current spending.

The net working capital of the Parent Company Dada S.p.A. was a negative amount of Euro 3.8 thousand, an improvement of Euro 2 million compared to 2007. The reasons for such improvement are the same as those reported at consolidated level.

For further information on the balance sheet, reference should be made to attachment 1) at page 44.

Investments

A summary of the tangible and intangible fixed asset investments of the Dada Group is reported below:

Description	Increase 31/12/2008	Increase 31/12/2007	Change	Change %
Technology investments	2,987	3,442	-455	-13%
Purchase of furniture and fittings	588	562	26	5%
Development Costs	4,879	4,557	322	7%
Licences and Trademarks	223	97	126	130%
Software	565	2,628	-2,063	-79%
Other	3,585	962	2,623	273%
TOTAL	12,827	12,248	579	5%

In 2008 the significant investment activity begun in 2007 for the growth and maintenance of Group operations continued. In fact, in addition to the equity investments as described previously, investments amounted to Euro 12.8 million, a small increase (5%) on the previous year (Euro 12.2 million).

The total capital expenditure for tangible assets of the Dada Group in 2008 amounted to Euro 3.5 million compared to Euro 4 million in the previous year, a decrease of 8%.

In particular, investments in technology relate to the purchase of EDP such as servers and other equipment necessary to provide the services of the Dada.net and Dada.pro divisions. Purchase of furniture and fittings in 2008 was in line with 2007 - these investments were prevalently undertaken in the Italian and foreign offices of the Dada Group.

Development expenses for new products and processes refer to the proprietary platform developed internally and necessary for the provision of the services of the Dada.net and Dada.pro divisions.

The growth is strictly correlated to revenue growth and the Dada.net division following the launch of the new product at the end of the year, notably Music Movement in Italy. For the Dada.pro division investments principally related to the Simply project.

Software purchases increased by 15% in 2008 on the previous year, which includes expenses incurred for the further extension and updating the SAP management system, also in some foreign subsidiaries, as well as the software necessary for the provision of the Dada net and Dada.pro services.

The account “others” is principally related to the acquisition of a user portfolio on the Irish market by Namesco Ltd in 2008 (Euro 3.2 million).

Financial risks

The growth of the activities of the Dada Group on the international markets, including through acquisitions of important operating companies, increased the overall financial risk profile of the Group. In particular, the exchange risk became significant, due to greater revenues in foreign currencies, the interest rate risk due to a medium term loan for the acquisition of the company Namesco Ltd and Amen Group, and the general liquidity risk due to the possible changes in financing.

The Dada Group in 2008 has consequently paid much attention to the analysis and the preparation of adequate reporting and monitoring procedures of the exchange and interest/liquidity risks, as well as strengthening the operating structure of the corporate area for the monitoring and control of these financial risks.

For further detail, reference should be made to note 5.8 of the consolidated financial statements.

Alternative performance indicators:

In the present report, the following additional economic and financial performance indicators are provided in respect of those contained in IAS 1:

Ebitda: defined as the operating result before amortisation/depreciation, write-downs and non-recurring charges;

Net working capital: defined as the difference between current assets and liabilities, identifying current as one year from the balance sheet date. Within this account, the deferred tax assets are divided between current and non-current, based on the portion which is considered recoverable from the result of the following year;

Net capital employed: fixed assets plus net working capital and less non financial consolidated liabilities (employee leaving indemnity and provision for risks and charges);

Net financial position – short term: includes cash and cash equivalents, current financial assets and short-term financial liabilities;

Total net financial position: includes the short-term net financial position and all financial receivables and payables due beyond one year.

THE ORGANISATIONAL STRUCTURE OF THE DADA GROUP

The structure of the Group at December 31, 2008 is shown below:

The Dada Group's primary disclosure of information is by Business Unit.

From the present year, the Group organisation structure changed and therefore the Business Units are comprised of the **Dada.net division** and the **Dada.pro division**, while until December 31, 2007 a third division also existed, Dada.adv, now part of the Dada.pro division. This reorganisation was necessary following the unification in the product strategy and type of service (prevalently self provisioning).

The 2007 data was reclassified in accordance with the new structure.

The secondary level is identified as the geographic areas.

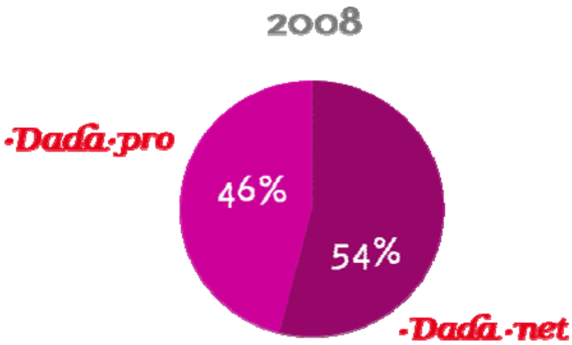
Segment results are shown gross of inter-divisional transactions. Furthermore, compared to the Group's consolidated operating result, common costs have not been included.

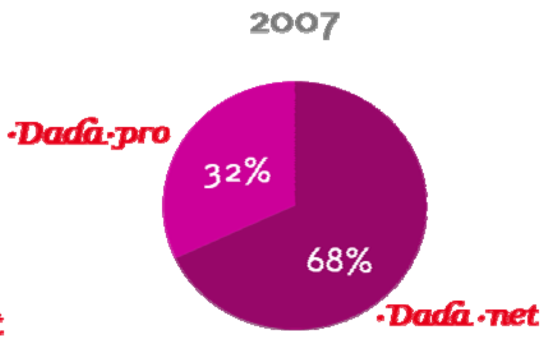
For further information, reference should be made to the section on segment information at page 105.

The following tables report the segment consolidated revenues by business activity and by geographic area.

Breakdown of Consolidated Revenues in the two divisions (12 months)

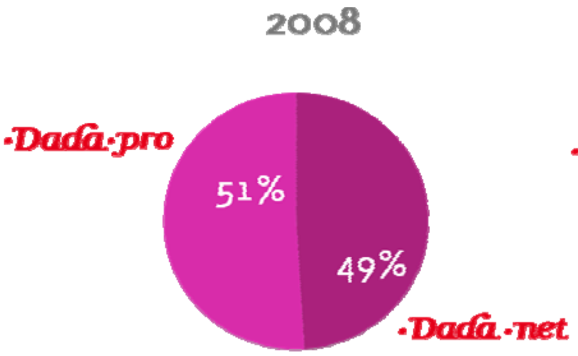
Description	31/12/2008 (12 months)		31/12/2007 (12 months)	
	Amount	% of total	Amount	% of total
Dada.net	93,369	54%	111,058	68%
Dada.pro	81,004	46%	53,064	32%
Inter-divisional revenues	-4,153		-5,608	
Consolidated Revenues	170,220	100%	158,514	100%

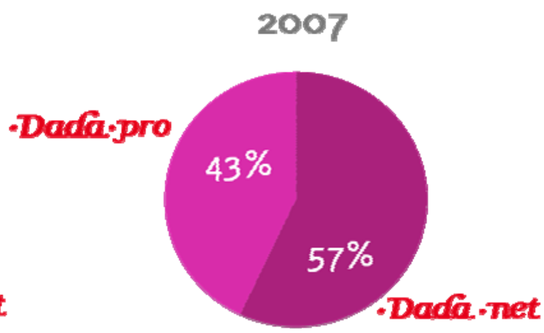




Breakdown of the quarterly Consolidated Revenues into the three divisions (3 months)

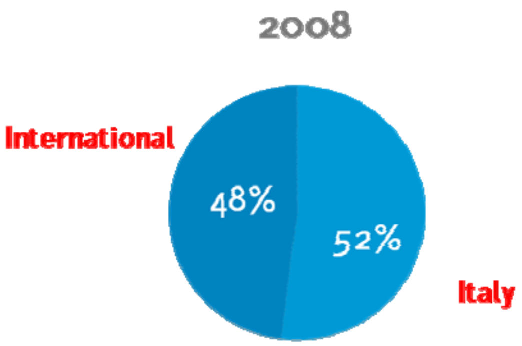
Description	31/12/2008 (3 months)		31/12/2007 (3 months)	
	Amount	% of total	Amount	% of total
Dada.net	21,984	49%	26,098	57%
Dada.pro	23,135	51%	19,298	43%
Inter-divisional revenues	-955		-1,944	
Consolidated Revenues	44,164	100%	43,452	100%

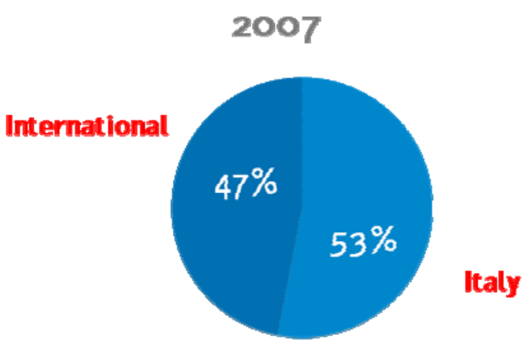




Division of consolidated revenues by geographic area (12 months)

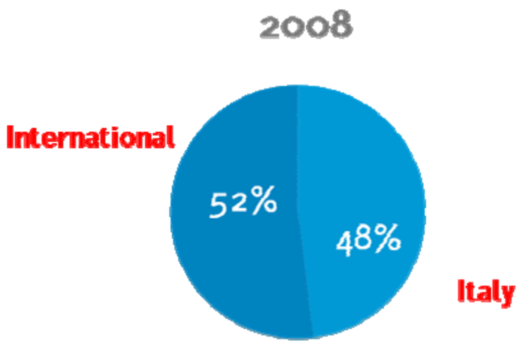
Description	31/12/2008 (12 months)		31/12/2007 (12 months)	
	Amount	% of total	Amount	% of total
Revenues Italy	88,534	52%	84,799	53%
Revenues Overseas	81,686	48%	73,715	47%
Consolidated Revenues	170,220	100%	158,514	100%

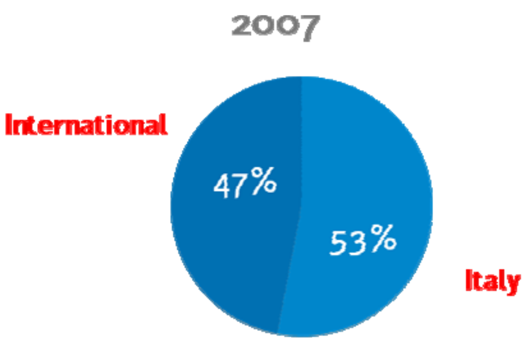




Division of consolidated sales by geographic area (3 months)

Description	31/12/2008 (3 months)		31/12/2007 (3 months)	
	Amount	% of total	Amount	% of total
Revenues Italy	21,394	48%	22,867	53%
Revenues Overseas	22,770	52%	20,585	47%
Consolidated Revenues	44,164	100%	43,452	100%





Dada.net Services

The revenue sources of the Dada.net Division are principally related to fee-based services to the final user through subscription.

Operational performance of Dada.net services

In 2008, Dada further expanded its range of products in the Consumer sector, which covers an international market with its Web and Mobile services.

In June, The Music Movement was launched in Italy - the social music community presented a unique and competitive offer in the type of music available in MP3 format, downloadable on all devices from a large catalogue of the major and independent record labels.

The new digital offer is unique in that it provides in one product legal downloadable music from a vast catalogue where the user can enrich his “Emotional Network” through music oriented content. The offer is noted for its user friendliness, its operability through different devices and for its very competitive subscription rates.

All of the tracks, in MP3 format, can be reproduced on any computer, mobile phone, iPod or digital music reader. Thanks to dual delivery, downloads directly to mobile phones can be optimised for the mobile, while computer downloads will be of a higher MP3 quality.

In 2008, revenues from international operations amounted to 47% in the Dada.net division compared to 51% in the previous year which had benefited from nine months of revenues from VAS activities in the USA. Currently, the most important overseas countries in terms of contribution to revenues are Spain, Brazil, Australia and Germany. The launch of Dada.net also took place in Hong Kong, Indonesia, Hungary and India.

Dada therefore currently offers its Value Added Services/Products in Italy, the USA, Germany, China, Portugal, Australia, Spain, Belgium, Austria, Brazil, Holland, Hungary, India, Indonesia and Hong Kong.

Financial Highlights - Dada.net

Dada.net (12 months)						
In Euro thousands	2008		2007		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	48,031	51%	52,945	48%	-4,914	-9%
Revenues - third parties Overseas	44,085	47%	56,310	51%	-12,225	-22%
Revenues- inter-sector	1,253	1%	1,803	2%	-549	-30%
Net revenues	93,369		111,058		-17,689	-16%
Increases in internal work	2,909	3%	3,248	3%	-339	-10%
Service costs	-62,948	-67%	-82,723	-74%	19,775	-24%
Labour costs	-14,050	-15%	-13,540	-12%	-510	4%
Segment Ebitda	19,280	21%	18,043	16%	1,237	7%
Amortisation & depreciation	-8,673	-9%	-2,904	-3%	-5,770	199%
Segment Ebit	10,606	11%	15,139	14%	-4,532	-30%

The Dada.net division recorded sales of Euro 93.4 million in 2008 compared to Euro 111.1 million in 2007, a decrease of 16%. It should be noted however that in 2007 the VAS activities in the United States were consolidated for nine months and then conferred to Dada Ent. LLC. The Dada.net division, at like-for-like consolidation scope, recorded a decrease in revenues of Euro 10.6 million. In the fourth quarter of the year, Dada net revenues were Euro 22 million, a decrease compared to the previous year.

The contribution of the division to consolidated sales of the Dada Group decreased from 68% in 2007 to 54% in 2008, principally due to two factors - on the one hand the conferment of US activities to Dada Ent., and on the other, the change in the consolidation scope of the Dada.pro division which increased revenues (reference should be made to the Dada.pro division section). In the last quarter of 2008, the Division accounted for 49% of Group revenues compared to 57% in the previous year.

The **Ebitda in 2008** of the Dada.net Division was Euro 19.3 million (21% of division revenues), compared to Euro 18.0 million (16% of division revenues) in the previous year, an increase of 7%. The percentage of labour cost increased from 12% to 15% against a decrease in the percentage of service costs from 74% to 67%. The change in the consolidation scope of the division resulted in a higher Ebitda on the previous year of Euro 1.7 million.

The fourth quarter of 2008 reported an **Ebitda** of **Euro 3.7 million** (margin of 17%), compared to Euro 5.1 million in the fourth quarter of the previous year (margin of 20%), a decrease of 28%, also due to the change in consolidation scope.

The segment **Ebit** in 2008 was Euro 10.6 million (11% of division sales), compared to Euro 15.1 million in 2007 (14% of division sales), a decrease of 30%. Amortisation and depreciation amounted to Euro 4.5 million (Euro 2.9 million in 2007) and write-downs of intangible fixed assets amounted to Euro 4.1 million (goodwill with indefinite useful life). In relation to this, reference should be made to note 11 “Impairment test of intangible assets and goodwill” in the present consolidated financial statements.

The negative effect of these write downs was mainly seen in the fourth quarter of 2008, having been carried out at December 31, 2008. Therefore the sector in the final quarter of the year recorded a loss of Euro 2 million after amortisation and depreciation of Euro 1.6 million and write downs of Euro 4.1 million. The same period in the previous year recorded a profit of Euro 4.1 million after amortisation and depreciation of Euro 1 million.

The increase in depreciation of fixed assets is strictly correlated to the investment activity described below.

The contribution of the Dada.net Division to the total consolidated results decreased compared to the previous year, representing 61% of Group Ebitda compared to 70% in the previous year, and 55% of Group

Ebit compared to 72% in the previous year. The contribution in the fourth quarter was similar to that for the full year.

Segment investment activities

The investments in the Dada.net division amounted to Euro 6.5 million compared to Euro 7.5 million in the previous year and relate for Euro 3.1 million to development costs for new products and processes and for Euro 1 million to the purchase of technological and software assets to support future growth. In the year the acquisitions of the companies E-Box S.r.l. and Giglio S.p.A. generated goodwill of Euro 2.3 million.

The investments in product and process development relate to the implementation of platforms necessary for the provision of value added services of the division, and in particular, the new product Music Movement launched in June. Capital investments related to servers and storage to replace old hardware and to expand activities, as well as networking systems.

Dada.pro Services

Dada.pro is the internal division of Dada, dedicated to:

- domain registration, fee-based e-mail and hosting services - precisely, services with automatic supply and provision methods directed mainly at SME's.
- advertising, which is based on revenues from advertising on the mobile and channels.

Operational performance of Dada.pro services

During 2008, growth continued in all the sectors of activity in the principal countries in which the division operates, driven by the greater integration of the companies in the sector and of the sharing of work methods and best practices.

Register.it, the leading Italian brand within Dada.pro, is a European leader in the registration of domains with over 900,000 active domains at Group level (of which over 330,000 in Italy). In the year over 55,000 new clients were acquired and over 130,000 new domains registered increasing the total managed to over 260,000 professional clients (over 110,000 in Italy). In May, the new DominioPro was launched in Italy and Spain, through the Group company Nominalia. This is an extremely advantageous offer and very simple to use - whose key feature is increased visibility on the Internet: with DominioPro, Register.it clients will acquire, on the registration of their own domain, a set of innovative instruments to best manage and promote their own Internet site.

The company now offers its DominioPro clients the possibility to construct their own website easily and quickly thanks to guided design tools and to communicate professionally with 5 POP3 email boxes protected with antivirus and antispam, with a capacity of 2GB each and managed from a new professional WebMail interface.

In July, 100% of the share capital of the Amen Group was acquired – one of the principal operators in France, Spain and Portugal and also present in the United Kingdom, Holland and Italy. This operation, which furthers Dada.Pro Division's strategy of consolidating its leadership in the European market, will place the Dada Group among the leading companies in the sector in Europe, with over 430 thousand business clients and more than 1.3 million domains, of which 70% overseas. In relation to the operational structure, reference should be made to the section 'subsequent events to the year end'.

The web and mobile advertising activities was also positive and will be further improved with the launch of Simply, the new advertising platform for the Group developed entirely in house which, through a simple and accessible interface, will allow even small and medium sized businesses to efficiently and effectively plan their advertising campaigns with marketing tools for the selection of targets and the analysis of results.

Financial Highlights - Dada.pro

In Euro thousands	Dada.pro (12 Months)					
	2008		2007		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	40,503	50%	31,854	60%	8,650	27%
Revenues - third parties Overseas	37,601	46%	17,405	33%	20,196	116 %
Revenues- inter-sector	2,900	4%	3,806	7%	-906	-24%
Net revenues	**81,004**		**53,064**		**27,940**	**53%**
Increases in internal work	1,970	2%	1,309	2%	661	
Service costs	-56,985	-70%	-37,031	-70%	-19,954	54%
Labour costs	-13,602	-17%	-9,492	-18%	-4,110	43%
Segment Ebitda	**12,387**	**15%**	**7,850**	**15%**	**4,537**	**58%**
Amortisation & depreciation	-3,556	-4%	-1,822	-3%	-1,734	95%
Segment Ebit	**8,832**	**11%**	**6,028**	**11%**	**2,804**	**47%**

The sales in the Dada.pro Division in 2008 amounted to Euro 81 million, an increase of 53% on the previous year (Euro 53.1 million). The change in the consolidation scope also added to this growth with a total positive effect in 2008 of Euro 11.3 million.

In the fourth quarter of 2008, division revenues amounted to Euro 23.1 million, an increase of 20% compared to the same period in the previous year (Euro 19.3 million). The positive effect of the change in the consolidation scope in the fourth quarter of 2008 compared to the same period in the previous year was Euro 2.8 million.

The **Ebitda in the sector** was Euro 12.4 million (15% of division revenues), compared to Euro 7.9 million (15% of division revenues) in the previous year, an increase of Euro 4.5 million (+58% year on year). The composition and trend of the costs are in line with the previous year, with a slight reduction in the percentage of workload. The effects deriving from the above-mentioned change in the consolidation scope amounted to Euro 3.1 million.

In the **fourth quarter**, the **Ebitda** was Euro 3.8 million (16% of division sales) compared to Euro 2.3 million in 2007 (2% of consolidated sales), a growth of 64%. The effect related to the change in the consolidation scope was approx. Euro 0.9 million higher in 2008 compared to 2007.

The Dada.pro division's Ebit was Euro 8.8 million (11% of division sales) after depreciation and amortisation of Euro 3.6 million. In 2007, the Ebit was Euro 6 million (11% of division sales) after amortisation and depreciation of Euro 1.8 million. The growth in 2008 was therefore Euro 2.8 million, an increase of 47%.

The sector result in the fourth quarter was a profit of Euro 2.7 million (12% of division sales), growth of 57% on the previous year (Euro 1.7 million). The effects related to the change in the consolidation scope were Euro 2.1 million for the full year and Euro 0.7 million for the fourth quarter.

The contribution of the Dada.pro division to the total consolidated results of Dada Group increased compared to the previous year, representing 39% of Ebitda compared to 30% in the previous year, and 45% of Group Ebit compared to 28% in the previous year. The contribution in the fourth quarter was similar to that for the full year.

Finally it is recalled that the Dada.pro division recorded deferred revenues in the financial statements at December 31, 2008 of approx. Euro 14 million (compared to Euro 11.9 million in 2007), of which Euro 10.8 million from subsidiary companies and Euro 7.1 million due to the change in the consolidation scope.

Segment investment activities

Investments in Dada.pro amounted to Euro 31.1 million and related to:

- equity investments with the acquisition of 100% of the Amen Group in July for a total amount of Euro 23 million; for details on this operation, reference should be made to the section relating to significant events in 2008;

- acquisition by Namesco Ltd of a user base in Ireland for a total of Euro 3.2 million;

- purchase of hardware and software for Euro 3.1 million to support business growth and rationalisation activities in the data and connectivity centres;

- development costs for new products and processes for the supply of domain and hosting services and for new advertising projects of Euro 1.8 million.

This latter spending principally related to the following areas:

- new ADV online and mobile products;
- Improving domain traffic;
- optimisation and platform integration of the Italian-Foreign product.

SIGNIFICANT EVENTS IN 2008

The principal extraordinary operations of the Dada Group in the year are reported below:

On January 9, 2008 the transfer was completed of the company Media Dada Science and Development (Beijing) Co. Ltd which distributes the Dada.net product/service on the Chinese market, from Dada S.p.A. to Dada.net S.p.A., which within the Group is the distribution vehicle in the various countries of the product, and which already holds the investment in the other foreign companies of the Group undertaking similar activities; the sale was made at market conditions.

On January 30, 2008 Register.it S.p.A., in accordance with the purchase contract, completed the acquisition of the company Nominalia S.l., acquiring from the founding shareholders the remaining 25% of the share capital, for an amount of Euro 1.3 million, of which Euro 650 thousand paid on closing and the remaining part in two instalments - the first due on March 31, 2008 and the second on June 30, 2008.

On March 20, 2008 the registered office of Dada S.p.A. was changed to the address Piazza Annigoni 9/B – Florence.

On May 9, 2008 the Board of Directors of Dada S.p.A. approved, in order to rationalise the corporate holdings in line with the current organisational structure, the conferment of a business unit related to the Dada.net service (web and mobile community services) currently offered to the public by Dada.net S.p.A. and the business unit Dada.Adv (web advertising and mobile services) respectively into the wholly owned subsidiaries Dada.Net S.p.A. and Register.it S.p.A.: this rationalisation will permit the business divisions to focus on their respective "core" activities and better aid the decision-making process. The process was undertaken in compliance with the normal regulations for such operations with the involvement of the two subsidiaries. These operations were fiscally neutral and did not result in any gain or loss in Dada S.p.A., as the operations were at book values with the wholly owned subsidiaries.

The effects of this reorganisation were effective as of July 1, 2008.

On July 3, 2008, the Dada Group, through Dada S.p.A., acquired a further 40% holding in E-Box S.r.l. (owner of Blogo), increasing its shareholding to 70% and thereby acquiring control of the Company ahead of the planned date of March 2009.

The acquisition of 40% of the share capital of the Company was made with own funds for a consideration – including controlling premium – of Euro 1.6 million which was paid to the founding shareholders of Blogo in 2 equal tranches, the first paid on closing and the second by the end of 2008.

On July 9, 2008, - Dada S.p.A acquired 10% of the share capital of Giglio Group S.p.A., owner of Music Box, leader in Italy in the music television channel segment on satellite platforms. This acquisition, which is within a wider consolidation strategy of the Dada Group in the music content segment with the aim of being a leading player in the online music world, was finalised on July 9 for a total consideration of Euro 750 thousand. Simultaneously, Dada was assigned call options up to a holding of 51% or 100% to be exercised at the sole discretion of Dada within two years from the signing of the contract, and a put option relating to the stake acquired exercisable after the approval of the 2008 annual accounts, subject to certain conditions.

On July 16, 2008 - Dada acquired from Claranet, a leading UK Group in the managed service providing, 100% of the share capital of the Amen Group. This operation, which furthers the Dada.pro Division's strategy of consolidating its leadership in the European market, placed the Dada Group among the leading companies in the sector in Europe, with over 400 thousand business clients and more than 1.2 million domains, of which 70% overseas. The acquisition was made through Register.it S.p.A., a wholly owned subsidiary of Dada S.p.A. and head of the Dada.pro division, and involves 100% of the share capital of all the companies in the Amen Group: Agences des Medias Numeriques S.A.S (France), Agencia de Media Numerica Espana S.L. (Spain), Amenworld Services Internet Sociedade Unipessoal Lda (Portugal), Amen Limited (United Kingdom), Amen Nederland B.V. (The Netherlands) and Amen Italia S.r.l (Italy). The transaction was completed on July 16 for a cash payment of Euro 17.5 million entirely paid on closing. The acquisition was partly financed utilising Dada Group liquidity and partly through bank funding.

STOCK OPTION PLANS

The main details of the stock option plans existing at December 31, 2008 are shown below:

PLAN OF FEBRUARY 3, 2006:

With the Extraordinary Shareholders' Meeting resolution of December 30, 2005, the Board of Directors in accordance with article 2443, paragraph 2 of the civil code were conferred: the power to increase the share capital, on one or more occasions, up to a maximum nominal value of Euro 136,000.00, through the issue of 800,000 ordinary shares with a par value of Euro 0.17 as an incentive plan for the executives with specific appointments and/or general managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries.

In execution of these delegated powers, on February 3, 2006, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan for the Executives with specific appointments and/or General Managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries. The Board, on the proposal of the Remuneration Committee of the Company, approved the regulations of the plan and assigned 700,700 options for the subscription of the same number of ordinary Dada shares to 10 Directors holding specific offices and Top Managers of the Group, also approving a share capital increase totalling Euro 119,119 to service the above-mentioned options.

The stock option plan has the purpose of providing incentives and ensuring the loyalty of the Top Management and therefore the exercise of the options is conditional, within the limits established in the regulations, of achieving 90% of the objective Consolidated Ebitda for the year 2008 as determined by the Board. The shares subscribed are not subject to any availability restrictions.

In general terms, the exercise of the options may take place from January 15 to January 31, from February 16 to February 28, from June 1 to June 15, from September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, from November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

The subscription price of the shares was determined by the Board of Directors of the Company, in accordance with the criteria indicated by the Shareholders' Meeting, as Euro 14.782 per share, equal to the average official price registered of the Dada shares in the month prior to the assignment of the rights and in any case taking into account the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.232 per option.

PLAN OF MARCH 16, 2006:

With the Extraordinary Shareholders' Meeting resolution on 28/04/2005, the Board of Directors were conferred, in accordance with articles 2443 and 2441, 8th paragraph of the civil code, the power to increase the share capital, for a five year period, on one or more occasions, up to a maximum nominal value of Euro 79,922.95, through the issue of ordinary shares with the nominal value of Euro 0.17 as an incentive plan for the employees of Dada S.p.A. and its subsidiaries.

Also in execution of these powers, on March 16, 2006, the Board of Directors deliberated to increase the share capital for the issue of a three-year stock option plan in favour of the employees of Dada S.p.A. and its subsidiaries.

The above-mentioned plan provides for the issue of a total of 33,000 shares divided into three annual tranches and offered in subscription to the employees of the group at an exercise price of Euro 16.92 per share, equal to the average official price recorded of the Dada shares in the month prior to the assignment of the rights and in any case taking into account the average share price in the last six months, and a subscription period between January 18 and February 6 in the three-year period 2007-2009. The subscription period concluded on February 6, 2009.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method. The application of this method resulted in the calculation of the stock option value as Euro 2.18 per option for the third tranche.

PLAN OF JULY 28, 2006:

The Board of Director's meeting of July 28, 2006 also approved a paid-in share capital increase for a maximum amount of Euro 9,350, through the issue of a maximum of 55,000 new shares, to service the incentive and loyalty plan of two new Top Managers of the company and as partial execution of the powers attributed to the Dada Board by the Shareholders' Meeting of December 30, 2005 and recorded in the Florence company's registration office on January 9, 2006.

The Board of Directors of Dada determined the subscription price of the shares at Euro 15.47, equal to the official average arithmetical prices recorded of the ordinary shares of Dada in the period between the assignment date of the subscription rights and the same day in the previous month, taking into account the share price in the past six months.

This plan has the same features as the plan of February 3, 2006, previously described.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

PLAN OF FEBRUARY 12, 2007:

Also based on the powers conferred to the Board of Directors by the extraordinary shareholders' meeting resolution of December 30, 2005, the Board, on February 12, 2007 assigned 25,000 options for the subscription of a similar number of Dada ordinary shares to 3 US Managers of the Group and approved the regulations of the plan, approving therefore on May 11, 2007 a share capital increase for a maximum amount of Euro 4,250 to service the above-mentioned plan.

This plan has the same features as the plan of February 3, 2006, previously described.

The subscription price of the shares was determined by the Board of Directors of the Company, in accordance with the criteria indicated by the Shareholders' Meeting, as Euro 16.99 per share, equal to the average official price registered of the Dada shares in the month prior to the assignment of the rights and in any case higher than the average share price in the previous six months. The three US managers in 2008, following their resignation, lost the right to subscribe to the options.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

The movements of the stock option plans are shown in the following tables:

	2008 Number of shares	Average exercise price	Market price	2007 Number of shares	Average exercise price	Market price
(1) Existing rights at 1/1	935,293	14.44	-	1,064,465	13.86	-
(2) New rights assigned	-	-	-	25,000	16.99	
(3) Rights exercised in the period	(112,990)	10.82		(128,954)	10.82	
				(67)	16.92	
(4) Rights expired in the period (relates entirely to the plan of June 20, 2005)	(21,874)	10.82	-	(25,151)	10.82	
Rights expired in the period (relates entirely to the plan of March 16, 2006)	(10,735)	16.92				
Rights expired in the period (relates entirely to the plan of February 3, 2006)	(140,150)	14.78				
Rights expired in the period (relates entirely to the plan of February 12, 2007)	(25,000)	16.99				
(5) Existing rights at 31/12/2008	624,544	15.01		935,293	14.44	

Exercise price:	RIGHTS ASSIGNED AT 31/12/2008 (granted)				OF WHICH EXERCISEABLE (vested)	
	Life of the residual contract			TOTAL	TOTAL	Average residual contract life
	< 1 year	1-2 years	> 2 years			
Euro 14.78	540,550	-	-	540,550		
Euro 16.92	8,994	-	-	8,994		
Euro 15.47	55,000	-	-	55,000		
TOTAL	624,544		-	624,544		

PURCHASE OF TREASURY SHARES

The Shareholders' Meeting of April 24, 2008 renewed the Board of Directors' authorisation to acquire within 18 months from the date of the resolution up to a maximum number of ordinary shares representing 10% of the share capital at a price not lower than 20% and not above 10% of the reference price traded on the stock exchange on the day prior to each purchase and for a total amount not above the reserves available resulting from the latest approved financial statements; the same Shareholders' Meeting also authorised the Board of Directors to hold shares already in portfolio or acquired resulting from the present authorisation in order to be utilised for operations on sales/purchases, share swaps or conferment.

The utilisation of the treasury shares, in relation to those already in portfolio or those that may be acquired due to the present authorisation renewal, may be carried out within three years of the approval by the Shareholders' Meeting at a price or at a valuation not lower than 95% of the average price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the official deeds of commitment. The terms of this authorisation expire on 24/10/2009.

At 31/12/2008, the company does not hold treasury shares in portfolio.

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

Person	Description of office			Remuneration			
Name	Office held	Period of office	Expiry	Emoluments	Non-monetary benefits	Bonuses and other incentives	Other
BOARD OF DIRECTORS							
Paolo Barberis	Chairman of the Board of Directors	1/1 – 31/12/08	Accounts 31/12/2008	291,800		183,000	
Angelo Falchetti *	Chief Executive Officer	1/1 – 31/12/08	Accounts 31/12/2008	192,550		109,800	
Marco Argenti *	Director	1/1 - 31/12/08	Accounts 31/12/2008	1,550		124,160	251,420
Lorenzo Lepri	Director	1/1 – 31/12/08	Accounts 31/12/2008	2,275		128,700	193,800
Barbara Poggiali	Director	1/1 – 31/12/08	Accounts 31/12/2008	1,575			
Pietro Varvello	Director	1/1 – 31/12/08	Accounts 31/12/2008	1,575			
Salvatore Amato	Director	1/1 - 31/12/08	Accounts 31/12/2008	1,400			
Giorgio Valerio	Director	1/1 - 31/12/08	Accounts 31/12/2008	525			
Raffaello Napoleone	Director	1/1 - 31/12/08	Accounts 31/12/2008	1,200			
Danilo Vivarelli	Director	1/1 - 31/12/08	Accounts 31/12/2008	1,400			
Roberto Ravagnani	Director	1/1 – 31/12/08	Accounts 31/12/2008	1,225			
Riccardo Stilli	Director	1/1 – 31/12/08	Accounts 31/12/2008	1,225			
Monica Alessandra Possa	Director	1/1 – 31/12/08	Accounts 31/12/2008	1,400			

* Director resigned during the year

Person	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments	Bonuses	Other
BOARD OF STATUTORY AUDITORS						
Pier Angelo Dei	Chairman	1/1 – 31/12/08	Accounts 31/12/2008	30,000		
Piero Alonzo	Statutory Auditor	1/1 – 31/12/08	Accounts 31/12/2008	19,000		
Massimo Cremona *	Statutory Auditor	1/1 – 31/12/08	Accounts 31/12/2008	10,000		
Claudio Pastori	Statutory Auditor	1/6/ - 31/12/2008	Next Shareholders' meeting	9,000		

Investments held directly or indirectly by Directors, Statutory Auditors, General Managers and senior management with strategic responsibilities.

Name	Company	Number of shares held at 31/12/2007	Number of shares held at 31/12/2008
Paolo Barberis	Dada S.p.A.	870,000	870,000
Angelo Falchetti*	Dada S.p.A.	390,168	
Marco Argenti*	Dada S.p.A.	66,081	
Lorenzo Lepri	Dada S.p.A.	5,900	7,400

* Director resigned during the year

Options assigned to Directors and Executives with strategic responsibilities during the year

name	Options held at beginning of the year		
	Number of options	Average exercise price	average expiry
Marco Argenti	32,500	10.82	From January 18 to February 6, 2008
Paolo Barberis	127,400	14.78	From the approval of the annual accounts 2008 up to 2012
Angelo Falchetti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012
Lorenzo Lepri	68,250	14.78	From the approval of the annual accounts 2008 up to 2012
Marco Argenti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012

* January 15 to January 31, February 16 to February 28, June 1 to June 15, September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

Name	Options exercised during the year			Options expired in the year
	Number of options	Average exercise price	Average market price in year	Number of options
Marco Argenti	32,500	10.82		

name	Options held at the end of the year		
	Number of options	Average exercise price	Average expiry
Paolo Barberis	127,400	14.78	From the approval of the annual accounts 2008 up to 2012
Angelo Falchetti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012
Lorenzo Lepri	68,250	14.78	From the approval of the annual accounts 2008 up to 2012

TRANSACTIONS WITH RELATED PARTIES

Reference should be made to the section in the notes to the financial statements (note 23).

OUTLOOK

In the first months of the new year, an already difficult economic scenario deteriorated further, which, in addition to intensifying pressure on operating results, strongly reduced the visibility of the Group's outlook for the current year.

In particular, the complexity of predicting trends in the principal business variables, characteristic of some activities of the Group continues, particularly considering our strong international exposure, and a greater uncertainty remain concerning the decisions and timing of some new initiatives planned for the year.

The Company's response to the current situation is on the one hand through operating a portfolio policy aimed at maximising the risk/return profile of its activities and on the other through implementing actions to optimise operating costs - measures also aimed at seeking to benefit to a greater extent from opportunities which may arise when the market overcomes the current general crisis.

SUBSEQUENT EVENTS TO THE YEAR-END

On January 9, 2009, the Shareholders' Meeting also approved in ordinary session the stock option incentive plan for the period 2009-2011 (the "2009-2011 Top Manager Plan" or the "Plan") proposed by the Board of Directors for directors holding particular positions, as well as general managers and/or executives and/or Division managers of Dada and/or or its Subsidiary Companies, whether employees or professional consultants.

The Shareholders' Meeting of January 9, 2009, in extraordinary session, then approved the delegation of the powers to the Board of Directors, in accordance with article 2443 of the civil code - to be exercised within 5 years from the date of the shareholders' meeting resolution - to implement a paid-in share capital increase with the exclusion of the rights option, under article 2441, paragraphs 5 and 6 of the civil code - including in several tranches - to service the 2009-2011 Top Manager Plan, for a maximum nominal amount of Euro 85,000.00, through the issue of a maximum of 500,000 Dada ordinary shares of a nominal value of Euro 0.17 each.

The Dada S.p.A. Board meeting of February 24, 2009, on the proposal of the Remuneration Committee of the Company and in accordance with the delegated powers received, approved the regulations of the Plan and assigned 410,000 options to five Top Managers of the Dada Group for the subscription of the same number of Dada ordinary shares to be subscribed during predetermined periods of the year, subsequent to the approval of the annual accounts for the year ended December 31, 2011 by the Shareholders' Meeting, and not beyond November 11, 2015, and thus approved a share capital increase for a maximum nominal amount of Euro 69,700.00 to service the above-mentioned options at the subscription price of Euro 6.05 per share.

On February 6, 2009 the period for subscription to the stock option plan approved by the Board of Directors on March 16, 2006 was concluded without the options being subscribed to.

CORPORATE GOVERNANCE

1 Introduction

The Self-Governance Code of listed companies prepared by the Committee for the Corporate Governance of listed companies indicates an adequate corporate organisational model to manage the Company, the enterprise risks and potential conflicts of interest that can arise between directors and shareholders and between majority and minority shareholders. This model is therefore in line with the principles of international best practice. Its adoption is voluntary and not obligatory.

Borsa Italiana S.p.A., in the Instructions of the Regulations of the New Market, Section IA, 2.6, requires that listed companies must prepare a specific communication annually relating to its organisational choices in view of the recommendations made by the Corporate Governance Committee, to be made available to the shareholders together with the documentation required for the Annual Shareholders' Meeting to approve the annual accounts. In this communication, the Board of Directors of listed companies that have not applied the recommendations of the code or only applied them in part must provide information on the reasons for this decision. Similar provisions are contained in article 123 bis of Legs. Decree 58/98 (hereafter also the "CFA") and article 89 bis of CONSOB regulation No. 11971/99.

The Chairman of the Board of Directors of Dada S.p.A. announced, on behalf of the Board, that the company approved on November 9, 2006 the internal code on Corporate Governance, which cover the regulations relating to the corporate governance adopted by the Board of Directors of Dada S.p.A. and of the Board of Statutory Auditors of the company, and in relation to the regulations applicable to this latter, are in compliance with the Self-Governance Code of listed companies updated in March 2006.

The Board therefore periodically approved the Criteria Document of the above-mentioned internal Code on Corporate Governance, with which some resolutions were adopted under the Code.

In order to provide adequate disclosure, information is provided on the application of the Self Governance Code for listed companies, indicating which recommendations have been effectively applied and in which manner, having regard to the Self-Governance Code and providing adequate information on which recommendations have not been applied, either partially or delayed.

Shareholding structure:

At the date of approval of the present report, based on the communications received in accordance with articles 120 and 122 of Legislative Decree No.58 of 1998, the significant holdings in the share capital of Dada S.p.A. are as follows:

RCS Media Group S.p.A. 49.50%
Paolo Barberis 5.36%
Simona Cima 2.23%
Alessandro Sordi 2.34%
Angelo Falchetti 2.16%
Jacopo Marello 2.10%
Eurizon Inv. SGR 3.05%

It is recalled that a shareholder agreement currently exists between Rcs MediaGroup S.p.A. and Paolo Barberis (approx. 55% of the share capital), signed on November 11, 2008. Reference should be made to the communications made in accordance with law for further information. For completeness of information, it is stated that on November 11, 2008 the shareholder agreement between RCS MediaGroup S.p.A. and Messrs. Paolo Barberis, Marco Argenti, Angelo Falchetti, Jacopo Marello and Alessandro Sordi expired.

2. Role and functions of the Board of Directors

Article 1 of the Self Governance Code:

1. The Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner to guarantee an effective and efficient performance of its functions.

2. The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, where the Company, in accordance with the law is subject to the direction and coordination and/or control by third parties, the Directors of the Company, in the undertaking of the offices held, must also take into account the directives and policies defined for the group to which the company belongs, as well as the benefits deriving from belonging to the group.

GENERAL CRITERIA

i) the Board of Directors, in the undertaking of its responsibility to determine and identify the strategic objectives of the Company and of the Group, in addition to its activities in accordance with the company's by-laws, and within the powers delegated internally to deal with third parties, exclusively:

a) examines and approve the strategic, industrial and financial plans of the Company and of the Group which the Company heads, the corporate governance of the Company and the structure of the group;

b) evaluates the adequacy of the organisational, administration and general accounting system of the Company and of its subsidiaries having strategic importance, which has been implemented by the corporate boards with particular reference to the internal control system and to the management of a conflict of interests;

c) assigns and revokes the delegation of powers to the chief executive officers as well as of the general managers, where present, and the executive committee, establishing the limits and manner of exercising such power and the frequency of reporting, normally for a period not beyond three months, through which the appointed bodies must report to the directors on the activities performed in relation to the powers conferred;

d) establishes, after examining the proposals of the relevant Remuneration Committee and after having consulted with the Board of Statutory Auditors, the fee to be paid to executive directors and those who hold specific offices, as well as dividing the total fees to which the directors are entitled among the individual members of the board, if this has not already been decided by the shareholders' meeting;

e) evaluates the general operational performance, taking into account, in particular, the information received from executives, as well as periodically comparing the results with the budgets;

f) examines and approves the operations of the Company and its subsidiaries, when these operations have a significant strategic, economic, or financial importance for the Company, with particular attention to the situations in which one or more directors have an interest on their own behalf or on behalf of third parties and, in general, in the transactions with related parties; they establish general criteria to identify significant transactions;

g) undertakes, at least once a year, a valuation on the size, on the composition and on the functioning of the Board and on the committees, and where necessary, expresses opinions on the appointment of professional persons to the Board;

h) provides information, in the corporate governance report, on the application of the present Article I and, in particular, on the number of meetings of the Board and of the Executive Committee, where present, which were held during the year and on the relative percentage of participation of each director.

****

The above-mentioned self-governance code has been implemented in the governance structure of the Company which recognises to the Board of Directors a central role within the Company, and in relation to this it should be noted that article 20, letter E of the By-laws of Dada S.p.A. largely in conformity with the provisions of the Self-Governance Code on Corporate Governance establishes that "The Board of Directors can delegate its powers to an Executive Committee and/or to one or more Directors determining the limits of the powers delegated. The powers indicated in article 2381 of the Civil Code cannot be delegated, nor those that are not permitted by current legislation. The Executive Committee and the Executive Directors report to the Board of Directors in the following board meeting in relation to the most important economic, financial and equity operations of the company.

In particular, they report on operations in potential conflict of interest or on those of an atypical or unusual nature compared to the normal operations of the company. The same information must be provided to the Board of Statutory Auditors.

In addition to the powers that may not be delegated by law, the following powers may not be delegated by the Board of Directors:

- the determination of the general management strategy;
- the remuneration of the directors appointed to carry out particular duties (where this has not been already decided by the Shareholders' Meeting) and the division of the total remuneration to the individual members of the Board of Directors and of the Executive Committee;
- the creation of committees and commissions determining their duties, responsibilities and functioning, including with the purpose of modelling the corporate governance in accordance with that established in the self-regulation code of listed companies;
- the approval of important economic, financial, and equity transactions, with particular reference to transactions with related persons.

The board of directors can, in addition, nominate general managers determining their duties and powers and can also nominate procurers for single deeds or category of deeds."

The criteria for the determination of particularly significant operations, that may not be delegated, were indirectly fixed through the structure of the delegated powers made by the Board in the meeting of May 9, 2006 (and subsequently re-evaluated in the meeting of July 27, 2007), confirmed in the Shareholders' Meeting of December 31, 2008, and thus from a quantitative and qualitative viewpoint. In particular, from a quantitative view point, all operations are considered significant whose value is above Euro 3 million. From the qualitative viewpoint, significant operations are considered, without regard to their value, as being the approval of the strategic, industrial and financial plans of the company and the corporate structure of the group, acquisitions, mergers, disposals, conferment of equity investments, quotas, business units, the incorporation of joint ventures, the purchase of buildings and company assets and the concession and granting of loans of significant amounts, that may not be delegated.

In order to clarify the identification of the significant operations, while maintaining the above-mentioned criteria, the Board of Directors approved the Procedure for the conclusion and execution of the significant operations with related parties or with a director having an interest on February 12, 2007.

The criteria for the determination of the significant operations were and are already in part indirectly fixed through the executive powers and, in particular, by the qualitative and quantitative limits, and therefore from a quantitative and qualitative viewpoint, but they were specifically outlined in the above-mentioned Procedure for the conclusion and execution of the significant operations, with related parties or in which a director has an interest; this procedure provides for the identification of the criteria characterising significant operations, which includes the most important extraordinary operations and in any case those above a value of Euro 3 million, at the same time including ad hoc procedures for the approval of these operations which require Board approval or the appointment of third party experts or of the Internal Control Committee.

This procedure was applied in 2008 specifically relating to some significant operations.

In its meetings (the last one being on 3/12/2008 and referred to in greater detail in the following paragraph), the Board approved the corporate governance system as resulting from the system of powers and proxies delegated currently in force within the company in conformity with the matters previously outlined.

The Board also examined and approved the operations of significant strategic, economic, equity or financial importance, in relation to both the Company and its subsidiaries.

The Board also confirmed the approval of the group structure and positively evaluated the organisational, administrative and general accounting structure of the company and its subsidiaries with strategic importance; the organisational structure was verified under different profiles, including through the activities of the internal control committee and is based on a system of procedures and controls, largely centralised on the corporate structures of the parent company; in addition, Dada S.p.A. and its subsidiaries with strategic importance have an internal control system which is largely based on a series of analyses and procedures.

In relation to that reported above, it is noted that with regard to article 36 and 39 of Consob Regulation No. 16191/2007 and subsequent modifications in relation to subsidiaries based outside the EU (hereafter the "Markets Regulation"), the Company has preliminarily identified the subsidiary companies constituted and regulated by laws of States not belonging to the European Union (hereafter "Outside EU Companies")

which it is believed fall within the ambit of such conditions. In view of the data contained in the financial statements of the previous year and of the audit activities, three subsidiary companies are recognised (the two US companies Dada USA Inc., UPOC Networks Inc. and the Brazilian company Dada Brasil Servicos de Tecnologia Ltda) as therefore exceeding the relevant individual size parameters as set out in article 151 of the Issuers' Regulations.
Therefore the necessary procedural indications were made in relation to the above-mentioned companies, a large part of which were already implemented, with respect to that contained in paragraph 1 of article 36 of the Markets Regulation.

In addition, the Ethical Code and the Organisational Model as per Legislative Decree No. 231/2001 were adopted.

In relation to this latter, following the issue of the recent Law 81/2008 in relation to Workplace Health and Security, the Company commits itself to analyse the regulations in force and to ensure compliance with these regulations and to carry out any such necessary actions to ensure same, which also guarantees compliance with the organisational and management model for worker's security (SGSL).

The preparation of the SGSL Model was also an opportunity to update the Organisational, Management and Control Model in accordance with Legislative Decree 231/01, which was updated by the additional ad hoc protocol "Specialty Part D", approved both by the Supervisory and Control Committee and by the Board of the Company.

It also underlined that the Company has approved the Procedures for the management of privileged information.

In relation to this, it is reported that the Board, in line with the criteria used for the preparation of the present Report, defines subsidiary companies with strategic importance as each subsidiary in accordance with law which undertakes its principal activities in the sectors of Internet and communications and has the obligatory requirement to audit their financial statements in accordance with the Consolidated Finance Act, or each subsidiary which, by its income, equitable or financial size, or by the particular characteristics of its activities, is defined as such by the Chairman of the company.

In relation to significant operations with related parties and the management of conflicts of interest, the procedures already adopted based on the above-mentioned Self-Governance Code of listed companies was further confirmed by the approval of the specific procedure for the conclusion and execution of significant operations with related parties or with a director having an interest.

The Board also established that the executive boards report at least quarterly on the activities undertaken in relation to the responsibilities conferred to them.

With regard to the maximum number of offices which each director of Dada may hold in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking, or insurance companies or of significant size, the Board considered the limit which should be imposed for the effective execution of the role of Director of the Issuer.

Following this analysis it was considered appropriate to introduce a limit to the maximum number of offices which each director of Dada S.p.A. may hold in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking or insurance companies or companies of a significant size and which considers the role covered by the Director as one which requires discriminatory judgement and whether belonging or not to the Dada Group. The limits introduced did not give rise to any issues or conflict with the offices effectively held by the Directors of the Issuer.

In particular, each Executive Director of Dada may not hold Executive Director positions within other large companies (as listed in the previous paragraph), but may simultaneously hold other offices (up to a maximum of seven) as non Executive Director, including as independent director or standing statutory auditor (or member of another supervision board) of companies of a significant size.

However, each Non Executive Director of Dada may hold offices up to a maximum of 5 Executive Directorships in other listed companies in regulated markets as indicated above, and up to a maximum of 12 offices of non Executive Director.

In order to correctly outline the application of the regulation, companies of a significant size are considered those which in the previous year were not permitted to prepare financial statements in abbreviated form.

A number of exceptions are applicable to the above-mentioned regulations:

- in the case of offices held within the Dada Group or in subsidiaries directly or indirectly held by Dada S.p.A., these offices are not included;

- in the case in which these offices are held in holding companies, subsidiaries or other companies subject to common control, the offices held are considered as a single office.

Finally it should be noted that these limitations are not mandatory as the Board of Directors has the right to make exceptions to the above-mentioned limits by means of a resolution.

The Board also determined, as further described in the present report, after examining the proposals of the Remuneration Committee and after having consulted the Board of Statutory Auditors, the remuneration of the Executive Directors, as well as dividing the total remuneration to which the directors are entitled among the individual members of the Board.

In 2008, the Board of Directors held 8 meetings. At the date of the preparation of the present document, in 2009 two meetings of the BoD had been held, while for the current year at least 7 meetings are planned. The by-laws provide that the Board meets at least on a quarterly basis. The percentage of participation of each director at the meetings is indicated in table 1 attached to the present report.

The members of the Board of Directors are provided with the necessary documentation within a reasonable time period in advance, except in the case of urgency, in order that the Board may express opinions in an informed manner on the matters on the agenda.

3. Composition of the Board of Directors

The Self-Governance Code states that the Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner which guarantees an effective and efficient performance of its functions.

The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, the directors, in the undertaking of the office held, must also take into account the directives and policies established for the group to which the company belongs as well as the benefits deriving from belonging to the group.

The Board of Directors of Dada S.p.A. is composed of 11 members: they were elected at the shareholders' meeting of the company held on April 21, 2006, with the exception of the Directors Riccardo Stilli and Roberto Ravagnani, appointed by cooption by the Board on November 9, 2006 in replacement of the resigning Directors, Vittorio Colao and Aldo Bisio, and confirmed for the shareholders' meeting of April 20, 2007, and the director Monica Alessandra Possa appointed by cooption by the Board on July 27, 2007, as replacement for the resigning director Alberto Ronzoni; it is noted also that the shareholders' meeting of April 21, 2006 originally determined as 13 the number of members for the Board which was subsequently reduced to 11 with the shareholders' meeting resolution of January 9, 2009 and which following the resignation of the directors Marco Argenti and Angelo Falchetti effective on December 3, 2008. It was not considered necessary to appoint two new directors in replacement of the resigned directors, but to continue with the current reduced number of 11 until the approval of the financial statements at December 31, 2008.

Members of the Board of Directors		
Name	Place and date of birth	In office from
Paolo Barberis	La Spezia 08/12/1967	21/04/2006
Salvatore Amato	Florence 23/05/1956	21/04/2006
Danilo Vivarelli	La Spezia 06/06/1964	21/04/2006
Raffaello Napoleone	Rome 30/10/1954	21/04/2006
Monica Alessandra Possa	Milan 18/10/1964	27/07/2007
Riccardo Stilli	Sanremo (IM) 01/06/1962	09/11/2006
Giorgio Valerio	Milan 13/07/1966	21/04/2006
Barbara Poggiali	Milan 04/03/1963	21/04/2006
Lorenzo Lepri	Rome 11/12/1971	21/04/2006
Pietro Varvello	Vigevano 18/07/1965	21/04/2006
Roberto Ravagnani	Monza (MI) 04/05/1968	09/11/2006

Composition of the BoD at March 13, 2009

Also at the meeting of December 3, 2008, the Board completely revised the organisational structure of the Company, which in continuity with previous management, allows for a greater expansion of Group activities nationally and internationally, and in this context and also in the remittal of responsibilities by the Executive Director Lorenzo Lepri and the Chairman Paolo Barberis – which however maintained a significant strategic role in the Group – the Board approved a new organisational structure and delegation of powers to the various departments, as part of which from January 7, 2009 signatory powers in all areas were conferred to the Chief Executive Officer Barbara Poggiali.

At the above-mentioned meeting, powers were also given to the Chief Executive Officer to employ certain managers and Directors of the company.

The directors, in such capacity, act with the objective of creating value for the shareholders and deliberate in complete autonomy with prior exhaustive knowledge of the facts, which may also be obtained from information distributed before each board meeting.

The Board of Directors is composed of executive and non-executive directors.

In 2008 the Executive Directors were the Chairman and Chief Executive Officer and three Delegated Directors, Lorenzo Lepri, Angelo Falchetti and Marco Argenti (the latter two until their resignation and therefore until December 3, 2008).

Subsequently, on January 7, 2009, the Executive directors were the Chairman, given his strategic role in the company, and the Chief Executive Officer Barbara Poggiali as well as the Director Lorenzo Lepri, this latter due to his role of deputy general manager and with power of attorney.

The powers attributed to the Chief Executive Officer, which also covers the role of General Manager, are set out in the BoD resolution of December 3, 2008. The Chief Executive Officer Barbara Poggiali was attributed powers in all management areas; in the exercise of delegated powers Barbara Poggiali may represent the company with each single signature up to a maximum of Euro 1,000,000.00 (Euro 1 million), which increases to Euro 3,000,000 in the case of public tenders;

The Director Lorenzo Lepri, who also holds an executive role within Dada S.p.A. and also the role of deputy general manager with power of attorney in the company has signatory powers in the areas: market and investor relations; control, administrative, finance and tax; purchases, resources, logistics and offices; legal and disputes; merger & acquisitions; strategic planning.

In the exercise of the power of attorney held, Lorenzo Lepri can represent the Company with single signature up to a maximum amount of Euro 500,000.

In conformity with the disclosure requirements of the provisions introduced through article 1.C.2, the members of the Board of Directors of Dada S.p.A. that until December 31, 2008 held offices in other listed companies, financial, banking, or insurance companies, or of significant size are provided below: - Barbara Poggiali, director of the Finelco S.p.A. Group, Unidad Editorial SA, m-dis Distribuzione Media S.p.A., Rai Sat S.p.A. and RCS Digital S.p.A. ;- Raffaello Napoleone, director Pitti Immagine, Ente Moda Italia;
- Riccardo Stilli, director of RCS Pubblicità S.p.A., RCS Libri, unidad Editorial SA, m-dis Distribuzione Media S.p.A., RCS Factor and Flammarion SA;- Giorgio Valerio, director of Rcs Quotidiani. RCS Digital and Unidad Editorial SA;- Pietro Varvello, director of Finelco S.p.A. Group and RCS Broadcast S.p.A

The chief executive officer reports to the Board on the most important activities undertaken in relation to the powers delegated to them and on the most important activities undertaken by the Company and its subsidiaries.

The Board of Directors made a positive evaluation in relation to the numbers on the board, its composition and its function.

4.Independent Directors

The Self-Governance Code affirms that an adequate number of non-executive directors are independent, in that they do not have, or have not recently had, even indirectly, relations that would affect their independent judgment.

The independence of the directors is periodically evaluated by the Board of Directors. The result of the evaluation of the Board is communicated to the market.

Article 3 of the Self-Governance Code recommends that the board of directors elect an adequate number of independent directors and attributes the duty to evaluate the independence of its non-executive members to the Board, with regard in particular to the substance rather than the form and taking into account that a director is normally not independent in the following situations:

a) if, directly or indirectly, including through subsidiaries, trusts or interposed persons, they control the issuer or are capable of exercising significant influence, or participate in a shareholder agreement through which one or more parties can exercise control or significant influence on the issuer;

b) If they are, or were in the previous three years, a relevant member of the issuer or of one of its subsidiaries with strategic importance or of a company subject to common control with the issuer, or of a company or of a body that, even together with others through a shareholder agreement, controls the issuer or is able to exercise significant influence on the issuer;

c) If, directly or indirectly (for example through subsidiary companies or where they are a relevant member, or as partner of a professional advisory firm or a consultancy company), has, or has had in the previous year, a significant commercial, financial or professional relationship:with a party that, also together with others through a shareholder agreement, controls the issuer, or – in relation to companies or bodies - with the relevant members; or with, or in the previous three years, employees of one the afore-mentioned parties;

d) if they receive or have received in the previous three years, from the issuer or a subsidiary or parent company a significant additional remuneration other than the "fixed" fee of non-executive director of the issuer, including incentive participation plans relating to the performance of the company, including share-based payments;

e) if they were a director of the issuer for more than nine years of the past twelve years;

f) if they are an executive director in another company in which an executive director of the issuer is a director;

g) if they are a shareholder or director of a company or of an entity belonging to the network of the auditors of the issuer;

h) if they have a close family member in a situation described in the previous points.

****

The Board of Directors of Dada S.p.A. nominated by the Shareholders' Meeting of April 21, 2006 includes three independent directors (Salvatore Amato, Raffaello Napoleone and Danilo Vivarelli): The three Directors before the Shareholders' Meeting filed declarations that they qualify as independent directors in accordance with the new edition of the Self-Governance Code (as per article 148, paragraph 3 of Legislative Decree No. 58/1998 and the regulations of the Italian stock exchange applicable to the Company); the Board meeting of May 9, 2006 positively evaluated the independence of the above-mentioned directors and subsequently confirmed the evaluation on the approval of the 2007 and 2008 Corporate Governance Reports. The number and expertise of the current independent Directors is assessed as adequate by the Board of Directors, both in relation to the Regulations of Borsa Italiana and in relation to the constitution of the Committees in accordance with the provisions of the Self-Governance Code of listed companies and adequate guarantees of independent management. The independent Directors met during the year in the absence of the other directors.

The positive evaluation of the independence of the directors, in light of their declarations in accordance with the Self-Governance Code and information available to the company, is reconfirmed with the approval of the present annual report on the Corporate Governance by the Board and, also with the approval of the present report, the positive evaluation was made by the Board of Statutory Auditors on the correct application of the criteria and procedures utilised by the Board in this evaluation.

5. Chairman of the Board of Directors

The role of the Chairman of the Board of Directors outlined by the Self-Governance Code is fundamental to ensuring an efficient functioning of the Board and efficient Corporate Governance: he is in fact responsible for the functioning of the Board, and of the distribution of information between directors.

****

According to the By-laws of Dada S.p.A., the Chairman of the Board of Directors is the legal representative of the company, The Chairman calls the Shareholders' Meetings, of which he is the chairman, verifying the correctness of the convocation and the procedures for voting, He also calls and establishes the agenda of the Board and ensures that all of the Directors receive in a timely manner (compatible with the requirements of confidentiality, urgency and the nature of the resolutions) the necessary documentation and information in order to vote in an informed manner.

In 2008, the Chairman of the Board of Directors was also the Chief Executive Officer and had additional responsibilities; at the meeting of December 3, 2008, the Board decided to reconsider the organisational structure of the same. Following this, the Chairman will continue to hold a strategic role within the Group without any change in his activities, however formally delegating all operational powers; As the Chairman is not considered the principal and main person responsible for the operational management of the business, it was not considered necessary to appoint a Lead independent director.

6. Treatment of privileged information

The Directors and Statutory Auditors maintain maximum confidentiality with respect to the documents and information acquired in the performance of their duties, and conform to the procedure adopted by the Company for the internal management and public disclosure of these documents and information.

The Chairman and Chief Executive Officer, together with the Executive Directors ensures the correct management of corporate information; for this purpose, the Board of Directors implemented the recommendation of the Self-Governance Code, and on September 11, 2006 adopted, as replacement of the previous code, a new procedure which has the purpose to govern the internal management and external publication of Reserved Information, and in particular Confidential Information, relating to DADA S.p.A., to all subsidiaries, and/or financial instruments issued, in order to implement instruments which would prevent the non-compliance of legal obligations in relation to public communications and market abuse and avoid that the internal management of its information is undertaken in an inadequate manner and respects a general principle of confidentiality and that the external communication is not untimely, incomplete, or which in any case would result in asymmetric information, through an internal procedure which identifies the parties with the power to deal with confidential information and the criteria for the diffusion of the same; this is applicable to all companies of the DADA Group. The procedure is therefore applicable to each subsidiary; in addition, the procedure is related to the internal procedure, also adopted by the Board, to maintain an updated register of the persons having access to confidential information in accordance with article 115-bis of the finance act and article 152-bis and thereafter of the Issuers' Regulations.

Internal dealing

The Board of Directors of Dada S.p.A. on March 16, 2006 adopted the new Code of Conduct in relation to operations made on Dada shares and related financial instruments, subsequently modified on May 11, 2007 and prepared in accordance with article 152.6 and thereafter of the Consob Regulations adopted with Resolution No. 11971 and the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A. and introduced the so-called "black-out period", or a prohibitory period in which relevant parties may not carry out operations involving the company's shares in the 15 days preceding the Board of Directors' meetings called to approve the draft financial statements, the half-year report and the quarterly reports; this code replaces the previous code adopted by the Company. The Code governs the conduct that Relevant Persons must comply with in relation to operations undertaken by these latter and by persons strictly related to them on Financial Instruments (as defined), also in order to permit DADA S.p.A. to comply with the communication obligations to the market in accordance with the Issuers' Regulations, and in accordance with the procedures and terms contained in the Code.

7. Holdings of Directors and transactions with related parties

In relation to transactions with related parties, the Self-Governance Code provides that: "The board of directors adopts measures in order to ensure that the transactions in which a director has an interest, on his own behalf or on behalf of third parties, and those undertaken with related parties are undertaken in a transparent manner and applying criteria which are correct both in substance and in form."
****
In accordance with this requirement, the "Procedure for the conclusion and execution of significant operations, with related parties or with a director having an interest" approved by the board provides that the realisation by the Company, directly or through a subsidiary company, of operations with related parties or with a director having an interest, must be undertaken in accordance with the criteria of transparency and be correct both in substance and form, and in consideration of the law and in particular the provisions of articles 2391 and 2391-bis of the Civil Code, and relative regulations. In particular, this procedure, for the part relating to transactions with related parties, identifies criteria for the identification of significant operations, both of a qualitative nature and relating to the value of the operation and requires the Board to be fully informed on the terms and conditions of the operation and of the evaluation procedure required; in the case of significant operations under the procedure, the intervention of independent experts or the internal control committee is required. The procedure also provides that, where a Director has, on his own behalf or on behalf of third parties, an interest even potential or indirect, in relation to a transaction or matter subject to examination and approval by the Board of Directors, this Director must inform in a timely manner and exhaustively, the Board of Directors, in addition to the Board of Statutory Auditors – indicating the nature, the terms, the origin, and the amount of this interest – and abstaining from the meeting during the relative discussions, except where the Board does not consider this appropriate, taking into account the circumstances and also the necessity to maintain the required quorum.

8. Formation and functioning of the internal committees of the Board of Directors

The Self-Governance Code states that the Board of Directors forms one or more committees for the purposes of making proposals and of a consultative nature as illustrated in the subsequent paragraphs.
****
The Committees are created and operate in accordance with the principles and applicable criteria of the Self-Governance Code, as described below. In relation to this, the Board of Directors approved the

regulations governing the activities of the two committees formed by the Board – the Remuneration Committee and the Internal Control Committee.

9. Appointment of Directors and the Nominations Committee

The Self-Governance Code provides that the nomination of the directors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the personal and professional characteristics of the candidates for the office. The Board of Directors evaluates whether to create an internal committee for nominations, composed of a majority of independent directors.

General criteria

The slate of candidates, together with the professional and personal information, as well as whether they qualify as independent directors in accordance with the Code, must be filed at the registered office of the company at least 15 days before the date fixed for the Shareholders' Meeting. The slates, together with the information on the candidates, are published in a timely manner on the Internet site of the Company.

In relation to this, it is noted that, and considering the application of the provisions of law and the company by-laws in relation to the nomination of the Board of Directors, on the convocation of the relative shareholders' meeting, and the relative documentation required to be presented before the shareholders' meeting in accordance with law, the Board recalls the above-mentioned recommendations.

Where formed, the committee for nominations may have one or more of the following functions:

a) propose to the Board of Directors, the candidates for the board in the cases provided by article 2386, first paragraph of the civil code, where it is necessary to replace an independent director;

b) indicate – provided there is compliance of law and of the company by-laws – candidates for the office of independent directors to be proposed to the shareholders' meeting of the company, taking account of any indications received from the shareholders; c) provide opinions to the Board of Directors in relation to the size and composition of the Board and on the necessity to appoint professional persons to the Board.

****

Article 19 of the by-laws of Dada S.p.A. was amended by the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the administrative board based on the so-called savings law and by related CONSOB regulation; in particular, this resolution introduced the voting by slates, the necessity that at least one director was representative of the minority slate and the necessity that the Board of Directors is composed of a minimum number of independent Directors.

In order to address some of the salient points required by the new laws, the proposals for the appointment of members of the Board of Directors must be filed at the registered office at least 15 days before the Shareholders' Meeting. The shareholders may also present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations. In addition, except for the minimum number reserved by law for the minority slate, the appointment of the directors is as follows:

a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;

b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates. If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No, 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority. In any case, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No, 58/1998.

In relation to the present point, it should be noted that in the meeting of May 9, 2006, the Board, exercising a right expressly included in the Self-Governance Code and in consideration of the changes to the shareholding structure of the company, deliberated not to re-elect the nominations committee; the Self-Governance Code of the listed companies in fact recognises that the formation of this Committee normally arises in systems characterised by a high degree of shareholder dispersion, in order to ensure an adequate level of independence of the directors in comparison to management and that they undertake a function of particular importance in the identification of the directors in companies with a wide shareholder base.

10. Remuneration Committee

The internal Code on Corporate Governance recommends that the remuneration of the directors should be established in a sufficient manner to attract, maintain and motivate directors with the professional qualities required to manage the Company and also that the remuneration of the executive directors should be such as to provide motivation in the achievement of the primary objective of the creation of value for the shareholders over a long-term period.

The Code provides that the Board of Directors forms a remuneration committee composed of non-executive directors, the majority of which being independent directors.

****

The Remuneration Committee was created from within the Board of Directors, and currently consists of the following non-executive directors, the majority of which independent: Danilo Vivarelli (Chairman), Monica Alessandra Possa and Salvatore Amato. The objective of this Committee, confirmed by the Board on the approval of its regulations, is:

- to present to the Board proposals for remuneration of the executive directors and of the other directors holding specific offices, monitoring the application of the decisions adopted by the board;– periodically evaluating the criteria adopted for the remuneration of the senior management with strategic responsibility, review the application based on the information provided by the executive directors and formulate to the Board of Directors general recommendations;- with reference to the utilisation of the stock options and to the other incentive systems based on shares, the Remuneration Committee presents to the board its recommendations in relation to their utilisation and all the significant technical aspects in relation to their form and application, and in particular makes proposals to the Board in relation to the incentive systems considered most appropriate and monitors the progress and the application of the plans approved by the shareholders' meeting proposed by the Board.

The decisions of the Remuneration Committee must be made in such a manner that no director can influence the determination of his remuneration, allowing their participation only in the areas in which their remuneration is not under discussion.

The total remuneration to be attributed to the Board was fixed by the Shareholders' Meeting of April 4, 2006, which also confirmed the amount for attending each board meeting.

In relation to the total remuneration, the Board, with the assistance of the Committee, has therefore identified the remuneration of directors with specific roles, attributing a significant part to the achievement of the objectives indicated by the Board. Similarly, a significant part of the remuneration of the senior management with strategic responsibility is related to the achievement of specific objectives. However, the remuneration of the non-executive directors is related to the commitment requested of each director and is not related to the economic results of the Company. The executive directors and the managers with strategy responsibility are also beneficiaries of stock option plans, as this instrument is considered effective for the loyalty and retention of management.

During 2008, the Committee undertook a benchmarking analysis on the remuneration of the Company's top management and presented to the Board of Directors its proposals for the remuneration of directors with specific offices, with regard to fixed parts of their remuneration and the variable parts, as well as the assignment of stock options, and provided its indications on the general criteria of the remuneration of the top managers and also on the adoption by the Board of the stock option plans for the Top management of Dada S.p.A. and its subsidiaries. In relation to these latter plans, the Committee also presented to the Board, which has given its approval, some proposals for specific actions on a part of the options assigned, within the regulations of the stock option plan for top management, and provided its opinion on the agreement regarding the exit from the Group of the Directors Angelo Falchetti and Marco Argenti.

Minutes of the Committee meetings confirming their regulation are kept.

11. Internal Control

The Self-Governance Code defines the internal control system as the overall rules, procedures and organisational structures aimed at permitting, through an adequate process of identification, measurement, management and monitoring of the principal risks, a healthy, correct and coherent management of the enterprise with its set objectives.

An effective internal control system contributes to safeguarding the company's assets, the efficiency and effectiveness of the business operations, the reliability of the financial information and the compliance with law and regulations. The Board of Directors evaluated the adequacy of the internal control system in relation to the requirements of the enterprise.

The Board of Directors ensures that it evaluations and decisions relating to the internal control system, to the approval of the financial statements and the half-year reports and the relationships between the issuer and the external auditors are supported by adequate instructions. For this purpose, the Board of Directors created an internal control committee composed of non-executive directors, the majority of which independent directors. If the issuer is controlled by other listed companies, the internal control committee is composed exclusively of independent directors. At least one member of the committee must have adequate accounting and financial experience, to be evaluated by the board of directors on the nomination.

****

The Internal Control Committee of Dada S.p.A., in compliance with the provisions of law and the internal Code on Corporate Governance, is composed entirely of independent directors; the members of the committee are as follows: Salvatore Amato (Chairman), Raffaello Napoleone and Danilo Vivarelli; among the directors, Mr. Vivarelli has adequate accounting and financial experience.

The Board of Directors appointed the CEO Barbara Poggiali as the person responsible for supervising the operations of the internal control system.

As indicated in the internal regulations of the Committee, the Internal control committee, which undertakes general consultative and proposal functions, in addition to assisting the Board of Directors in undertaking its duties, indicated by the Self-Governance Code:

a) evaluates, together with the executive responsible for the preparation of the corporate accounting documents and with the auditors, the correct utilisation of the accounting principles and, in relation to the Group, their uniformity in the preparation of the consolidated financial statements;

b) on request, the executive director, where necessary, expresses an opinion on specific aspects relating to the identification of the principal business risks as well as the planning, realisation and management of the internal control system

c) examines the work plan prepared by the person responsible for internal control as well as the periodic reports prepared by this person;

d) evaluates the proposals made by the external audit firms for the audit appointment, as well as the work plan prepared by the auditors and the auditors' opinion and management letter;

e) reviews the efficiency of the audit;

f) undertakes additional duties which may be attributed by the Board of Directors in relation to transactions with related parties;

g) reports to the Board, at least on a half-yearly basis, on the approval of the financial statements and on the half-year report, on the activities undertaken as well as on the adequacy of the internal control system.

The chairman of the Board of Statutory Auditors or another statutory auditor designated by him attends the internal control committee meetings.

In accordance with the above-mentioned Self-Governance Code, the Board of Directors, with the assistance of the Committee, defined the guidelines for the internal control system and periodically verified the adequacy and the functioning of the control system, and also on the examination and approval of the half-yearly reports presented by the committee on the activity undertaken.

On the proposal of the Committee, the Board also approved the guidelines on the control system in order that the principal risks relating to the issuer and its subsidiaries are correctly identified, and adequately measured.

The annual evaluation on the adequacy, efficiency and effective functioning of the internal control system was positively renewed during the Board meeting of 10/3/2009 on the presentation by the Committee of the Report on the activities undertaken during the second half of 2008 and based on the considerations and results of the Committee, Minutes of the Committee meetings confirming their proper regulation are kept.

In relation to the control structure, it is noted that in 2008 the role of the Person responsible for Internal Control was assigned to Mr. Carlo Ravazzin. The function of the person responsible for internal control is to verify whether the operational processes of the "normal" controls are adequate compared to the potential risks, making recommendations to management and to the control committee, where necessary, on the adoption of all the measures required to eliminate risks of a financial nature and to improve the efficiency and effectiveness of business processes.

The activity of the person responsible for internal control is continually directed at the identification of further areas of risk, to be reported to the Control Committee for the adoption of appropriate measures.

The person responsible reports to the internal control committee and to the board of statutory auditors; in addition, he also reports to the executive director responsible for supervising the functioning of the internal control system. In particular, he reports on the manner in which the management of the risks is undertaken, as well as compliance of the plans defined for their containment.

The Manager and the Internal Control Committee consult with the Supervisory Board of the Group established in accordance with Legislative Decree 231/2001 also in the application and verification of the procedures as per Legislative Decree 231/2001 (governing the administrative responsibility of legal persons), for the purposes of the adoption of the most appropriate preventive and control model. The activities of the Supervisory Board, comprising the independent Director Danilo Vivarelli, the statutory auditor Piero Alonzo and the Head of Internal Control Carlo Ravazzin, in 2008 undertook an on-going verification of the organisational model, with particular regard to matters concerning workplace security which the legislature has recently enacted through Legislative Decree 231/2001, approving the health and workplace management system (SGSL) and the new ad hoc protocol of the organisational model 231 relating to workplace security, thereafter approved by the Board of Directors of the Company.

The above-mentioned committee defines the procedures in order to examine, identify and resolve new potential risk areas in accordance with the current organisational structures and responsibilities.

In 2008, the Internal Control Committee approved the proposal for guidelines for the internal control system, which was subsequently validated by the Board of Directors of the Company, and as part of its activities examined the issues brought to the attention of the Committee by the Person responsible for Internal Control.

The Committee activities in relation to the verification of procedures of the Company in accordance with Law 262/2005 and in fulfilling requests by Market Regulator with regards to subsidiary companies not belonging to the European Union, is analysed and approved by the Committee as part of a comprehensive corporate reorganisation plan communicated to the market on May 9, 2008, principally revolving around the conferment of the business units associated to the Dada.net service (web and mobile community services) already offered to the public by Dada.net S.p.A. and the business unit Dada.Adv (web and mobile advertising services), respectively to the jointly held subsidiaries Dada.net S.p.A. and Register.it S.p.A., and some significant operators or related party transactions.

The company also created an internal audit department, under the responsibility of the Person Responsible for Internal Control, an external party to the Company and head of this Department in consideration of his competence and experience already matured in relation to the companies of the Dada Group.

The audit firm of the Issuer is Reconta Ernst & Young S.p.A., appointed by the shareholders' AGM of April 2006 and appointed as auditor for the period 2006-2011.

Federico Bronzi was appointed as the executive responsible for the preparation of corporate accounting documents. He has been the Administration Director of Dada S.p.A. since 2000 and holds all the statutory requirements necessary, and therefore has adequate expertise in the administrative and financial field confirmed through experience matured covering managerial roles in administrative/accounting activities and/or financial and/or control undertaken within the Company and/or at other companies.

12. Relations with institutional investors and other shareholders

The Self-Governance Code states that the Board of Directors promotes initiatives in order to favour the greatest participation possible of the shareholders at shareholder meetings and facilitates the exercise of the rights of the shareholders.

The Board of Directors actively attempts to establish a continual dialogue with its shareholders based on an understanding of their reciprocal roles.

The Committee for Corporate Governance consider that it is in the interest of the company to implement a continual dialogue with all shareholders and with institutional investors, including nominating a person responsible, and if necessary, creating a corporate structure dedicated to this function.

****

The Board of Directors operates in a timely manner and facilitates the access of significant information to the shareholders, in order to ensure that these latter can exercise their rights in a knowledgeable manner. For this purpose, the Company has created a separate section on its Internet site, easily identifiable and accessible, in which, in accordance with the provisions of law and the internal procedure for the management and communication of corporate information of importance to the shareholders is made available concerning the issuer, such as the manner for participation in the exercise of the voting rights in shareholder meetings, the documentation relating to the matters on the agenda, including the list of candidates for the role of director or statutory auditor.

The Board also appointed the Executive Director Lorenzo Lepri as Investor Relator and created a department for this function.

Financial communication activity is carried out through press releases and periodic meetings with the financial community in order to pursue the principal of information symmetry and in respect of "price sensitive" information.

13. Shareholders' Meetings

Article 12 of the Self -Governance Code underlines the central role that the Shareholders' Meeting must have in the life of a company, as a fundamental forum of corporate debate and relations between the shareholders and the Board of Directors.

On the proposal of the Board of Directors the Shareholders' Meetings must approve a regulation that indicates the procedures to be carried out in order to permit the functioning of the Shareholders' Meetings, without however affecting the right of each shareholder to express their opinion on the matters under discussion. In order to facilitate the participation of the shareholders at the shareholders' meeting of the company, the Board of Directors convenes the meetings in locations easily accessible from the headquarters of the company and from central stations; in addition, the shareholders' meetings are called in the early afternoon in order to facilitate the participation of shareholders from outside of the city.

The shareholders' meetings are governed by Regulations approved by the shareholders' meeting in 2001, whose adoption was considered appropriate, for a correct and normal functioning of the meetings. The regulations are available at the registered office of the company and govern the organisation of the shareholders' meetings, the right of shareholders to attend meetings, executive powers of the Chairman of the Shareholders' Meeting and other matters related to the meeting.

The company encourages and facilitates the widest possible participation of the shareholders at the Shareholders' Meetings, providing, in respect of the Governance on price sensitive communications, the information, requested by the shareholders relating to the company, in order to enable informed voting at the shareholders' meetings. The participation at the Shareholders' Meetings is regulated by the provisions of law and current regulations on the matter. For the participation at the Shareholders' Meetings the shareholder must file at the registered office of the company, in accordance with the procedures established in the convocation notice, at least two days prior to the date fixed for the first convocation, specific communication given in accordance with the current regulations to the intermediary appointed holding the securities.

The shareholder having the right to participate at the Shareholders' Meeting, subject to the provisions for proxies contained in Legislative Decree No. 58/98, can be represented, through written proxy, by any person that is not one of the parties mentioned in article 2372 of the civil code.

14. Statutory Auditors

The Self-Governance Code provides that the appointment of the statutory auditors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the professional and personal characteristics of the candidates.

The statutory auditors act with autonomy and independence also in relation to the shareholders who elected them.

The issuer prepares the measures which guarantee an efficient undertaking of the duties of its board of statutory auditors. The Self-Governance Code provides that the statutory auditors act in a transparent manner.

****

Article 24 of the by-laws of Dada S.p.A. was amended by the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the board of statutory auditors under the so-called savings law and by related CONSOB regulation; in particular this resolution introduced the requirement that at least one statutory auditor is elected from the minority slate, as well as the limit in relation to the maximum amount of offices of direction and control that may be held.

The by-law in particular provides that the slates must be filed at least 15 days before the first convocation of the shareholders' meeting and establishes that only the shareholders that, alone or together with other shareholders, holding at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations, may present slates.

The procedure for electing Statutory Auditors shall be as follows:

from the slate which obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order, 2 standing members and 2 alternate members;

from the slate that obtained the second largest number of votes, and that are not related in any manner in accordance with law, even indirectly, with the slate in the previous letter a), based on the progressive numbering of the slate, the remaining standing members, from which the chairman of the Board of Statutory Auditors is elected and the other alternate member.

For the purposes of the appointment of the statutory auditors as per letter b) in the previous paragraph, in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

In the case where two or more slates have obtained the same highest number of votes and where they are not related, even indirectly, with the shareholders who presented or voted in favour of the other, a further ballot takes place.

Where only one slate is presented, all candidates on this slate are elected with the votes of those representing a majority of the share capital at the Shareholders' Meeting.

Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by the majority vote of the share capital represented at the Shareholder' Meeting.

In the latter case, the Chairman of the Board of Statutory Auditors is the first on the slate presented or the person nominated by the shareholders' meeting where no slate was presented.

The positive evaluation on the independence of the current Statutory Auditors in accordance with the Self-Governance Code is carried out on the appointment and with the approval of the present annual report on Corporate Governance by the Board.

The Board of Statutory Auditors, during 2008, met with the Internal Control Committee and with the audit firm.

In 2008, the Standing Auditor Mr. Massimo Cremona, originally elected from the majority slate, resigned.

In accordance with law and the by-laws, on May 31, 2008, Mr. Claudio Pastori became a Statutory auditor until the following Shareholders' Meeting of the Company which was held on January 9, 2009. In this meeting, the Shareholders' Meeting of the Company confirmed Mr. Claudio Pastori as a statutory auditor of the company, as well as appointing Ms. Maria Stefania Sala as a new alternate auditor.

TABLE 1: BOARD OF DIRECTORS

(information on attendance in 2008)

BOARD OF DIRECTORS								INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE	
OFFICE	MEMBER	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	INDEPENDENT. CFA	% HOLDING	AOTHER OFFICES	MEMBER	% HOLDING	MEMBER	% HOLDING
CHAIRMAN	PAOLO BARBERIS		X			100					
CEO	ANGELO FALCHETTI (*)	X				87.5					
EXECUTIVE DIRECTOR	MARCO ARGENTI (*)	X				87.5					
DIRECTOR	GIORGIO VALERIO		X			37.5	5				
DIRECTOR	LORENZO LEPRI	x				100					
DIRECTOR	DANILO VIVARELLI			X	X	100		X	100	X	100
DIRECTOR	SALVATORE AMATO			X	X	75	1	X	100	X	80
DIRECTOR	RAFFAELLO NAPOLEONE			X	X	50	2	X	75		
DIRECTOR	RICCARDO STILLI		x			75	6				
DIRECTOR	BARBARA POGGIALI		X			100	6				
DIRECTOR	PIETRO VARVELLO		X			100	1				
DIRECTOR	ROBERTO RAVAGNANI		X			87.5					
DIRECTOR	MONICA ALESSANDRA POSSA		X			87.5				X	100
NUMBER OF MEETINGS HELD IN THE YEAR			BOD: 8					INTERNAL CONTROL COMMITTEE: 4		REMUNERATION COMMITTEE: 5	

(*) director resigned 3/12/2008

TABLE 2: BOARD OF STATUTORY AUDITORS

OFFICE	MEMBER	IN OFFICE SINCE	SLATE	INDEPENDENCE FROM CODE	PERCENTAGE OF ATTENDANCE AT BOARD MEETINGS	NUMBER OF OTHER OFFICES HELD
CHAIRMAN	PIER ANGELO DEI	21/04/2006	m	X	100%	3
STATUTORY AUDITOR	PIERO ALONZO	21/04/2006	M	X	87.5%	3
STATUTORY AUDITOR	MASSIMO CREMONA (*)	21/04/2006	M	X	12.5%	10
ALTERNATE AUDITOR	FRANCESCA PIRRELLI	21/04/2006	M	X		
ALTERNATE AUDITOR	CLAUDIO PASTORI (**)	21/04/2006	M	X	62.5%	
ALTERNATE AUDITOR	MARIA TERESA SALA	09/01/2009	M	X		
			NUMBER OF MEETINGS IN YEAR: 4			
			Shareholders may present a list for the appointment of the statutory auditors alone or together with other shareholders, if they represent at least 2.5% of the shares with voting rights at an ordinary shareholders' meeting.			

(*) resigned on 31/5/2008

(**) substitute statutory auditor on 31/05/2008 and appointed by the shareholders' meeting on 9/01/2009

TABLE 3: OTHER REQUIREMENTS OF THE GOVERNANCE CODE

	YES	NO	Summary of any differences from the recommendations of the Code
Powers delegated and transactions with related parties			
The BoD has attributed powers defining:			
a) limits	x		
b) functioning	x		
c) and periodical information?	x		
The BoD reviews and approves the transactions of an important economic and financial nature (including transactions with related parties)?	x		
The BoD has defined guidelines and criteria for the identification of "significant" operations?	x		
The above guidelines and the criteria are described in the report?	x		
The BoD has defined specific procedures for the review and approval of operations with related persons?	x		
Are the procedures for approval of transactions with related parties described in the report?	x		
Procedures for the most recent appointment of directors and statutory auditors			
Was the candidature for director filed at least 10 days in advance?	x		
The candidature for director is accompanied by full and complete information?	x		
Were the appointments for statutory auditor filed at least 10 days in advance?	x		
The candidature for statutory auditor is accompanied by full and complete information?	x		
Shareholders' Meetings			
The company has approved Shareholders' Meeting Regulations?	x		
The Regulation is attached to the report (or indicated where it can be obtained)?	x		
Internal Control			
Has the company appointed persons responsible for internal control?	x		
Are they hierarchically independent from Business Area managers?	x		
Organisational internal control dept. (ex art. 9.3 of the Code)			The person in charge of Internal Control is the head of the Internal Audit department, Mr. Carlo Ravazzin.
Investor relations			
Has the Company appointed an investor relations manager?	x		
Structural unit and references (address/telephone/fax/email) of investor relations manager	x		IR Manager: Mr. Lorenzo Lepri. Milan, Via della Braida, 5 Tel. 02540271. lorenzo.lepri@staff.dada.net investor.relator@staff.dada.net

DISCLOSURES ON SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 123 BIS

The following information is required by art. 123 of Legs. Decree 58/1998.

The structure of the share capital including the securities which are not traded on a regulated market in a European Community State, with indication of various share categories and, for each share category, the related rights and obligations, as well as the percentage of the share capital held.

The share capital of Dada S.p.A. is composed entirely of ordinary shares; therefore no other categories of shares exist within the limits and rights connected to them.

	Current share capital		
	Euro	No. of shares	Unitary nominal value
Ordinary shares	2,755,711,73	16,210,069	0.17

Any restriction to the transfer of the securities, such as limits to the holding of securities or the necessity to obtain the approval by the company or other shareholders.

The restriction on the transfer of Dada S.p.A. relate to two shareholder agreements, the contents of which were communicated to Consob on the date indicated below, and therefore published in the appropriate sections of the Internet site www.consob.it as well as on the site of the company at the Internet address http://dada.dada.net/it/investor_relations/corporate_governance/pattiparas.php

- agreement signed between Dada S.p.A. and R.C.S MediaGroup S.p.A. with registered office at Milan, Via San Marco 21, concerning 2,417,957 Dada shares owned by this latter, communicated to CONSOB on March 12, 2004.
- agreement signed between Dada S.p.A. and Mr. Marco Magnocavallo, born in Milan on February 2, 1973 – concerning 31,250 shares owned by this latter – Francesco Magnocavallo born in Milan on May 26, 1971 – concerning 13,506 shares owned by this latter – Filippo Bassoli born in Milan on March 15, 1974 – concerning 13,275 shares owned by this latter – Luca Wilson Lizzeri born in Milan on August 1, 1970 concerning 9,192 shares owned by this latter – agreement communicated to CONSOB on July 8, 2008;
- agreement signed between RCS MediaGroup S.p.A., with registered offices in Milan, Via San Marco 21 – concerning 8,025,101 shares of Dada owned by this latter – and Mr. Paolo Barberis, born in La Spezia on December 8, 1967 – concerning 870,000 Dada shares owned by this latter – Spezia, March 16, 1967 – concerning 48,581 Dada shares owned by this latter – agreement communicated to CONSOB on December 20, 2008.

The significant direct or indirect equity investments, for example through pyramid structures or interlocked equity investments, in accordance with communications made pursuant to art. 120.

The shareholders with holdings of more than 2%, in accordance with article 120 of the Consolidated Finance Act, are as follows:

RCS Media Group S.p.A. 49.50%
Paolo Barberis 5.36%
Simona Cima 2.23%
Alessandro Sordi 2.34%
Angelo Falchetti 2.16%
Jacopo Marello 2.10%
Eurizon Inv. SGR 3.05%

If known, the holders of each security which confers special rights of control and a description of these rights.

There are no holders of securities which confer special control rights.

The exercise mechanism of the voting rights contained in any share investment by employees, where these voting rights are not exercised by these latter.

There is no particular system for employees to exercise voting rights.

Any restriction to voting rights, for example limitation of the voting rights up to a determined percentage or to a certain number of votes, terms imposed for the exercise of the voting right or systems in which, with the cooperation of the company, the financial rights related to the securities are separated from the possession of the securities.

There are no restrictions on voting rights.

Agreements by the company pursuant to article 122.

The shareholder agreements concerning the shares of the company and known to the companies are those already indicated at point b) of the present document.

The regulations applicable for the nomination and replacement of the directors and the members of the supervisory and management boards as well as changes to the by-laws where different to those applicable through supplementary norms.

The applicable regulations for the appointment and substitution of the directors are contained in article 19 of the By-Laws of Dada S.p.A which state:

"The company shall be administered by a Board of Directors, composed of a minimum of 3 and maximum of 15 members appointed, including among non shareholders, by the Shareholders' Meeting that from time to time determine the number.

The members of the Board of Directors are appointed for a period of three years and their mandate expires at the date of the Shareholders' Meeting that approves the financial statements relating to the last year of their appointment, or the period from time to time determined by the Shareholders' Meeting in accordance with the provisions of article 2383, paragraph 2 of the civil code;

The Directors must possess the requisites required by the current legal regulations in force and by the by-laws of the company and are re-electable. The number of independent directors must be in accordance with the requirements of article 148, paragraph 3 of Legislative Decree No. 58 of 1998.

The Board of Directors is appointed by the Shareholders' Meeting on the basis of slates in which the candidates must be listed by means of progressive number.

Each candidate can be presented only on one slate at the risk of being declared ineligible.

Each slate must contain, individually identified, a number of independent candidates pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by current regulations.

Shareholders may present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations.

Each shareholder cannot contribute to the presentation of or present, through other persons with voting rights or trust companies, on more than one slate. Shareholders belonging to the same group, those parties pursuant to article 93 of Legislative Decree No. 58/98, who are subject to the control or joint control, even if the control is by a physical person, and the shareholders of a shareholding agreement on the shares of the Company may not present or vote with others presenting more than one slate or vote on other slates. Slates presented in violation of the preceding regulations are deemed as having not been presented and votes cast in favour of such slates are not attributed to any slate.

The slates, together with the curriculum vitae of the candidates containing professional and personal details and the shareholders that presented them, or their mandate, with information on their respective identity and the total holding certified by copies of the certificates issued by the authorised intermediary, must be filed at the registered office at least 15 days before the date of the Shareholders' Meeting in first call.

On the presentation of the slates, the declarations that the candidates accept their nomination and a declaration under their own responsibility must be filed:

1) of the inexistence of causes of ineligibility and incompatibility, as well as the existence of the qualifications required by current regulations;

2) whether the candidates are independence pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998.

Slates presented in violation of the above rule are considered null.

The procedure for electing the directors shall be as follows:

a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;

b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) or with the shareholders that presented or voted this slate, the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates.

Where a minimum number of independent directors are not elected pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998 required by law in relation to the total minimum number of directors, the non-independent candidates elected last in progressive order of the slate which had the highest number of votes, of the previous letter a), will be replaced by the first candidate, according to the respective progressive order, of the non elected independent director of the same slate or, where, for any reason, this is not sufficient, from the slates which have obtained the next highest number of votes, commencing with that at letter b) above and continuing through a decreasing order of the number of votes obtained.

Where this procedure does not ensure an outcome, the Shareholders' Meeting will elect in accordance with the majority by law, the independent directors.

In the case where two or more slates have obtained the same number of votes, a new ballot takes place.

If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority.

In relation to that established in the preceding paragraph, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

If during the year one or more vacancies occur on the Board, the Board replaces them in accordance with the provisions of article 2386 of the Civil Code, with approval from the Board of Statutory Auditors, as follows:

a) the Board of Directors appoints the replacements from the same slate to which the directors resigning belonged and the Shareholders' Meeting makes resolutions, in accordance with statutory majority, respecting this criteria;

(b) when the above-mentioned slate does not contain candidates not previously elected or candidates with the necessary requisites, or when for whatever reason that stated in letter a) cannot be complied with, the Board of Directors makes the replacement in accordance with statutory majority, without the voting of slates.

The Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

The above regulations are subject to any further amendments to the law and regulations.

The regulations applicable to the change in the by-law are those stated in law and regulations.

The existence of powers for share capital increases pursuant to article 2443 of the civil code or rather the power of the board or the members of the Board of Directors to issue equity financial instruments as well as authorise the purchase of treasury shares.

The powers conferred by the Shareholders' Meeting of Dada S.p.A. for the share capital increase pursuant to article 2443 and the authorisation to purchase treasury shares are shown below.

With the Extraordinary Shareholders' Meeting resolution on 28/4/2005, the Board of Directors were conferred, in accordance with articles 2443 and 2441, 8th paragraph of the civil code, the power to increase the share capital, for a five year period, on one or more occasions, up to a maximum nominal value of Euro 79,922.95, through the issue of ordinary shares with the nominal value of Euro 0.17 as an incentive plan for the employees of Dada S.p.A. and its subsidiaries.

With the Extraordinary Shareholders' Meeting resolution of December 30, 2005, the Board of Directors in accordance with article 2443, paragraph 2 of the civil code were conferred: the power to increase the share capital, on one or more occasions, up to a maximum nominal value of Euro 136,000.00, through the issue of 800,000 ordinary shares with a par value of Euro 0.17 as an incentive plan for the executives with specific appointments and/or general managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries. In execution of these delegated powers, on February 3, 2006, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan for the Executives with specific appointments and/or General Managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries.

The resolution of the Extraordinary Shareholders' Meeting of April 24, 2008 authorised the Board of Directors, in accordance with article 2357 and subsequent of the Civil Code to purchase and sell treasury shares of the Company, for the amount, price and terms and conditions as illustrated below:

a) The purchase and sale of Treasury Shares of the Company may be carried out on one or two occasions, in total or in part, within 18 months from the date of the present resolution.

in order to carry out purchases/sales, exchanges, sales etc. including the purchase of shareholdings and/or assets.

b) The purchase price may not be 20% lower or 10% higher than the market price recorded on the day preceding each individual transaction.

c) The utilisation of the treasury shares must take place at a price, or at a valuation, not lower than 95% of the average reference price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the commitment deeds, in accordance with current regulations and will be accounted in accordance with applicable norms and accounting standards.

d) The purchases of treasury shares will be made, pursuant to articles 132 of legislative decree No. 58 of February 24, 1998 and article 144 bis, paragraph 1, letter b) of the Issuers' Regulations issued by CONSOB resolution No. 11971 of May 14, 1999, as supplemented up to a maximum number of ordinary shares representing 10% of the share capital of the nominal value of Euro 0.17 each, in accordance with the provisions of the market regulations in order to ensure equal treatment of shareholders. The purchases will be made exclusively, also on more than one occasion for each procedure, on markets organised and managed by Borsa Italiana S.p.A., under the operating procedures established by this latter, which does not permit the direct joint proposal to purchase with predetermined proposals to sell. The shares which will be acquired in execution of the shareholders' meeting authorisation may form parts of deeds and, in this context, also be sold, even before the quantity of the purchases subject to the present authorisation, on one or more occasions, in the manner considered most appropriate in the interest of the Company in accordance with law, including the disposal on the stock exchange or an institutional placement or as payment for the acquisition of equity investments and/or assets and/or activities.

e) In order to comply with the limit contained in article 2357 third paragraph of the civil code, the number of shares to be purchased and the relative amount must take into account the shares already held in portfolio. The purchases and the treasury shares held will be accounted in accordance with the provisions of law and the applicable accounting principles.

f) The Shareholders' Meeting conferred to the Board of Directors all powers necessary to undertake the purchases and sales and in any case to implement the above resolutions, including through proxies, complying with any requests by the relevant authorities.

g) The significant agreements in which the company and its subsidiaries are party to and which are effective, are modified or settled in case of change of control of the company, and their effects, except where due to their nature their publication would gravely damage the company; this exception is not applicable when the company has the specific obligation to publish this information on the basis of other provisions of law.

h) The agreements between the company and the directors and members of the supervisory or management boards which provide indemnity in the case of resignation or dismissal of office without just cause or termination of employment following a public purchase offer.

INFORMATION ON THE ENVIRONMENT AND SECURITY

ENVIRONMENT

The environmental strategy of the Dada Group was formulated with the following objectives:

- to optimise the use of energy sources and of natural resources through improvements in the use of technology in their respective spaces;
- to create a culture with a sensitive approach to environmental issues – using also specific internal messages for this purpose;
- to adopt purchasing policies which consider the environment.

Waste

The Businesses of the Group produce services which in turn produce modest amounts of waste and whose management is carried out as follows:

Paper	Separated residential waste collection
Toner	Conferred to specialised companies
Hardware	Conferred to specialised companies
Unseparated waste mixed with urban waste	Collected in communal containers

Water

The consumption of water by the Group companies is modest and exclusively related to hygienic-sanitary uses.

Energy

The DADA Group believes in the careful management of energy consumption. In particular, in relation to electrical energy, the following initiatives are noted:

- in all offices lighting systems which consume low amounts of energy guaranteeing a technical-illumination level within the regulations are installed.

SECURITY

The policy of the DADA Group in relation to Workplace Security is based upon continual improvement and a high level of vigilance to identify problems.

In all of the Group Businesses, the work undertaken is principally office work.

The company fulfils its regulatory requirements on an ongoing basis and is constantly updating its Evaluation of Risk Documents and related attachments with regard to the organisational and technical development.

The Group adopted a Work and Security Management System, which integrated into the overall Business Management System.

Frequent operational analysis, programming and planning meetings are undertaken in relation to improvement and training plans and the verification of the fulfilment of duties.

ATTACHMENT 1

WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AT DECEMBER 31, 2008				
Amounts in Euro/thousand	Dec. 31, 08	Dec. 31, 07	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	108,161	86,428	21,733	25%
Current assets (B)	73,832	73,983	-151	0%
Current liabilities (C)	-85,316	-78,667	-6,649	8%
Net working capital (D) = (B)-(C)	-11,484	-4,684	-6,800	145%
Employee leaving indemnity provision (E)	-1,368	-1,545	177	-11%
Provision for risks and charges (F)	-1,907	-1,125	-782	70%
Other Payables beyond one year	-539			
Net capital employed (A+D+E+F)	92,863	79,074	13,789	17%
Medium-long term financial payables	-28,494	-26,454	-2,040	8%
Shareholders' equity (G)	-61,480	-62,319	839	-1%
Short-term bank debt	-18,748	-7,319	-11,429	156%
Short-term financial receivables and securities	2,156	1,359	797	59%
Cash and cash equivalents	13,703	15,659	-1,956	-12%
Short-term net financial position	-2,889	9,699	-12,588	-130%
Total net financial position	-31,383	-16,755	-14,628	87%

ATTACHMENT 2

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2008						
Amounts in Euro/thousand	Dec. 31, 08 12 months		Dec. 31, 07 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	Var. %
Net Revenues	**170,220**	**100%**	**158,514**	**100%**	**11,706**	**7%**
Changes in inventory and internal work	4,879	3%	4,557	3%	322	7%
Service costs and other operating costs	-117,725	-69%	-115,788	-73%	-1,937	2%
Personnel costs	-28,500	-17%	-23,895	-15%	-4,605	19%
Ebitda *	**28,874**	**17%**	**23,388**	**15%**	**5,486**	**23%**
Amortisation & depreciation	-8,314	-5%	-5,368	-3%	-2,946	55%
Non-recurring income (charges)	-214	0%	-261	0%	47	-18%
Write-down of fixed assets	-4120	-2%		0%	-4,120	
Revaluations/(Write-downs)	-1635	-1%	-751	0%	-884	118%
Ebit	**14,591**	**9%**	**17,008**	**11%**	**-2,417**	**-14%**
Financial income	860	1%	870	1%	-10	-1%
Financial charges	-3,371	-2%	-2,843	-2%	-528	19%
Share from equity valuations	584	0%	-352	0%	936	-266%
Profit before taxes	**12,664**	**7%**	**14,683**	**9%**	**-2,019**	**-14%**
Income taxes	-4241	-2%	-833	-1%	-3,408	409%
Net profit	**8,423**	**5%**	**13,850**	**9%**	**-5,427**	**-39%**
Minority interest profit	-796	0%	-174	0%	-622	357%
Group net profit	**7,627**	**4%**	**13,676**	**9%**	**-6,049**	**-44%**

ATTACHMENT 3

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER 2008

Amounts in Euro/thousand	Dec. 31, 08 3 months		Dec. 31, 07 3 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	Var. %
Net Revenues	**44,164**	**100%**	**43,452**	**100%**	**712**	**2%**
Changes in inventory and internal work	1,229	3%	1,892	4%	-663	-35%
Service costs and other operating costs	-31,434	-71%	-32,223	-74%	789	-2%
Personnel costs	-7,062	-16%	-6,326	-15%	-736	12%
	0					
Ebitda *	**6,897**	**16%**	**6,795**	**16%**	**102**	**2%**
Amortisation & depreciation	-2,730	-6%	-1,837	-4%	-893	49%
Non-recurring income (charges)	50	0%	-10	0%	60	-600%
Write-down of fixed assets	-4,120	-9%		0%	-4,120	
Revaluations/(Write-downs)	-781	-2%	-501	-1%	-280	56%
Ebit	**-684**	**-2%**	**4,447**	**10%**	**-5,131**	**-115%**
Investment income	491	1%	233	1%	258	111%
Share from equity valuations	-1,971	-4%	-1948	-4%	-23	1%
Profit/(loss) before taxes	**-2,164**	**-5%**	**2,732**	**6%**	**-4,896**	**-179%**
Income taxes	-1175	-3%	411	1%	-1,586	-386%
Net profit/(loss)	**-3,339**	**-8%**	**3,143**	**7%**	**-6,482**	**-206%**
Minority interest profit	-465	-1%	9	0%	-474	-5267%
Group net profit/(loss)	**-3,804**	**-9%**	**3,152**	**7%**	**-6,956**	**-221%**

CONSOLIDATED FINANCIAL STATEMENTS OF THE DADA GROUP AS AT DECEMBER 31, 2008

(Prepared in accordance with IAS/IFRS international accounting standards)

Registered Office: Piazza Annigoni, 9/b - Florence
Share capital Euro 2.755.711,73 fully paid-in
Florence Company Registration Office No.FI017- 68727 - REA 467460
Fiscal code/VAT No. 04628270482

CONSOLIDATED INCOME STATEMENT OF THE DADA GROUP FOR THE YEAR 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS	Ref	FY 2008 (12 months)	FY 2007* (12 months)
Net Revenues	4-5.1	**170,220**	**158,514**
- of which related parties	23	*20,101*	*4,166*
Cost of raw materials and consumables	4	-88	-156
Changes in inventory and internal work	4	4,879	4,557
Service costs and other operating costs	4	-116,579	-115,205
- of which related parties	23	*-8,273*	*-7,074*
Personnel costs	4-5.7	-28,500	-23,895
- of which related parties	23	*-549*	*-913*
Other operating charges	4-5.2	-1,272	-688
Provisions and write-downs	4-5.5	-1,635	-751
Amortisation & depreciation	4-5.6	-8,314	-5,368
Write-down of fixed assets	4-5.6-11	-4,120	0
Ebit		**14,591**	**17,008**
Investment income	5.3	860	870
- of which from non-recurring activities	5.8		*190*
- of which related parties	23	*81*	*19*
Financial charges	5.3	-3,371	-2,843
- of which related parties	23	*-22*	*-12*
Share of profit/losses of associates	5.4	584	-352
Profit before taxes		**12,664**	**14,683**
Income taxes	6	-4,241	-833
Profit from normal operations		**8,423**	**13,850**
Minority interest profit		-796	-174
Group net profit		**7,627**	**13,676**
Basic earnings per share	7	0.471	0.844
Diluted earnings per share		0.453	0.807

CONSOLIDATED BALANCE SHEET OF THE DADA GROUP AT DECEMBER 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

ASSETS	Ref	31/12/08 (12 months)	31/12/07* (12 months)
Non-current assets			
Goodwill	9-11	77,778	63,331
Intangible assets	9	14,153	10,316
Other tangible assets	8	11,560	8,168
Equity investments in non-consolidated subsidiaries, associated and other companies	10-12	4,350	4,296
Financing assets	12	320	296
Deferred tax assets	6	8,963	9,309
Total		117,124	95,716
Current assets			
Inventories	15	42	73
Trade receivables	16	55,308	56,144
- of which related parties	23	*10,710*	*1,927*
Tax receivables and others	16	9,519	8,477
Held-for-trading financial assets		2,156	1,388
Cash and cash equivalents	17	13,703	15,630
Total current assets		80,728	81,712
Non-current assets of discontinued operations			
TOTAL ASSETS		197,852	177,428

CONSOLIDATED BALANCE SHEET OF THE DADA GROUP AT DECEMBER 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

SHAREHOLDERS' EQUITY AND LIABILITIES	Ref	31/12/08 (12 months)	31/12/07* (12 months)
SHAREHOLDERS' EQUITY			
Capital and reserves			
Share capital	18	2,756	2,737
Share premium reserve	18	32,071	30,867
Treasury shares	18		
Legal reserve	18	950	902
Other reserves	18	-3,226	6,398
- of which related parties	23	*1,808*	*1,500*
Retained earnings	18	20,490	7,842
Net profit	18	7,627	13,676
Total Group Shareholders' equity		60,668	62,422
Minority interest share		812	-103
Total Shareholders' Equity		61,480	62,319
Medium/long term liabilities			
Bank loans (payable beyond one year)	19	28,494	26,454
Provisions for risks and charges	20	1,907	1,125
Employee leaving indemnity	14	1,368	1,545
Other payables beyond one year	26	539	
Total non-current liabilities		32,308	29,124
Current liabilities			
Trade payables	21	57,039	54,020
- of which related parties	23	*18,970*	*3,756*
Other payables	21	22,226	19,805
- of which related parties	23	*614*	*568*
Tax payables	21	6,051	4,842
Bank overdrafts and loans (payable within one year)	21	18,748	7,318
Total current liabilities		104,064	85,985
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		197,852	177,428

CONSOLIDATED CASH FLOW OF THE DADA GROUP AT DECEMBER 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

Amounts in Euro/thousand	31/12/08 (12 months)	31/12/2007* (12 months)
Operating activities		
Net profit for the year	7,627	13,676
Adjustments for:		
Income from trading activities	-860	-870
Financial charges	2,137	3,195
Income taxes for the year	4,241	833
Depreciation of property, plant & equipment	3,332	2,026
Amortisation of other intangible assets	9,102	3,342
Other provisions and write-downs	108	751
Increases/(decreases) in provisions	782	-355
Cash flows generated from operating activities before working capital changes	26,469	22,598
Increase in inventories	31	38
(Increase) / decrease in receivables	-165	-21,856
Increase in trade payables	-945	22,532
Cash flow generated from operating activities	25,390	23,312
Income taxes paid	-3,352	-1,093
Interest paid	-3,371	-3,195
Net cash flow generated from operating activities	18,667	19,024
Investing activities		
Interest received	860	870
Purchase of subsidiary and associated companies	-21,358	-36,600
Effect of changes in the consolidation scope	-1,353	-540
Sale of subsidiary and associated companies		400
Purchase of tangible fixed assets	-3,920	-5,621
Purchase of financial assets		
Purchase/sale of financial assets available-for-sale	-24	1,068
Purchase of intangible assets	-4,001	-2,679
Product development costs	-4,879	-4,557
Net Cash flow used in investing activities	-34,675	-47,658

CONSOLIDATED CASH FLOW OF THE DADA GROUP AT DECEMBER 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

Amounts in Euro/thousand	31/12/08 (12 months)	31/12/2007* (12 months)
Financing activities		
Dividends from subsidiaries		
Repayment of loans	-4,937	
Payments deriving from share capital increases	1,222	1,395
New loans	6,326	26,210
Other changes	40	24
Increases (decreases) in bank overdrafts		
Net Cash flow generated from financing activities	**2,651**	**27,629**
Net increase/(decrease) in cash and cash equivalents	**-13,357**	**-1,005**
Cash and cash equivalents at beginning of the year	**8,312**	**9,318**
Cash and cash equivalents at the end of the year	**-5,045**	**8,312**

Additional information on the cash flow statement	2008	2007 *
	12 months	12 months
Cash and cash equivalents at the beginning of the year:	**8,312**	**9,318**
Cash and cash equivalents	9,525	10,531
Bank payables – current portion	-1,213	-1213
Cash and cash equivalents at the end of the year:	**-5,045**	**8,312**
Cash and cash equivalents	13,703	9,684
Bank payables – current portion	-18,748	-1,372
Increase/ (decrease) in the year	**-13,357**	**-1,006**

* data as reported in note 25 of the present report

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY FROM 1/1/2006 TO 31/12/2008

Description	Attribution to the shareholders of the parent company								
	Share capital	Share Pre.	Leg. Res.	Other reserves	Retained earnings	Net profit	Total	Minority Interest	Total NE
Balance at January 1, 2006	2,692	28,085	406	-6,064	7,349	7,222	39,689	520	40,209
Allocation of 2005 result			133	4,734	2,355	-7,222	0		0
Share capital increase	22	1,408					1,430		1,430
Translation difference				-64			-64		-64
Other changes					140		140	15	155
Stock Option				1,083			1,083		1,083
Sales/Purchases/Changes % held								-1,072	-1,072
Result 2006						12,455	12,455	141	12,596
Balance at 31/12/06	**2,715**	**29,493**	**539**	**-311**	**9,844**	**12,455**	**54,734**	**-396**	**54,338**
Allocation of 2006 Result			363	6,904	5,188	-12,455	0		0
Share capital increase	22	1,374					1,396		1,396
Translation difference				-1,133			-1,133		-1,133
Other changes				-3	176		173		173
Stock Option				1,020			1,020		1,020
Sales/Purchases/Changes % held								119	119
Consolidation reserve				-79			-79		-79
Result 2007						12,488	12,488	174	12,662
Balance at 31/12/07	**2,737**	**30,867**	**902**	**6,398**	**15,208**	**12,488**	**68,600**	**-103**	**68,497**
Change in accounting principles					-7,366	1,188	-6,178		-6,178
Balance at 31/12/07 rectified	**2,737**	**30,867**	**902**	**6,398**	**7,842**	**13,676**	**62,422**	**-103**	**62,319**
Allocation of 2007 Result			48	918	12,710	-13,676	0		0
Share capital increase	19	1,203					1,222		1,222
Translation difference				-10,908			-10,908		-10,908
Stock Option				736			736		736
Cash flow hedge reserve				-391			-391		-391
Sales/Purchases/Changes % held								119	119
Consolidation reserve				21	-62		-41		-41
Result 2008						7,627	7,627	796	8,423
Balance at 31/12/08	**2,756**	**32,070**	**950**	**-3,226**	**20,491**	**7,627**	**60,668**	**812**	**61,480**

ACCOUNTING PRINCIPLES AND NOTES

1. Corporate information

Dada S.p.A. is a limited liability company incorporated in Italy at the Florence Company's Registry Office. The addresses of the registered office and of the locations in which the main activities of the Group are carried out are indicated in the introduction to the accounts.

The Dada Group operates in the Internet sector and its principal activities are in the consumer market, with applications for PC and mobile telephone services, the business solutions market and the Hosting & domain market (self-provisioning). For further information, reference should be made to the Directors' Report on operations.

2. Criteria for the preparation of the Financial Statements

The present consolidated financial statements were prepared in accordance with the historical cost convention with the exception of financial assets held for trading which were measured at fair value.

The present consolidated financial statements are expressed in Euro as this is the currency in which the majority of the operations of the Group are carried out.

The report comprises the balance sheet, income statement, statement of change in shareholders' equity, cash flow statement and the present notes.

Declaration of compliance with IFRS

The annual consolidated financial statements for the year 2008 are prepared in accordance with IFRS issued by the International Accounting Standards Board and approved by the European Union. IFRS also include all the revised international accounting standards (IAS) and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee ("SIC").

Consolidation principles

The present consolidated financial statements includes the results of the Parent Company Dada S.p.A. and of the companies it controls as at December 31, 2008. Based on the accounting standards applied, the control of a company is defined as when the company has the power to determine the financial and operating policies of a company so as to benefit from its activities.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the date of acquisition until the date of sale.

All significant transactions between companies included in the consolidation scope are eliminated. Business combinations are recorded in the consolidated financial statements in accordance with the purchase method, as described below.

The minority share interests in the subsidiaries consolidated are recorded separately in shareholders' equity.

This minority interest is determined based on the percentage held in the fair value of the assets and liabilities recorded at the original acquisition date (see below) and in the changes in shareholders' equity after this date.

After the initial recording, the losses attributable to the minority shareholders exceeding the shareholders' equity pertaining to them are allocated to the Group shareholders' equity except where the minority shareholders have a binding obligation and are capable of making further investments to cover the losses.

The separate financial statements of each company belonging to the Group are prepared in the primary currency where they operate (operational currency). For the purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in Euro, which is the operational currency of the Group and the presentation currency of the consolidated financial statements.

All of the assets and liabilities of foreign subsidiaries in currencies other than the Euro which are included in the consolidation are translated using the exchange rate at the balance sheet date (current foreign exchange rate method). Income and costs are translated at the average exchange rate for the year. The translation differences deriving from the application of this method are classified in equity until the sale of the investment. In the preparation of the consolidated cash flow statement, the average exchange rates for the year are used to convert the cash flows of foreign subsidiaries.

The exchange differences on the translation between the initial net equity translated at current exchange rates and those translated at historical exchange rates, as well as the differences between the result expressed at average exchange rates and those expressed at current exchange rates, are allocated to the shareholders' equity account "Other reserves".

On the sale of a foreign entity, the accumulated exchange differences recorded in the equity reserve, relating to the foreign entity, are recorded in the income statement.

The exchange rates used for the translation to Euro of the income statement and balance sheet of the companies included in the consolidation are shown in the table below.

CURRENCY	AVERAGE EXCHANGE 31.12.2008	EXCHANGE RATE AT 31.12.2008
US Dollar	1.47134	1.3917
Brazilian Real	2.68231	3.2436
Chinese Yuan	10.24795	9.4956
UK Sterling	0.79635	0.9525

The minority share interests in the subsidiaries consolidated are recorded separately in shareholders' equity. This minority interest is determined based on the percentage held in the fair value of the assets and liabilities recorded at the original acquisition date (see below) and in the changes in shareholders' equity after this date. After the initial recording, the losses attributable to the minority shareholders exceeding the shareholders' equity pertaining to them are allocated to the Group shareholders' equity except where the minority shareholders have a binding obligation and are capable of making further investments to cover the losses.

<u>Change in consolidation scope</u>

The consolidation scope of the Dada Group changed as follows:

The company Softec S.p.A. was sold at the beginning of April 2007. This investment was therefore fully consolidated in the income statement for the first three months of the year, while it was not included in the consolidation scope for the full year 2008. The disposal of the company generated a gain of Euro 247 thousand.

Namesco Ltd was consolidated entirely for 2008 while in the previous year it was consolidated at income statement level for six months as it was purchased on July 1, 2007.

The companies of the Amen Group are fully consolidated for the period July 1 – December 31, 2008 and were not consolidated in 2007.

E-Box Srl was fully consolidated for the second half of 2008 following the purchase of a further holding, bringing the Dada Group to a position of control. In 2007 this company was included among investments in associated companies and therefore was valued under the equity method.

The company Giglio S.p.A. was fully consolidated from the second half of 2008 while it was not included in the consolidation scope in 2007. This consolidation was made based on IAS 27 which requires that "when an entity has a call option on the shares of another entity which is currently exercisable, the potential voting rights exercisable related to these shares must be taken into consideration in determining whether the entity exercises control on the other". Simultaneously to the purchase of 10% of the company Giglio S.p.A., Dada was assigned call options up to a holding of 51% or 100% to be exercised at the sole discretion of Dada within two years from the signing of the contract.

The accounting principles adopted for the present financial statements are the same as those utilised for the annual accounts at December 31, 2007 with the exception of the following:

<u>Change in consolidation principles</u>

Up to the financial statements at December 31, 2007, the user acquisition costs in the Dada.net division were correlated to the revenues on an accruals basis.

This correlation was determined on the basis of the historical LTV (life time value), rolling on a half-year basis, of the users acquired for the paid services.

In relation to the above, IASB at the end of 2007, issued an exposure draft of the Improvement Project, re-examining and reviewing some aspects related to the issue. In particular, the proposal to amend the IASB standards expanded upon the concept of the prepaid charges, which would sanction an analytical approach in order to limit the possibility of recording prepayments to certain circumstances.

The above amendments should be effective as of January 1, 2009, with the possibility of advanced application.

Therefore in consideration of the matters outlined above, and in particular of the fact that this new interpretation will be obligatory from the year 2009, with possibility of advanced application in 2008, the Dada Group adopted this new interpretation from the current year, with consequent recording in the income statement of the user acquisition costs when incurred.

The change in the application of this standard resulted in an adjustment to the data at December 31, 2007 is as follows:

- at December 31, 2007, a negative effect on the net equity of approx. Euro 6.2 million and a positive effect on the income statement of approx. Euro 1.2 million.

It is recalled that the above account affects the net working capital (due to the reduction of the accrued income included under receivables against net equity) which at December 31 reduced from Euro 1,494 thousand to Euro -4,684 thousand.

The balance sheet and income statement reported in the present consolidated financial statements at December 31, 2008 were restated to reflect the above changes.

The holding in the company Tipic was merged into the parent company Dada USA in December 2007 and is therefore no longer included in the consolidation scope.

The consolidation scope for the period is shown below:

Consolidation scope	At December 31, 2008			At June 30, 2008			At December 31, 2007		
Values: Euro/000	Perc. Held	Period Consol.	Share capital	Perc. Held	Period Consol.	Share capital	Perc. Held	Period Consol.	Share capital
Dada S.p.A. (FI)	Parent Company	Jan - Dec 2008	2.756	Parent Company	Jan-June 2008	2.756	Parent Company	Jan-Dec 2007	2.736
Media Dada Science and Development Co. Ltd (Beijing - CHINA)	100%	Jan-Dec 2008	759	100%	Jan-June 2008	759	100%	Jan-Dec 2007	759
Register S.p.A. (BG)	100%	Jan-Dec 2008	1913	100%	Jan-June 2008	1913	100%	Jan-Dec 2007	1913
- Cotei SL (Barcelona – SP) ind.	100%	Jan-Dec 2008	23	100%	Jan-June 2008	23	100%	Jan-Dec 2007	23
- Nominalia SL (Barcelona – SP) ind.	100%	Jan-Dec 2008	3	100%	Jan-June 2008	3	75%	Jan-Dec 2007	3
- Namesco Limited (Worcester- GB) ind.	100%	Jan – Dec 2008		100%	Jan – June 2008		100%	Jul – Dec 2007	
- Namesco Ireland Ltd (Dublin- IRE) ind.****	100%	May – Dec 2008		100%	May – June 2008		-	-	-
- Amen France (Paris- FR) ind.	100%	July - Dec 2008	37	-	-	-	-	-	-
- Amen S.p.A.in (Barcelona- SP) ind.	100%	July - Dec 2008	3	-	-	-	-	-	-
- Amen Italia Srl (Milan- IT) ind.	100%	July - Dec 2008	10	-	-	-	-	-	-
- Amen UK Ltd (London- GB) ind.	100%	July - Dec 2008	0	-	-	-	-	-	-
- Amen Netherland B.V. (Eindhoven- NL) ind.	100%	July - Dec 2008	18	-	-	-	-	-	-
- Amen Portugal (Lisbon- POR) ind.	100%	July - Dec 2008	10	-	-	-	-	-	-
Softec S.p.A. (Pistoia)**	-	-	-	-	-	-	50%	Jan-Mar 2007	300
- WebNet S.r.l. (FI) ind**	-	-	-	-	-	-	100%	Jan-Mar 2007	21
- Business Engineering Srl (PT) ind.**	-	-	-	-	-	-	100%	Jan-Mar 2007	21
Dada.net S.p.A. (FI)*	100%	Jan - Dec 2008	9933	100%	Jan-June 2008	9933	100%	Jan-Dec 2007	9933
- Clarence S.r.l. (FI) ind.	100%	Jan-Dec 2008	21	100%	Jan-June 2008	21	100%	Jan-Dec 2007	21
- Dada USA Inc (NY - USA) ind.	100%	Jan - Dec 2008	-	100%	Jan-June 2008	-	100%	Jan-Dec 2007	-
- Upoc Inc (NY - USA) ind.	100%	Jan-Dec 2008	-	100%	Jan-June 2008	-	100%	Jan-Dec 2007	-

Consolidation scope	At December 31, 2008			At June 30, 2008			At December 31, 2007		
- Dada Brasil Serviços de Tecnologia Ltda (SP - BR) ind.	100%	Jan – Dec 2008	163	100%	Jan-June 2008	163	100%	Jan-Dec 2007	163
- Tipic Inc (NY - USA) ind. ***	-	-	-	-	-	-	-	-	-
- Dada Iberia SL (Barcelona - SP) ind.	100%	Jan – Dec 2008	3	100%	Jan-June 2008	3	100%	Mar - Dec 2007	3
- Ebox Srl (Milan - IT) ind.	70%	July – Dec 2008	10	-	-	-	-	-	-
- Giglio S.p.A. (Rome - IT) ind.	10%	July - Dec 2008	2100	-	-	-	-	-	-

* DadaMobile S.p.A. changed its name to Dada.net S.p.A..

** Company sold and consolidated at income statement level for only the first quarter of 2007.

*** Company merged with Dada Usa Inc in December 2007.

**** Company formed in May 2008

2.1 Main accounting principles

Business combinations and goodwill

Business combinations are recorded using the purchase method.

The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the company acquired, plus any costs directly attributable to the business combination. The cost method requires the recording at fair value of the identifiable assets (including the intangible assets previously not recognised) and the identifiable liabilities (including the contingent liabilities and excluding future restructuring) of the enterprise acquired.

The goodwill acquired in a business combination is initially recorded at cost represented by the excess of the purchase price compared to the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities (from the purchase). If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is immediately recognised in the income statement. The application of the purchase method provides for a first phase which provisionally determines the fair values of the assets, liabilities and contingent liabilities to permit an initial recording of the operation in the consolidated financial statements. This initial recording is completed and adjusted within 12 months from the acquisition date. Goodwill is recognised as an asset and reviewed annually to verify that there has been no loss in value. The losses in value are recognised immediately in the income statement. At the end of the analysis, the goodwill acquired in a business combination is allocated, at the date of acquisition, to the individual Group cash-generating units, or to the group of cash-generating units which should benefit from the synergies of the business combination, independently of the fact that other assets or liabilities of the Group are allocated to this unit or group of units. Each unit or group of units to which the goodwill is allocated:

Represents the lowest level within the Group to which the goodwill is monitored at internal management level;

It is not larger than the segment identified on the basis of either the primary or secondary presentation of the Group's segment information, determined in accordance with IAS 14 segment information.

When the goodwill constitutes part of a cash-generating unit (group of cash-generation units) and part of the internal activities of this unit are sold, the goodwill associated with the activity sold is included in the book value of the activity to determine the gain or loss deriving from the sale. The goodwill sold in these circumstances is measured on the basis of the relative values of the activities sold and of the portion of the units maintained.

When the sale relates to a subsidiary company, the difference between the sales price and the net assets plus the accumulated translation differences and the goodwill not amortised is recorded in the income statement.

Interests in Joint Ventures

The Dada Group is part of a joint venture (Dada Entertainment LLC), classifiable as a jointly controlled company. The Group consolidates its investment in joint ventures under the equity method as set out in IAS 31.38. The joint venture prepares its financial statements for the same financial year as the parent company and applies uniform accounting principles.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held for sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is applicable only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current conditions and the management has undertaken a commitment to sell, which should take place within 12 months from the date of classification of this account.

Intangible assets

The intangible assets acquired separately are initially capitalised at cost, while those purchased through business combinations are capitalised at fair value defined at the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortisation and any loss in value. The intangible assets produced internally, with the exception of development costs, are not capitalised and are recognised in the income statement in the year incurred. The useful life of the intangible assets are measured as definite.

The definite intangible assets are amortised over the useful life of the asset and verified for any indications of a possible loss in value. The period and method of amortisation applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or of the manner in which the future economic benefits related to the intangible assets are received by the Group are recorded amending the period and method of amortisation, and treated as changes in the accounting estimates. The amortisation of definite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

Research and development costs

The research costs are recognised in the income statement in the year in which they are incurred. The development costs incurred in relation to a specific project are capitalised only when the Group can demonstrate the technical possibility to complete the intangible asset in order to make it available for use or sale, its intention to complete this asset for use or sale, the manner in which it will generate probable future economic benefits, the availability of technical, financial and other resources in order to complete the development and its capacity to evaluate in a reliable manner the cost attributable to the activity during its development.

During the development period, the asset is reviewed annually in order to determine any loss in value. Subsequent to the initial recording, the development costs are valued at cost less amortisation or accumulated loss. Amortisation begins when the development is completed and the asset is available for use. Amortisation is made with reference to the period in which it is expected the related project will generate revenues for the Group. During the period the asset is no longer in use, it is reviewed annually in order to determine any loss in value.

Other intangible assets

They are initially recognised at purchase cost and are amortised on a straight line basis over their expected useful life. Reference should be made to the accounting policy relating to the loss in value and impairment test.

The gains and losses deriving from the disposal of an intangible asset is measured as the difference between the net sales revenue from the disposal and the carrying value of the intangible asset and recorded in the income statement when the asset is sold.

Other tangible assets

The other tangible assets, plant, machinery and equipment are recognised at purchase or production cost, net of accumulated depreciation and any write-down for loss in value. Cost includes any related charges and direct and indirect costs reasonably attributable to the asset.

Tangible assets are depreciated each year on a straight line basis reflecting the estimated useful life of the asset applying the following percentages:

Equipment and EDP: 20%
Furniture and fittings: 12%
Ordinary office machines: 12%

A tangible asset is eliminated from the financial statements when the asset is sold or when no expected economic benefits exist from its use or disposal. Any gains or losses are included in the income statement in the year of its disposal. The residual value of the asset, the useful life and the depreciation methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

Investments in associated companies

The Group investments in associated companies are measured under the net equity method. An associated company is one in which the Group exercises significant influence and is not classifiable as a subsidiary or joint venture.

For purposes of the net equity method, a share in an associated company is recorded in the balance sheet at cost, increased by changes, subsequent to acquisition, in the Group's share of the associate's net equity. Goodwill pertaining to the associate is included in the book value of the share, and is not subject to amortisation. After application of the net equity method, the Group decides if it is necessary to record any losses in added value referring to the Group's net share in the associate. The income statement reflects the Group's share of the associate's result for the period. If an associated company records adjustments with direct charge to net equity, the Group records its share and records this (where applicable) in the schedule of changes in net equity. Gains and losses deriving from transactions between the Group and associated companies are eliminated in proportion to the investment held in the associated company.

The closing date of associates' accounts is aligned with that of the Group. The accounting standards used conform to those used by the Group for transactions and events of the same type and under similar circumstances.

Impairment

At each balance sheet date, the Group reviews the carrying value of its intangible and tangible assets to determine if there are indications that these assets have incurred a loss in value. When it is determined that a potential loss exists, the Directors make valuations on the recoverable amount of those assets in order to identify the potential amount of the loss. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to.

The indefinite intangible assets (including goodwill) and the investments are verified annually and whenever there is an indication of a possible loss in value in order to determine whether a loss in value has occurred.

The recoverable value is the higher between fair value less costs to sell and value in use. The recoverable value is determined by single asset except when this asset generates cash flows which are not sufficiently independent from other assets or groups of assets. If the carrying value of an asset is higher than its recoverable value, this asset has incurred a loss in value and the loss in value is consequently recorded in the income statement. In determining the value in use, the estimated future cash flows are discounted on a pre-tax basis which reflects the market assessment of the time value of money and the risks specific to the asset.

When the reasons for the impairment no longer exist, the carrying value of the asset (or CGU) – except for goodwill – is increased to the revised estimate of its recoverable value. The new value cannot exceed the net carrying value if no write-down for impairment had being recorded. The restated values are immediately recognised in the income statement.

Inventories

The inventory relates to work in progress on contracts in progress at the balance sheet date. The valuation of the contracts is made in accordance with the percentage of completion method.

Receivables

The receivables are measured at nominal value and reduced to net realisable value through the recording of a specific allowance for doubtful debts. Such provisions are calculated on the basis of an assessment of recoverability, carried out through analysis of individual positions and overall degree of risk, taking into account guarantees and existing insurance covers.

Receivables due beyond one year, non-interest bearing or which mature interest below lower market rates are discounted using market rates.

Financial assets

The financial assets are recognised and unrecognised from the financial statements on the basis of the trading date and are initially measured at cost, including the transaction costs.

After initial recognition, the financial assets that Dada S.p.A. has the positive intention and ability to hold to maturity (securities held to maturity) are stated at amortised cost using the effective interest method, net of write-downs to reflect losses in value.

Financial assets other than those held to maturity are classified as held for trading or available-for-sale, and are measured at the end of each period at fair value. When the financial assets are held for trading, the gains and losses deriving from the changes in the fair value are recognised in the income statement in the period; for the financial assets available-for-sale, the gains and losses deriving from the changes in the fair value are recognised directly to equity until they are sold or have incurred a loss in value; at that moment, the total gains and losses previously recorded under equity are recognised in the income statement of the period.

Cash and cash equivalents

The account relating to the cash and cash equivalents includes cash, bank current accounts and deposits on demand and other highly liquid short-term financial investments readily convertible into cash and that do not have a significant risk of a change in value. They are recorded at their nominal value. For the purposes of the consolidated cash flow statement, cash and cash equivalents are recorded as available funds, as defined above, net of bank overdrafts.

Payables

Payables are recognised at their nominal value.

Bank borrowings

The interest bearing bank loans and overdrafts are recognised based on the amounts received, net of the cost of the operation and subsequently valued at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded based on the proceeds received, less direct issue costs.

Provisions and funds for risks and charges

The provisions are recorded in the financial statements when the Company has a present obligation resulting from a past event and it is probable that the obligation must be met. Provisions are made based on the Directors best estimate of the cost of fulfilling the obligation at the balance sheet date and are discounted to present value when the effect is significant.

Transactions in foreign currencies

The consolidated financial statements are presented in Euro, which is the company's operative currency. Each Group company decides the operative currency to be used to value the accounts in the financial statements. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the balance sheet date.

All the exchange differences are recorded in the income statement, with the exception of the differences deriving from loans in foreign currencies to hedge a net investment in a foreign entity, which are recorded directly in equity until the net investment is sold, which are then recognised in the income statement. The deferred taxes attributable to exchange differences on these loans is also recorded directly in equity. Non-monetary taxes valued at historical cost in foreign currency are translated by using the exchange rates in effect on the date the transaction was initially recorded. Non-monetary items recorded at fair market value in foreign currency are translated by using the exchange rate on the date the value was calculated.

Revenue recognition

Revenues are recorded in accordance with the probability that the Group will receive economic benefits and the amount can be determined reliably. The revenues are measured at the fair value of the amount received, excluding discounts, premiums or other sales taxes. The following criteria are used for the recording of revenues in the income statement:

Sale of goods
The revenues are recognised when the company has transferred to the acquirer all of the significant risks and rewards connected to the ownership of the asset, generally the shipping date of the goods.

Services
The revenues deriving from services are recognised on the provision of the service. When they relate to projects the revenues are measured in proportion to the hours worked compared to the estimated hours on each contract. When the outcome of the contract cannot be measured reliably, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

Interest
Amounts are recorded as financial income in relation to interest income matured (using the effective interest method which is the rate that precisely discounts the expected future cash flows based on the expected life of the financial instrument to the net book value of the financial asset).

Dividends
Revenues are recorded when the right of the shareholders to receive the payment arises.

Pension provision and other post-service benefits

These provisions and benefits are not financed. The expected cost of defined benefit plans are determined separately for each plan using the projected unit credit actuarial method. The gains and losses deriving from the actuarial calculation are recorded in the income statement as cost or income. These gains or losses are recorded on the basis of the average residual working life expected of the employees of the plan.

The pension costs relating to previous employment (past service cost) is recorded as a cost on a straight-line basis on the average maturity period of the benefit. If the benefits mature immediately after the introduction or the change of the plan, the pension cost relating to past services is recorded immediately.

The assets or liabilities relating to the benefits defined include the current value of the defined benefit obligations less any pension costs relating to past services not yet recorded less the fair value of the assets to service the plan which will directly settle the obligations. The value of any asset is limited to the aggregate of any cost for past services not yet recorded and the current value of any financial benefit in the form of repayment from the plan or reduction in future contributions to the plan.

Share-based payments (stock options)

Operations settled with securities.

The cost of the operations with employees settled with securities for benefits granted after November 7, 2002 is measured with reference to the fair value at the assignment date. Fair value is calculated by an independent assessor using an appropriate valuation method. For further information, reference should be made to the note relating to stock options.

The cost of the operations settled with securities, together with the corresponding increase in the net equity, is recorded in the period when the conditions relating to the reaching of the objectives and/or provision of the services are satisfied, and terminate at the date when the employees concerned have fully matured the right to receive the compensation ("maturity date"). The cumulative costs relating to these operations at each balance sheet date until the maturity date are compared to the maturity date and to the best estimates available of the number of participating instruments which will effectively mature. The cost or revenue recorded in the income statement for the year represents the change of the cumulative cost recorded at the beginning and at the end of the year.

The probability of exercise was defined on the basis of an estimate by management, taking into account the effects of the non-transferability of the shares, of the returns in the year and considerations on the behaviour of the assignees.

No cost is recorded for the rights which have no definitive maturity, except in the case of rights whose assignment is subject to market conditions, which are treated as if they independently mature from the fact that the market conditions to which they are subject are complied with, provided that all the other conditions are satisfied.

If the initial conditions are modified, a cost should be recorded assuming that these conditions are unchanged. In addition, a cost will be recorded for all changes which result in an increase in the total fair value of the payment plan, or which is in any case favourable for employees; this cost is measured with reference to the date of the change.

If the rights are cancelled, they are treated as if they matured at the cancellation date and any costs not yet recorded against these rights are recorded immediately. However, if a right cancelled is replaced by a new right and this is recognised as a situation at the date on which granted, the right cancelled and the new right are treated as if it is a change to the original right, as described in the previous paragraph.

The effect of the dilution of the operations not yet exercised is reflected in the calculation of the diluted earnings per share (see note 7).

Income taxes for the year

Current income tax

Current income taxes are valued at the amount expected to be paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the financial statements.

Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the financial statements.

The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

when deferred taxes derive from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;

with reference to temporary taxable differences associated to investments in subsidiaries, associated companies and joint ventures, where the temporary differences can be controlled and it is probable that they will not materialise in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except:

the deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the financial statements or on profit or loss calculated for tax purposes;

with reference to temporary taxable differences associated to investments in subsidiaries, associated companies and joint ventures, deferred tax assets are recognised only when it is probable that the temporary deductible differences will reverse in the immediate future and that there are will be adequate fiscal profits against which the temporary differences can be utilised.

Deferred tax assets and liabilities are compensated when there is a legal right to compensate the tax assets and liabilities and when they refer to income taxes due to the same fiscal authority and the Group intends to pay the amount on a net basis.

Earnings per share

The earnings per share is calculated dividing the profit or loss attributable to the shareholders of the Parent Company by the weighted average ordinary shares outstanding during the period referred to. The diluted earnings per share is calculated dividing the profit or the loss attributable to the shareholders of the Parent Company by the average weighted number of shares outstanding, taking into account the effects of all the potential ordinary shares with dilution effects (stock option plans to employees).

Use of estimates

The preparation of the financial statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the balance sheet date. The actual results may vary from such estimates. The estimates are used to value the intangible and tangible assets subject to impairment tests as described above in addition to record provisions for risks on receivables, inventory obsolescence, amortisation and depreciation, write-down of assets, employee benefits and income taxes. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised in the income statement.

Hedging financial instruments

Derivatives are classified in the category "Hedging derivatives" if they satisfy the requisites for the application of so-called hedge accounting, otherwise, although in place in order to manage exposition to risk, they are recorded as "held for trading financial assets".

In accordance with IAS 39, financial derivatives may be accounted for under hedge accounting only when the relation between the derivative and the hedged item is formally documented and the effectiveness of the hedge is high (efficacy test).

The effectiveness of the hedging operations are documented both at the beginning of the operation and periodically and are measured comparing the changes in fair value of the hedging instrument with that of the item hedged.

When the hedging derivatives cover the risk of change in the fair value of the instruments subject to the hedge (fair value hedge), the derivatives are recorded at fair value with the effects recorded to the income statement.

When the derivatives hedge the risk of changes in the cash flows of the hedge instrument (cash flow hedge), the changes in the fair value of the derivatives are initially recognised in equity and subsequently in the income statement in line with the economic effects produced from the operation hedged. The fair value changes referring to the ineffective portion are immediately recorded to the income statement for the period. Whenever the derivative instrument is sold or does not qualify as an effective hedge of the risk involved in the operation, or the verification of the underlying operation is no longer considered highly probable, the portion of the reserve from the cash flow hedge is immediately reversed to the income statement.

The changes in the fair value of the derivatives, which do not satisfy the conditions for hedge accounting, are recorded through the income statement.

Irrespective of classification all of the derivative instruments are valued at fair value, determined through valuation techniques based on market data.

Transactions with group and related companies

The transactions with group and related companies are reported in the notes (note 23).

Seasonal activities

The principal activities of Dada Group are not impacted by seasonal factors which could influence the current results.

Change of accounting principles

The accounting principles adopted are in line with those of the previous year, with the exception of the new accounting principle relating to the accounting of acquisition costs (reference should be made to paragraph 25 for further details) and the interpretations of IFRIC14 (Assets for defined benefit plans and minimum hedging requirements) and IFRIC12 (Service concession arrangements), whose adoption did not have significant effects on the financial statements of the Group, nor has given rise to additional disclosure requirements.

IFRS and IFRIC interpretations not yet in force

The Group has not yet adopted the following new standards and believes they will not have significant impacts on the financial statements.

IFRS not yet in force

IFRS 8 – Operating segments

The accounting standard IFRS 8 - Operating Segments, will be applicable from January 1, 2009 in place of IAS 14 - Segment Information. This standard requires the presentation of information on operating segments of the Group and replaces the requirements for the determination of the primary (business) and secondary (geographic) segments of the Group. The new accounting standard requires the company to base the segment information on the elements which management utilises to make its operating decisions, therefore requiring the identification of the operating segments on the basis of the internal reporting which is regularly reviewed by management for the allocation of resources to the different segments and for the purposes of performance analysis. The adoption of the standard will not have an impact on the valuation of accounts in the financial statements.

IAS 1 Presentation of Financial Statements

The revised standard IAS 1 - Presentation of financial statements (September 2007) will be effective from January 1, 2009. The standard requires the movements in equity to show those attributable to the parent and to minority interest. The statement of change in shareholders' equity will include all transactions with shareholders while all the changes relating to transactions with minority interest will be presented in a single line. In addition, the standard introduces the "comprehensive income" statement: this statement includes all the revenue and cost items for the period recorded in the income statement, and in addition all the other cost and revenue items recorded. The "comprehensive income" statement may be presented in a single statement or in two related statements. The group is still considering whether to prepare one or two statements.

IAS 23 Borrowing costs

On March 29, 2007, IASB issued the revised IAS 23 – *Borrowing Costs* which will be applicable from January 1, 2009. The revised version of the standard no longer includes the option in which the companies may immediately record in the income statement borrowing costs incurred against assets in which a determined period would normally pass before the asset is ready for use or for sale. The standard will be applicable to borrowing costs relating to assets capitalised from January 1, 2009.

IFRS 2 – Share-based payment – Vesting and Cancellation conditions

This change to IFRS 2 Share-based payments was published in January 2008 and will be effective from January 1, 2009. The standard defines "vesting conditions" as a condition which includes an explicit or implicit obligation to provide a service. All other conditions are a "non-vesting condition" and must be taken into consideration in determining the fair value of the instrument representing the capital assigned.

Where the premium does not mature as a consequence of the fact that it does not satisfy a "non vesting condition" which is under the control of the entity or of the counterparty, this must be recorded as a cancellation.

The Group has not made any share-based payments with "non vesting" conditions and, consequently, no significant effects are expected in the recording of the share-based payments on options.

IFRS3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements:

The two revised standards were approved in January 2008 and will be effective from July 1, 2009. IFRS 3R introduces some changes in the recording of the business combinations which will have effects on the amount of the goodwill recorded, on the result for the year in which the acquisition takes place and on the results of subsequent years. IAS 27R requires that a change in the holding in a subsidiary is recorded as a capital transaction. Consequently, this change will have no impact on goodwill, and will not give rise to gains or losses.

In addition, the revised standard introduces changes in the recording of a loss incurred by a subsidiary and the loss of control of the subsidiary. The changes introduced by the standards IFRS 3R and IAS 27R must be applied to future periods and will have an impact on the future acquisitions and transactions with minority shareholders.

Changes to IAS 32 and to IAS 1 Financial instruments "for sale":

The changes to IAS 32 and IAS 1 will be effective from January 1, 2009. The change to IAS 32 requires that some financial instruments "for sale" and obligations arising on settlement are classified as capital instruments if certain conditions apply. The change to IAS 1 requires that certain information on options "for sale" classified as capital is disclosed in the explanatory notes.

Amendments to IFRS 1 – First time adoption of international accounting principles and IAS 27 Consolidated and Separate Financial Statements.

The amendments to IFRS 1 allow the entity to determine in its first IFRS accounts, the "cost" of the investments in associated companies, subsidiaries and joint ventures based on IAS 27 or utilising the deemed cost method.

The amendment to IAS 27 requires that all dividends from subsidiaries, associated companies and joint ventures are recorded to the income statement of the separate financial statements. Both the amendments are effective from January 1, 2009 or at a subsequent date. The amendments to IAS 27 must be applied in a prospective manner.

IAS 39 – Financial Instruments: recognition and measurement – Instruments that qualify as hedges

This amendment to IAS 39 was issued in August 2008 and is effective from July 1, 2009 or at a subsequent date. The amendment concerns the designation of unilateral risks of a hedged instrument and the designation of inflation as a hedged risk or portion of hedged risk in certain situations. The amendment clarifies that the entity may designate a portion of the changes of fair value or of the changes in cash flow to a financial instrument such as the hedged instrument. The Group concluded that the amendment will not have an impact on the financial position or profitability of the Group in that they do not take part in operations of this type.

Improvements to IFRS

In May 2008, the Board issued its first full amendment to the standards principally to remove the inconsistencies and to clarify the text. Varying transition periods for each standard are applicable. The Group has not yet adopted any amendments to the following standards:

- IFRS 7 Financial Instruments – information:
- IAS 8 Accounting policies, changes in accounting estimates and errors:
- IAS 10 Events after the balance sheet date
- IAS 16 - Property, plant and equipment .
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for government grants.
- IAS 27 Consolidated and separate financial statements.
- IAS 29 Financial reporting in hyperinflationary economies:
- IAS 34 Interim financial reporting.

IAS 39 – Financial Instruments: recognition and measurement:
IAS 40 Investment property.
IAS 41 Agriculture:

IFRIC Interpretations not yet in force.

These following interpretations not yet in force have also been issued:

- IFRIC 13 – Customer loyalty programmes (applicable from January 1, 2009)
- IFRIC 15 Agreement for construction of own plant (effective from January 1, 2009 and not yet approved by the European Union).
- IFRIC 16 hedging of a net investment in a foreign operation (effective from January 1, 2009 and not yet approved by the European Union).

3. BUSINESS COMBINATIONS

Acquisition of E-Box Srl

On July 3, 2008, the Dada Group, through Dada S.p.A., acquired a further 40% holding in E-Box Srl (owner of Blogo), increasing its shareholding to 70%, for a consideration of Euro 1.6 million paid in two tranches of the same value, the first paid on the closing and the second by the end of 2008. The value of the identifiable assets and liabilities of E-box at the acquisition date was as follows:

Description	Value of the acquisition
Intangible assets	0
Property, plant & equipment	27
Financial assets	0
Cash and cash equivalents	104
Trade receivables	432
Other receivables	24
Trade payables	-96
Financial payables	
Other payables	-408
Provisions for risks and charges	0
Total net assets	**83**
Share of net assets	**33**
Goodwill of the acquisition	**1,567**
Total cost	**1,600**
Acquisition price	**1,600**
comprised of:	
- Payments	-1,600
- Residual payable due	0
Net cash flow from the acquisition	**-1,496**
Payments	-1,600
Cash and banks acquired	104

The above table does not include the portion of goodwill relating to the previous year in which it was included among associated companies (holdings of 30%) and amounting to Euro 695 thousand. From the acquisition date, the company contributed sales of Euro 349 thousand to Group consolidated sales, while the net result for the period was a profit Euro 2 thousand.

Acquisition of Giglio Group S.p.A.

On July 9, 2008, Dada S.p.A acquired 10% holding in the share capital of Giglio Group S.p.A. for a consideration of Euro 750 thousand.

Simultaneously, Dada was assigned call options up to a holding of 51% or 100% to be exercised at the sole discretion of Dada within two years from the signing of the contract, and a put option relating to the stake acquired exercisable after the approval of the 2008 annual accounts, subject to certain conditions. The value of the identifiable assets and liabilities of the Giglio Group at the acquisition date was as follows:

Description	Value of the acquisition
Intangible assets	26
Property, plant & equipment	2,088
Financial assets	0
Cash and cash equivalents	92
Trade receivables	2,191
Other receivables	431
Trade payables	-2,180
Bank overdrafts	-53
Other financial payables	-2,305
Other payables	-144
Employee leaving indemnity provision	-9
Provisions for risks and charges	-168
Total net assets	**-31**
Share of net assets	**-3**
Goodwill of the acquisition	**753**
Total cost	**750**
Acquisition price	**750**
comprised of:	
- Payments	-750
- Residual payable due	0
Net cash flow from the acquisition	**-711**
Payments	-750
Cash and banks acquired	39

From the acquisition date, the company contributed sales of Euro 4,598 thousand to Group consolidated sales, while the net result for the period was a profit of Euro 88 thousand.

In relation to the previous version published in the quarter to September 30, 2008, the share of net asset varies by Euro 52 thousand following the adjustments of the opening balance sheet to International Accounting Standards.

Acquisition of the Amen Group

On July 16, 2008, Dada, through the subsidiary Register.it S.p.A. acquired 100% of the Amen Group. The total consideration was Euro 17.5 million entirely paid on closing. The acquisition was partly financed utilising Dada Group liquidity and partly through bank funding. The value of the identifiable assets and liabilities of the Amen Group at the acquisition date was as follows:

Description	Value of the acquisition
Intangible assets	163
Property, plant & equipment	651
Financial assets	
Cash and cash equivalents	116
Trade receivables	24
Other receivables	951
Trade payables	-727
Financial payables	
Other payables	-8,383
Provisions for risks and charges	-88
Total net assets	**-7,293**
Share of net assets	**-7,293**
Goodwill of the acquisition	**24,891**
Total cost	**17,598**
Acquisition price	**17,598**
comprised of:	
- Payments	-17,598
- Residual payable due	0
Net cash flow from the acquisition	**-17,482**
Payments	-17,598
Cash and banks acquired	116

From the acquisition date, the company contributed sales of Euro 5,670 thousand to Group consolidated sales, while the net result for the period was a profit of Euro 1,032 thousand.

4. SEGMENT INFORMATION OF THE GROUP AS PER IAS 14

From the present year, the Group organisation structure changed and therefore the Business Units are identified as the **Dada net Division** and the **Dada.pro Division**, while until December 31, 2007 a third division also existed, Dada.adv, now part of the Dada.pro division, following the adoption of a unified product strategy and provisioning (prevalently in self provisioning).

The Dada.net division is operated by Dada.net S.p.A., while the Dada.pro division is operated by the subsidiaries Register.it S.p.A., the parent company of Cotei/Nominalia SL and Namesco. The Dada.net Division also includes all of the subsidiaries of Dada.net S.p.A. (Clarence S.r.l., Dada USA Inc, Upoc Inc, Dada Iberia SL, Dada Brasil Ltd. and Dada China Ltd.). In the current year, the companies E-Box Srl and Giglio S.p.A. were included in the segment information of the Dada.net division, while the Dada.pro division consolidation scope was modified by the entrance of the companies of the Amen Group. With regard to this, reference should be made to the preceding paragraph.

The following divisional income statements take into account the costs and revenues relative to each segment.

The share of general expenses and overhead amortisation and depreciation is not allocated to the individual divisions, but only allocated at consolidated level ("corporate depreciation and amortisation" and "general expenses not allocated" accounts). In addition, write-downs, extraordinary items and income taxes are not included in the divisional results.

The segment costs and revenues are considered before inter-divisional balances, which are eliminated in the consolidation process (see column "adjustments" of the tables).

The secondary segment was determined as two geographic areas.

The comments relating to the main accounts in the following tables appear in the directors' report on operations.

Segment Income Statement 2008

31/12/2008 (12 Months)				
Segment information	Dada.net	Dada.pro	Adjustments	Consolidated
Revenues- third parties Italy	48,031	40,503	0	88,534
Revenues - third parties Overseas	44,085	37,601	0	81,686
Revenues- inter-sector	1,253	2,900	-4,153	0
Net revenues	93,369	81,004	-4,153	170,220
Increases in internal work	2,909	1,970		4,879
Service costs	-62,948	-56,985	4,153	-115,779
Personnel costs	-14,050	-13,602		-27,652
Segment Ebitda	19,280	12,387	0	31,667
Amortisation & depreciation	-4,558	-3,551		-8,109
Write downs of assets	-4,115	-5		-4,120
Segment Ebit	10,606	8,832	0	19,438

Corporate depreciation & amortisation	-200
General expenses not allocated	-4,647
EBIT	14,591
Financing activities	-1,927
Profit before taxes	12,664
Income taxes	-4,241
Group and minority interest result	8,423
Minority interest share	-796
Group net profit	7,627

Segment Income Statement 2007

31/12/2007 (12 Months)				
Segment information	Dada.net	Dada.pro	Adjustments	Consolidated
Revenues- third parties Italy	52,945	31,854	0	84,799
Revenues - third parties Overseas	56,310	17,405	0	73,715
Revenues- inter-sector	1,803	3,806	-5,608	0
Net revenues	**111,058**	**53,065**	**-5,608**	**158,514**
Increases in internal work	3,248	1,309	0	4,557
Service costs	-82,683	-37,031	5,608	-114,106
Personnel costs	-13,496	-9,560	0	-23,056
Segment Ebitda	**18,127**	**7,783**	**0**	**25,909**
Amortisation & depreciation	-2,904	-1,822	0	-4,726
Segment Ebit	**15,223**	**5,961**	**0**	**21,183**

Corporate depreciation & amortisation	-643
General expenses not allocated	-3,532
EBIT	**17,008**
Financing activities	-2,325
Profit before taxes	**14,683**
Income taxes	-833
Group and minority interest result	**13,850**
Minority interest share	-174
Group net profit	**13,676**

Breakdown of Dada Group sales by geographic area

December 31, 2008 (12 months)

Description	Revenues Italy	Revenues Overseas	Eliminations	Total
Dada.net	49,284	44,085	-1,253	92,116
Dada.pro	43,403	37,601	-2,900	78,104
Segment revenues	92,688	81,686	-4,153	170,220
Inter-sector Revenues	-4,153			
Net revenues	88,534	81,686		170,220

December 31, 2007 (12 months)

Description	Revenues Italy	Revenues Overseas	Eliminations	Total
Dada.net	54,748	56,310	-1,803	109,255
Dada.pro	35,659	17,405	-3,806	49,258
Segment revenues	90,407	73,715	-5,608	158,514
Inter-sector Revenues	-5,608			
Net revenues	84,799	73,715		158,514

Breakdown of Dada Group quarterly sales by Geographic Area

December 31, 2008 (3 months)

Description	Revenues Italy	Revenues Overseas	Eliminations	Total
Dada.net	11,492	10,492	-554	21,430
Dada.pro	10,857	12,278	-401	22,734
Segment revenues	22,349	22,770	-955	44,164
Inter-sector Revenues	-955			
Net revenues	21,394	22,770		44,164

December 31, 2007 (3 months)

Description	Revenues Italy	Revenues Overseas	Eliminations	Total
Dada.net	14,802	11,296	-456	25,642
Dada.pro	10,009	9,289	-1,488	17,810
Segment revenues	24,811	20,585	-1,944	43,452
Inter-sector Revenues	-1,944			
Net revenues	22,867	20,585		43,452

Breakdown of assets and liabilities by sector at December 31, 2008

31/12/2008				
Segment information	Dada.net	Dada.pro	Corporate	TOTAL
Segment assets	73,021	91,806		164,827
Investments in associated companies	4,350			4,350
Unallocated assets			28,675	28,675
TOTAL ASSETS	77,371	91,806	28,675	197,852
Segment liabilities	48,949	78,886		127,835
Unallocated liabilities			8,537	8,537
TOTAL LIABILIITES	48,949	78,886	8,537	136,372
Other information				
Provisions	1,189	245	200	1,634
Employee leaving indemnity provision	204	279	330	813
Amortisation of intangible assets	587	2,011	2,389	4,987
Depreciation of property, plant & equipment	861	1,740	726	3,327
Write-down of fixed assets	4,115	5		4,120
Tangible asset investments	743	2932	272	3,947
Intangible asset investments	5,757	32,341	383	38,481

Breakdown of assets and liabilities by sector at December 31, 2007

31/12/2007*				
Segment information	Dada.net	Dada.pro	Corporate	TOTAL
Segment assets	52,146	74,241		126,387
Investments in associated companies	4,296			4,296
Unallocated assets			46,745	46,745
TOTAL ASSETS	56,442	74,241	46,745	177,428
Segment liabilities	28,648	52,093		80,741
Unallocated liabilities			34,368	34,368
TOTAL LIABILIITES	28,648	52,093	34,368	115,109
Other information				
Provisions	25	50	351	426
Employee leaving indemnity provision	512	241		753
Amortisation of intangible assets	520	1065	1,757	3,342
Depreciation of property, plant & equipment	1095	1015		2,110
Write-down of fixed assets				
Tangible asset investments	2,864	1815	1,152	5,831
Intangible asset investments	3,648	35,681	1,293	40,622

Breakdown of assets by Geographic Area at December 31, 2008 and December 31, 2007

31/12/2008			
Geographic area:	Italy	Overseas	TOTAL
Segment assets	119,708	45,119	164,827
Investments in associated companies		4,350	4,350
Unallocated assets			28,675
TOTAL ASSETS	84,245	53,429	197,852
Segment liabilities	83,111	44,724	127,835
Unallocated liabilities			8,537
TOTAL LIABILIITES	93,898	26,648	136,372

31/12/2007			
Geographic area:	Italy	Overseas	TOTAL
Segment assets	46,105	126,388	46,105
Investments in associated companies	758	3,558	4,296
Unallocated assets			46,745
TOTAL ASSETS	81,041	49,663	177,428
Segment liabilities	54,094	26,648	80,741
Unallocated liabilities			34,368
TOTAL LIABILIITES	93,898	26,648	115,109

5. Other costs and revenues

5.1 Revenue

With regard to the breakdown of revenues in the year, reference should be made to paragraph 4) on segment information and the Directors' Report.

In particular, it is noted that turnover increased in 2008 compared to 2007; this increase was particularly concentrated in the services of the Dada.pro division. For further information, reference should be made to the Directors' Report on Operations. Reference should also be made to the effects related to the change in the consolidation scope.

5.2 Other operating expenses

The table below reports the breakdown of other operating costs for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Deductible taxes	-12	-20	8	-40.23%
Non-deductible taxes	-971	-62	-909	1466.64%
Other non-deductible costs	-226	-169	-57	33.79%
Other operating charges	-62	-437	375	-85.80%
Total	-1,272	-688	-583	84.88%

The non-deductible taxes, amounting to Euro 971 thousand, refers prevalently to withholding taxes on the transfer of funds to the subsidiary Dada Brasile. The large increase in operating activities between Dada Brasile and the other companies in the Group has incurred an increase in charges in this account. The tax system of this country imposes a limited tax deductibility for withholding taxes deducted at source with the consequent recording of these type of expenses in the consolidated financial statements. On the other hand, the other non-deductible expenses are in line with the previous year.

5.3 Financial charges and income

The table below reports the breakdown of financial income for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Interest income from bonds		323	-323	-100.00%
Interest income on bank and postal accounts	438	330	108	32.73%
Other interest and income	422	27	395	1462.96%
Gain on sale of investments		190	-190	-100.00%
Total	860	870	-10	-1.15%

Financial income is comprised of the interest matured on bank accounts and of income from derivatives.

The gain of Euro 0.2 million in the previous year is related to the disposal of the company Softec in 2007.

The table below reports the breakdown of financial charges for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Interest on current accounts	-347	-69	-278	402.90%
Interest on loans	-1.695	-702	-993	141.45%
Bank charges and commissions	-682	-558	-124	22.22%
Other charges	-100	-84	-16	19.05%
Exchange losses	-547	-1430	883	-61.75%
Total	-3,371	-2,843	-528	18.57%

Financial charges mainly comprise bank interest matured on bank current accounts, medium-long term financing and commissions on credit card and other bank charges. The increase in interest expenses relates to charges on the loan of Euro 16 million with a primary credit institution for acquisitions in the year. For further details on these operations, reference should be made to the directors' report and note 9 in the present consolidated financial statements.

The exchange losses arise from the consolidation of foreign subsidiaries particularly relating to the effects of the Euro/Dollar and Euro/Sterling exchange rate movements.

5.4 Share of profit/losses of associates

The table below reports the breakdown of profit/losses of associated companies for 2008 compared to the previous year:

Company	31/12/08	31/12/07	Changes
Dada Entertainment LLC	554	-370	1,574
E-Box S.r.l.	30	18	12
Total	584	-352	1,586

A further holding of 40% was acquired in E-Box S.r.l. in July 2008, bringing the shareholding in the company to 70%.

Following this operation, the company was fully consolidated and is no longer valued at equity. Dada Entertainment is a jointly controlled company with Sony, in which the VAS activities in the American market were conferred in 2007. The share of the net profit matured in the year by the company was Euro 554 thousand. The net loss in the previous year was due to the start-up of the company.

5.5 Provisions and write-downs

The table below reports the breakdown of the provisions and write-downs for the year 2006 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Doubtful debt provision	-285	-426	141	-33.10%
Provisions for risks	-1,350	-325	-1,025	315.38%
Total	-1,635	-751	-884	117.71%

For the doubtful debt provision, reference should be made to note 16, while for the provision for risks and charges reference should be made to note 20.

5.6 Amortisation & depreciation of fixed assets

The table below reports the breakdown of the amortisation and depreciation for the year 2008 compared to the previous year:

Description	31/12/08	31/12/07	Changes	Change %
Dep. of property, plant & equipment	3,327	2,026	1,301	64%
Amort. of research and development Costs	3,178	2,590	588	23%
Amort. of patents and trademarks	316	234	82	35%
Amort. of the other intangible assets	1,493	518	975	188%
Total Depreciation & Amortisation	**8,314**	**5,368**	**2,946**	**55%**
Goodwill write-downs	4,115	-	4,115	-
Write-down of other intangible assets	5	-	5	-
Total fixed asset write-downs	**4,120**	**-**	**4,120**	**-**
Total	12,434	5,368	7,066	132%

The increases are strictly related to greater investments in intangible and tangible fixed assets in the year; reference should be made to the Directors' Report and to notes 8 and 9 for further details. The change in the consolidation scope had no significant effect on this account. For further information, reference should be made to note 11.

5.7 Personnel costs

The table below reports the breakdown of personnel costs for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Salaries and wages	22,720	18,624	4,096	21.99%
Social charges	4,966	4,509	457	10.14%
Leaving indemnity	814	754	60	7.96%
Other	0	8	-8	-100.00%
Total	28,500	23,895	4,605	19.27%

The national work contract applied is that for the commercial sector.

The employee leaving indemnity was calculated in accordance with the projected unit credit method. For further information, reference should be made to note 14.

The effects deriving from the above-mentioned change in the consolidation scope was higher costs of Euro 2.7 million in the year. The value of the stock option calculated in accordance with IFRS 2 impacted on this account for a total of Euro 287 thousand.

The movements in personnel of the Dada Group are shown in the table below:

	31/12/07	New	Depart.	Other movements	31/12/08
Executives	7	1	-1		7
White-collar	467	155	-124	58	556
Total	**474**	**156**	**-125**	**58**	**563**

The account other movements includes the variations related to the change in the consolidation scope that occurred in the year. In particular, these changes relate to the entrance into the Group consolidation scope of the companies of the Amen Group, of E-Box Srl and of Giglio Group S.p.A.

5.8 Non-recurring income

Discontinued operations:

In 2008 there were no divestments and income from non-recurring activities, while in the previous year the following operation took place:

Softec S.p.A. (I/S 2007)

In 2007, the group completed the sale of the entire holding in the company Softec S.p.A., a company specialised in software development. This sale was in favour of the founding shareholders of the company with the payment of a price of Euro 0.4 million. The Dada group recorded a gain of Euro 0.2 thousand from the sale, classified under investment income as shown in the following point and summarised on the face of the balance sheet. In the consolidated financial statements, at December 31, 2007, these amounts were consolidated for the first three months, as if this activity was included in the Dada.adv segment.

The income statement and balance sheet effects were as follows:

Revenues of Euro 930 thousand (Euro 2,586 thousand in 2006), Ebitda of Euro 124 thousand (Euro 325 thousand in 2006), result from discontinued operations Euro 62 thousand (Euro 103 thousand in 2006) and a gain from the sale of discontinued operations Euro 190 thousand. The discontinued assets amounted to Euro 1,662 thousand, while the discontinued liabilities amounted to Euro 2,707 thousand.

The Company had a negative net financial position of Euro 974 thousand at the date of the disposal (Euro 662 thousand in 2005).

The effect on the basic earnings per share of the discontinued operations was 0.003842 (0.006351 in 2006) while the effect on the diluted earnings per share of the discontinued operations was 0.003659 (0.006079 in 2006).

5.9 FINANCIAL RISKS

The Group's main financial instruments include short-term bank deposits on demand, bank loans and investments of liquidity in treasury and corporate bonds. The objective of such instruments is to finance Group operational activities. The Group has various other financial instruments, such as trade payables and receivables, deriving from operational activity.

Currently, the company does not utilise derivative instruments to manage exposure to interest rate risks; derivative instruments are used to hedge against movements in foreign currency exchange rates.

The Dada Group is exposed to various financial risks: Market risks (interest rate and exchange rate risks), liquidity risk and credit risk.

Interest rate risk

The Group's exposure to the risk of changes in market rates is principally related to the bank debt represented by bank overdrafts at variable interest rates, repayable on demand against which the company has not subscribed any hedging contract.

Currency risk

From the second half of 2006, in consideration of the investments made in the United States and the rapid growth of international turnover, the financial statements of the Group may be significantly affected by variations between the exchange rates of the Euro and the US Dollar.

The group also has exposure from foreign currency transactions in the US Dollar and the UK Sterling and Brazilian Real. This exposure results from sales or purchases in foreign currencies. Approximately 30% of the Group sales are denominated in currencies other than the currency utilised by the operating unit, while approximately 34% of the costs are denominated in foreign currencies (USD).

During 2008, the group utilised derivative instruments (forward currency contracts) to hedge against movements in foreign currency exchange rates.

Liquidity risk

The liquidity risk is managed by the Group through the investment of liquidity in short term operations, such as insurance policies and bonds. In order to optimise the utilisation of the group liquidity, the parent company Dada S.p.A. implemented a cash pool line with the subsidiaries Register.it S.p.A. and Dada.net S.p.A.

Utilisation of the short-term lines generally covers a minimal portion of the capital invested.

Credit risk

The exposure to the Group credit risk refers to trade and financial receivables. Given the particular type of business, a significant part of trade receivables is concentrated with a limited number of clients, principally telephone carriers. This type of clientele is characterised by a high credit rating.

In relation to the financial receivables, the investment operations of the liquidity are made only with high standing banks.

Price risk

The Group is not exposed to significant risks in relation to price fluctuations.

For further information, reference should be made to note 24 relating to the information provided in accordance with IFRS 7.

Other risks

It should be noted that the market in which the Dada Group operates is extremely competitive, both in relation to the continual and fast pace of innovation, including product technology, and for the potential entry into the market of new competitors; this environment requires constant investment in innovation of the services proposed to the customer, and updating of the products and services in order to maintain the Group's competitive position.

The Group undertakes its activity largely utilising connectivity providers and telephone carriers, and provides contents to its clients which in some cases are supplied by outside content suppliers; an interruption of services from these suppliers or a deterioration in the services with one or more of these suppliers could infringe upon the capacity to supply the products and services to the final client, impacting upon the financial results.

The sector in which the Group operates, both in Italy and internationally, is also subject to competitive regulations, among which, the protection of personal data, the safeguarding of consumers, regulations on commercial communications, and in general norms governing the telecommunication sector. It is expected that the above-mentioned regulations will have an increasingly direct effect on the activities of the company with possible effects - in general terms - for the market and on the profitability of the business. In relation to this, it is noted that some Group companies are involved in, or may be involved in, disputes in relation to the provision of their services and particularly that some recent acts in the United States are currently still in a preliminary phase, therefore rendering it impossible to give an evaluation and which also could lead to collective action.

6. Income taxes

The table below reports the breakdown of income taxes for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Regional taxes	-1,216	-1251	35	-2.80%
IRES income taxes	-2,858	-833	-2,025	243.05%
Deferred tax income	228	1,251	-1,023	-81.76%
Deferred tax charge	-396	0	-396	
Total	**-4,241**	**-833**	**-3,408**	**409.14%**

The movements in deferred taxes in 2008 are shown in the table below:

	31/12/07	Increase for the year	Utilisation in the year	Other movements	Exchange differences	31/12/08
Deferred tax assets	9,309	4,764	-4,536	-650	76	8,963
Deferred tax liabilities	-766	-396	0	0	-66	-1,228
Total	**8,543**	**4,368**	**-4,536**	**-650**	**10**	**7,736**

Deferred tax assets, recorded in the financial statements for Euro 8.9 million, originate from the temporary timing differences recoverable in the short-term relating to provisions made for write-downs on investments, doubtful debts and risks and charges and all of the other temporary adjustments which will be recovered in future years (so-called "temporary differences"). In addition, deferred tax assets were recorded on the expected recovery of fiscal losses, as well as the temporary differences relating to the transitional adjustments to the international accounting standards. For the determination of the recoverability of fiscal losses a long-term period is used (variable from one to three years) in order to allow for the assessment of the expected taxable income.

In particular, the deferred tax assets on the fiscal losses carried forward amount to Euro 5,700 thousand.

The tax losses carried forward amount to approximately Euro 50 million, of which Euro 40 million are for an indefinite period. The losses on which deferred tax assets were not calculated amount to Euro 27 million.

The utilisations for the period relate to the fiscal charge for the period, while the increase was calculated on the basis of the recovery of the above mentioned items as resulting from the business plans of the individual companies of the group.

The account "other movements" includes the deferred tax assets related to the change in the consolidation scope during the year 2008. The forecast change in tax rates from the new finance act which will enter into force from 2008 negatively affected this account.

The new law introduced a reduction of the IRES rate from 33% to 27.5% and the IRAP rate from 4.25% to 3.9%, thus the Group reviewed the calculation of deferred income taxes in previous periods.

The deferred tax assets have been recorded, on a prudent basis, up to the amount for which there is reasonable certainty that they will be recovered.

The table below shows the reconciliation between the actual fiscal charge and the theoretical fiscal charge:

SCHEDULE OF RECONCILIATION BETWEEN THEORETICAL AND FISCAL CHARGE AS AT DECEMBER 31, 2008	
(Euro/thousands)	
IRES income taxes	2008
Profit before taxes	12,664
Theoretical tax charge	3,483
Permanent differences	3,570
Temporary differences	1,476
Taxable income	17,710
Effect of recovery of fiscal losses	-7,316
Total current taxes	**2,858**

Regional taxes	2008
Difference A-B	14,591
Non relevant costs for IRAP	18,534
Theoretical tax base	33,125
Theoretical tax	1,292
Permanent differences	-1,765
Temporary differences	-13
Recovery from prior years	-178
Taxable income	31,168
Total current taxes	**1,216**

The deferred tax assets and liabilities are shown below

	IRES income taxes		
	2008		
	Amount of temporary difference	rate	Tax effect
Deferred tax asset:			
Sales representatives expenses	216	27.50%	59
Doubtful debt provision not deductible	1,510	27.50%	415
Other temporary differences	698	27.50%	190
Provisions for risks and charges	580	27.50%	160
Provisions for risks and charges	898	34.00%	305
Amortisation of Trademarks	434	27.50%	119
Goodwill	971	27.50%	266
Non-realised exchange gains	- 856	34.00%	- 291
Total	4,451		1,224
Deferred tax asset relating to fiscal losses in prior years	20,884	27.50%	5,743
Deferred tax asset relating to fiscal losses in prior years	5,352	34.00%	1,820
Deferred tax asset relating to fiscal losses in prior years	268	30.00%	80
Effect on accounts	30,955		8,867

	Regional taxes 2008		
	Amount of temporary difference	rate	Tax effect
Deferred tax asset:			
Sales representatives expenses	216	3.90%	8
Other temporary differences	251	3.90%	10
Provisions for risks and charges	580	3.90%	23
Amortisation of Trademarks	434	3.90%	17
Goodwill amortisation	971	3.90%	38
Effect on accounts	2,452		96

Total deferred tax asset (IRAP +IRES)	33,407		8,964

It is also recalled that the Dada Group adhered to the tax consolidation regime, which includes, in addition to the Parent Company Dada S.p.A. (consolidating company), the subsidiary companies Dada.net S.p.A., Clarence S.r.l. and Register.it S.p.A. (consolidated companies).

7. Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders of the parent company by the average weighted number of ordinary shares outstanding during the year. The diluted earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders of the parent company by the average weighted number of ordinary shares outstanding during the year and the potential shares deriving from the exercise of all options outstanding.

Share results and information are shown below for the calculation of the basic and diluted earnings per share:

Euro/000 PROFITS	31/12/2008	31/12/2007
Profit for the calculation of the earnings per share	7,627	13,676
TOTAL	7,627	12,488

NUMBER OF SHARES	31/12/2008	31/12/2007
Number of shares for the calculation of the earnings per share	16,210,069	16,210,069
Dilution effect (options on shares)	624,544	732,200
TOTAL	16,834,613	16,942,269

There are no other operations on the ordinary shares or potential ordinary shares between the balance sheet date and the date of the preparation of the financial statements. The Company did not approve or distribute any dividends in the period.

8. Plant & equipment

The movements during the year 2008 is shown in the table below:

Description	Value at 31/12/07	Increases	Write-downs	Other movements	Exchange differences	Depreciation	Value at 31/12/08
EDP	6,268	2,987	0	2,467	-87	-2,577	9,058
Furniture & fittings	926	588	0	298	2	-417	1,397
Others	974	345	-5	83	41	-333	1,105
Total	8,168	3,920	-5	2,848	-44	-3,327	11,560

The increase in the year of plant and equipment is principally due to the purchase of a server for the internet and the installation of new equipment for the enlargement of the server farm, represented by servers, networking systems and storage systems.

The increases in furniture and fittings relate to the expenses incurred for the new Dada offices at Florence and for the improvements in some of the foreign offices.

The account "other movements" includes the effects relating to the changes in the consolidation scope and in particular the entrance of companies of the Amen Group and the companies E-Box Srl and Giglio S.p.A. The column exchange differences refers to the changes for the translation of exchange rates in accounts of foreign companies into the reference currency (Euro).

9. Intangible assets

The movements during the year 2008 is shown in the table below:

Description	Value at 31/12/07	Increases	Decreases	Other movements	reserve	Amortisation	Value at 31/12/08
Goodwill	63,330	29,674	-32	-4,115	-11,079	0	77,778
Total goodwill	*63,330*	*29,674*	*-32*	*-4,115*	*-11,079*	*0*	*77,778*
Dev. of prod. & services	7,004	4,879	0	0	3	-3,178	8,708
Conc., lic., trademarks	446	223	0	174	4	-316	531
Others	2,866	3,778	0	23	-260	-1,493	4,914
Total intangible assets	*10,316*	*8,880*	*0*	*197*	*-253*	*-4,987*	*14,153*
Total	73,646	38,554	-32	-3,918	-11,332	-4,987	91,931

In relation to the goodwill, reference should be made to note 10.

In relation to the composition of goodwill, reference should be made to note 11.

The "other movements" relating to intangible fixed assets excluding goodwill include the changes related to the consolidation scope and in particular the entrance of companies of the Amen Group and the companies E-Box Srl and Giglio S.p.A. The other movements relating to the account goodwill refer to impairment charges as reported in note 11.

The increase in the "development expenses on products/services" refers to the capitalisation of the costs incurred for the development of the new products and services prevalently relating to the portals and Dada.net and Dada.pro services. These assets relate to the portfolio of "Community & Entertainment" fee-based products and services via web and mobile, through the single SMS numbers of the Operators. In relation to this the expenses from the Dada.net product are highlighted, principally for the supply of services on foreign markets and the launch of new product “Music Movement” and the new web mail and easy click projects, and particularly the “Simply” project in the Dada.pro sector.

Reference should be made to the information on the activities of the two business sectors described in the section on sector activities in the Directors’ Report.

The capitalisation is made based on their future profitability and in accordance with the criteria established by international accounting standards.

Their recognition is supported by a careful evaluation in order to determine the future economic benefits connected to these services. The amortisation is made on a straight-line basis over a period of 5 years.

The increase in the account “others” is principally due to the purchase of a client portfolio by Namesco UK in Ireland. This operation was completed in July and was carried out through a “corporate vehicle” in which a list of clients was conferred. These intangible assets are amortised over a period of three years.

The account “others” is comprised of the software acquired by the Group, expenses for the registration of the brands and licences which are amortised on a straight-line basis over five years.

10. Equity investments in non-consolidated subsidiaries, associate and other companies

The composition and movements of the investments in associate companies and non-consolidated subsidiary companies is shown in the table below:

Company	Registered offices	Share capital at 31/12/08	Net equity at 31/12/08 (USD)	Result 2008 (USD)	% held	Carrying value (USD)	Carrying value (EUR)
Dada Entertainment	NY - USA	0	617	1,630	50%	6,053	4,350
Total						**6,053**	**4,350**

Dada Entertainment LLC recorded a turnover in 2008 of USD 53.2 million and a net profit of USD 1.6 million (of which 50% relating to the Dada Group). The company began activities on October 1, 2007 and recorded a loss of USD 1,014 thousand in its first year.

In July 2008, the Group signed an agreement for the acquisition of a further 40% of E-Box S.r.l., owner of the Blogo platform, bringing its share of the company to 70%. Following this operation, E-Box is no longer included among the associated companies valued at equity, but is fully consolidated.

11. Impairment test of intangible assets and goodwill

The movements of the goodwill during the year 2008 is shown in the table below:

	COST 31/12/2007	INCREASES PURCHASES	DECREASES WRITE-DOWNS FOR IMPAIRMENT	EXCH. DIFFERENCES	COST 31/12/2008
Register.it S.p.A.	7,119				7,119
Dada.net S.p.A.	1,265				1,265
Clarence Srl	430				430
Upoc Networks Inc.	5,369		(567)	278	5,080
Nominalia SA	4,731	1,410			6,141
Dada Brasil	14				14
Dada Iberia	10				10
Namesco	39,141	21		(11,075)	28,087
Merger difference	899				899
Dada Usa*	4,352	(32)	(3,548)	45	817
Amen Group		25,228		(328)	24,900
E-Box Srl		2,262			2,262
Giglio Group		753			753
	63,330	29,642	(4,115)	(11,080)	77,778

* Including goodwill of the merger of Tipic Inc.

The increases relate to the acquisitions made by the Dada Group during 2008, for which reference should be made to the Directors' report. The salient points are shown below:

Nominalia SA: On January 30, 2008, Register.it S.p.A., in accordance with the purchase contract signed in 2006, completed the acquisition of the company Nominalia S.l., acquiring from the founding shareholders the remaining 25% of the share capital, for an amount of Euro 1.3 million, of which Euro 650 thousand paid on closing and the remaining part in two instalments - the first on March 31, 2008 and the second on June 30, 2008.

E-box S.r.l.: On July 3, 2008, the Dada Group, through Dada S.p.A., acquired a further 40% holding in E-Box S.r.l. (owner of Blogo), increasing its shareholding to 70% and thereby acquiring control of the Company ahead of the planned date of March 2009.

The acquisition of 40% of the share capital of the Company was made with own funds for a consideration – including controlling premium – of Euro 1.6 million which will be paid to the founding shareholders of Blogo in 2 equal tranches, the first paid on closing and the second by the end of 2008.

Giglio S.p.A.: On July 9, 2008, Dada S.p.A acquired 10% of the share capital of Giglio Group S.p.A., owner of Music Box, leader in Italy in the music television channel segment on satellite platforms. The purchase was completed for a total amount of Euro 750 thousand. Simultaneously, Dada was assigned call options up to a holding of 51% or 100% to be exercised at the sole discretion of Dada within two years from the signing of the contract, and a put option relating to the stake acquired exercisable after the approval of the 2008 annual accounts, subject to certain conditions. As reported among the accounting principles utilised by the Group, the existence of these options allows for the full consolidation of the company;

Amen Group: On July 16, 2008, Dada acquired from Claranet, a leading UK Group in the managed service providing, 100% of the share capital of the Amen Group. The acquisition was made through Register.it S.p.A., a wholly owned subsidiary of Dada S.p.A. and head of the Dada.Pro Division, and involves 100% of the share capital of all the companies in the Amen Group: Agences des Medias Numeriques S.A.S (France), Agencia de Media Numerica Espana S.L. (Spain), Amenworld Services Internet Sociedade Unipessoal Lda (Portugal), Amen Limited (United Kingdom), Amen Nederland B.V. (The Netherlands) and Amen Italia S.r.l (Italy). The transaction was completed on July 16 for a cash payment of Euro 17.5 million entirely paid on closing. The acquisition was partly financed utilising Dada Group liquidity and partly through bank funding. For the bank funding, reference should be made to the previous note 9.

For the acquisition of Amen Group, a fairness opinion was obtained from independent consultants on the value of the acquisition.

All of the above reported goodwill was determined as the difference between the cost of acquisition, comprising the accessory charges, and the part of shareholders' equity pertaining to the company at the date of acquisition. The shareholders' equity was restated through the opening balance sheet which includes the necessary adjustments to realign to the international accounting standards IAS/IFRS utilised by the Group.

Impairment test

As set out in international accounting standard No. 36, the impairment test, carried out in order to verify the possibility of a permanent impairment in value, takes place annually on the preparation of the financial statements. The recoverable value of the cash-generating units, to which the individual goodwill is allocated, is verified through the determination of the value in use.

In particular, for all of the activities of the Group, a valuation was made to verify the recovery of the investments by preparing financial and cash flow forecasts on the basis of the best information currently available and approved by the Board of Directors of the subsidiary companies subject to verification. These annual valuations are verified at the end of each periodic accounts through an analysis which verifies the absence of external and internal impairment indicators.

Identification of the cash generating units (CGU): these were identified as the smallest possible identifiable group of activities which generate cash flows, in and out - and independently. The Dada Group has identified its CGUs prevalently as single legal entities or unions of these, which are the smallest entities of the sector activity utilised for the sector information, i.e. Dada.pro and Dada.net sectors.

The impairment test was carried out on the following CGUs:

- Register.it S.p.A.: separate financial statements of the company in accordance with IAS/IFRS accounting standards;
- Namesco Ltd: separate financial statements of the company in accordance with IAS/IFRS accounting standards;
- Nominalia SA: separate financial statements of the company in accordance with IAS/IFRS accounting standards;
- Amen Group: the sub consolidated companies prepared utilising the financial statements of the individual companies prepared in accordance with IAS/IFRS;

- USA Activities: consolidating the financial statements of the companies Dada Usa Inc and Upoc and using the net equity criteria of the company Dada Ent. LLC, all prepared in accordance with IAS/IFRS;
- CRC Activities: individual financial statements of E-Box S.r.l. including the portion of assets of Tipic Inc., prepared in accordance with IAS/IFRS. These assets relate to the sector activities of "social networking and the so-called "user generated content".

The first four CGUs refer to the Dada.pro sector, while the last two refer to the Dada.net sector.

The table below shows the principle assumptions used for the preparation of the DCF method for the individual CGUs:

Assumptions	CRC	USA activities	Namesco	Nominalia	Amen	Register.it
Period of Plan	3 years	3 years	3 years	3 years	3 years	3 years
Growth rate:						
Revenues	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +5% and +5%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +22% and +17%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +15% and +12%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +14% and +14%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +14% and +11%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +11% and +13%.
EBITDA	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +15% and +18%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +58% and +55%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +25% and +16%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +23% and +22%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +39% and +18%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +10% and +18%.
Growth rate beyond explicit period	0%	0%	0%	0%	0%	0%

The expected growth rates of the CGUs belonging to the Dada.pro division were formulated based on the average growth rates realised in the domain & hosting sector in the previous years: in an extremely fragmented market, the company's management believes that the sector growth rates are principally related to the strategic guidelines implemented.

The expected growth rates of the CGUs belonging to the Dada.net division were based on the growth rates expected of the business in each distribution market based on an analysis of the sector by a specialised consultancy company.

The discount rate, gross of income taxes, utilised for the projection of cash flows was determined as 8.14% and, among others, uses the following parameters: cost of money for the enterprise, specific risk factors for the sector activity, return on activities without risk and marginal income tax rates. The rate therefore respects the type of activity carried out by the individual CGUs, while also taking account of the particular movements in the market rate and of the overall macroeconomic scenario.

The table below reports the impairment charges recorded in the income statement of the present financial statements and broken down by sector of activity:

	BUSINESS SECTOR	
	Dada.net	Dada.pro
Loss in value recorded to the IS		
Goodwill Upoc Networks (USA activities CGU)	- 567	-
Goodwill Tipic (CRC CGU)	- 3,548	-
TOTAL	**- 4,115**	**-**

These amounts are recorded in the income statement in the account "amortisation of intangible fixed assets", which is reported in detail in note 5.6 of the current financial statements.

The following is noted in relation to impairment tests carried out during the year:

- the verification of the recoverability of the value of goodwill of the companies Register.it S.p.A., Nominalia SA, Namesco Ltd and of the Amen Group was carried out applying the DCF method, through the projected cash flow contained in the three year plan of each of the 4 CGUs belonging to the Dada.pro division. The three year plan was drawn up applying the above listed parameters and approved by the Board of Directors of the Company.

From this verification it emerged that there were no identifiable elements that could ascertain a loss of value relating to such goodwill as indefinite useful life and therefore the values recorded in the balance sheet are confirmed.

- the value of goodwill of Tipic Inc., a company merged with Dada Usa from December of the previous year was verified through the CRC CGU previously described. The value was verified applying the DCF method through the projected cash flow contained in the three year plan belonging to the Dada.net division. The three year plan was drawn up applying the above listed parameters and approved by the Board of Directors of the Company.

From this verification, there were elements identified, principally relating to the particular macroeconomic conditions which characterised the latter part of 2008 and the outlook for 2009, which cause a permanent impairment in value of this goodwill. Therefore it is considered necessary to carry out a write-down of the goodwill with indefinite useful life of the assets of Tipic for a total amount of Euro 3,548 thousand.

- the value of the goodwill of the company Upoc Networks Inc. was verified through the CGU "USA activities" described above. The value was verified applying the DCF method through the projected cash flow contained in the three year plan belonging to the Dada.net division. The three year plan was drawn up applying the above listed parameters and approved by the Board of Directors of the Company.

From this verification, there were elements identified, related also to the particular macroeconomic conditions which characterised the latter part of 2008 and the outlook for 2009, which cause a permanent impairment in value of this goodwill. Consequently, it was necessary to carry out write downs of goodwill with indefinite useful life of Upoc Networks Inc. for Euro 567 thousand.

Exchange rate effect

Goodwill in foreign currencies was converted at the exchange rate at the end of the period utilising the rates reported on page 84 of the present notes. The conversion of the Euro/Sterling exchange rates for the goodwill of Namesco Ltd and Amen France resulted in a reduction in value of goodwill respectively of Euro 11,075 thousand and Euro 328 thousand. This reduction is recorded in the translation reserve as part of consolidated net equity.

12. Other financial assets

The balance of financial assets is composed of:

Description	31/12/08	31/12/07	Changes	Change %
Equity investments	4,350	4,296	54	1.26%
Financial receivables and other non-current assets	320	296	24	8.11%
Financial assets for derivative instruments	0		0	
Total financial assets	**4,670**	**4,592**	**78**	**1.70%**
Deferred tax assets	8,963	9,309	-346	-3.72%

The equity investments consist of the Joint Venture Dada Entertainment LLC, established with Sony BMG and operative from October 1, 2007. The change on the previous year takes into consideration both the effects deriving from the valuation of Dada Entertainment and the effects deriving from the full consolidation of E-Box Srl.

In relation to deferred tax assets, reference should be made to the section of the notes on income taxes.

"Other current assets" relate to deposits, among which those with the authorities for the management of domain registrations.

13. Share-based payment plans

The share-based payments (Stock Options) are described in detail in the Directors' report.

The salient features of the Dada Group plans at December 31, 2008 were as follows:

Details	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/07
Duration of the plan	2009-2012	2007-2009	2009-2012	2009-2012
Total options to be issued	700,700	33,000	55,000	25,000
Total residual options at 31/12/2006	700,700	33,000	55,000	25,000
Value of issue	14.782	15.47	16.92	16.99

The data utilised in the valuation models of the four plans are shown below:

Data used for the valuation	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/2007
Valuation Date	issue of the plan	issue of the plan	issue of the plan	issue of the plan
Model utilised	Binomial	Binomial	Binomial	Binomial
Percentage of annual exit	5%	5%	5%	5%
Expected volatility	23.50%	31-36%	29.07%	29.07%

Data used for the valuation	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/2007
Interest rate without risk	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve
Estimated dividends	nil	nil	nil	nil
Vesting conditions	90% Ebitda 2008	none	90% Ebitda 2008	90% Ebitda 2008

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may not coincide with the actual outcome.

The fair value of the plans is measured at the assignment date. For further details on the stock option plans, reference should be made to the Directors' Report.

14. Pensions and other employee post-service benefits

The movement of the employee leaving indemnity is shown in the table below:

Description	Balance at 31/12/2007	Increase for the year	Utilisation in the year	Other movements	Interest charge on discounting	Balance at 31/12/08
Leaving indemnity	1,545	813	-308	-728	47	1,368
Total	1,545	813	-308	-728	47	1,368

The provision at December 31, 2008 of Euro 1.40 million reflects the indemnity matured in favour of employees, in conformity with legislation and collective employment contracts.

The "other movements" include the reduction related to the payment of INPS and employee leaving indemnity matured in the year and include the increases in the year.

In accordance with international accounting standards, the obligation was calculated through the projected unit credit method which considers each employment period a source of an additional unit of benefit and separately measures each unit in order to calculate the final obligation.

In accordance with finance law No. 296 of December 27, 2006, for IAS 19 purposes only the liability relating to the Employee Leaving Indemnity matured remaining in the company was considered, as the quota maturing after this period is paid to a separate entity.

This calculation was made by an independent actuary. The methodology utilised can be broken down into the following points:

- projection for each employee in service at 31/12/2008 of the employee leaving indemnity matured up to the estimated time of pension;
- determination for each employee in service at 31/12/2008 and for each year up to the estimated time of pension, the probable employee leaving indemnity payments which will be made by the Company in the case of the employee leaving due to redundancy, dismissal, resignation, death and pension;
- discounting, at the measurement date, of each probable payment;
- proportionately, for each employee in service at 31/12/2008, of the payments, estimated and discounted, based on the years matured at the measurement date compared to the years matured at the date of each probable payment.

In particular, the assumptions adopted were as follows:

VALUATION DATE	31/12/2008
Mortality table	SIM/F 1998
Reduction of mortality table	20.00%
Rate relating to advanced request by EXECUTIVES	1.00%
Rate relating to advanced request by MANAGERS	0.50%
Rate relating to advanced request by EMPLOYEES	1.00%
Rate relating to advanced request by TRAINEES	0.00%
Future inflation rate	2.10%
Discount rate	4.10%
Rate relating to advance departure of EXECUTIVES	0.50%
Rate relating to advance departure of MANAGERS	0.50%
Rate relating to advance departure of EMPLOYEES	4.00%
Rate relating to advance departure of TRAINEES	0.50%

15. Inventories

The balance of inventories consists of:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Work-in-progress	42	73	-31	-42%
Total	42	73	-31	-42%

The final inventories relate to the work in progress for projects not yet completed as at December 31, 2008. The criteria utilised for this measurement is the percentage of completion method.

16. Trade and other receivables

The account consists of:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Trade receivables - Italy	57,675	58,453	-778	-1%
Less: bad debt provision	-2,367	-2,309	-58	3%
Total	**55,308**	**56,144**	**-836**	**-1%**

The level of trade receivables is in line with operations and the growth in Group turnover in 2008. The average collection period for the trade receivables is 120 days.

It is also recalled that a significant part of trade receivables is concentrated among a limited number of clients, principally telephone operators and affiliates, both Italian and foreign.

Given the nature of the principal clients, there was a general increase in the average collection period, although these companies are characterised by high credit ratings.

The movement in the provision for doubtful debts is summarised in the following table:

Description	Balance at 31/12/2007	Increase for the year	Utilisation in the year	Exchange Differences	Other movements	Balance at 31/12/08
Bad debt provision	2,309	285	-228	1	-	2,367
Total	**2,309**	**285**	**-228**	**1**	**-**	**2,367**

The increase in the provision reflects the necessity to write-down, on a prudent basis, several positions which have arisen in the year as a consequence of the economic/financial difficulties of some clients. The utilisations relate to positions closed in the year for which either recognition was made of the impossibility to recover the amount or a decision made relating to the settlement with the debtor.

There were no effects on this account during the year deriving from changes in the consolidation scope.

The doubtful debt provision as at December 31, 2008 is considered adequate to meet the potential losses relating to the entirety of trade receivables.

There are no trade receivables due over one year for which it would be necessary to record a financial loss.

The Company estimates that the book value of trade and other receivables approximate their fair value.

There are no receivables over 5 years.

The table below shows the composition of other receivables:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Tax receivables	2,212	1,618	594	37%
Advances to suppliers		138	-138	-100%
Other receivables	3,764	3,312	452	14%
Accrued income	3,542	3,409	133	4%
Total	9,519	8,477	1,042	13%

In relation to the accounting treatment of the accrued income related to acquisition of users, the IASB at the end of 2007 issued an exposure draft of the Improvement Project, re-examining and reviewing some aspects related to the issue. In particular, the proposal to amend the IASB standards expanded upon that in relation to prepaid charges, sanctioning an approach which would limit the possibility of recording prepayments to certain circumstances.

The above amendments, in accordance with the IASB calendar, should be concluded in the first half of 2008 and be effective as of January 1, 2009, with the possibility of advanced application.

It is noted therefore that the Dada Group applied the above stated new interpretations from 2008. Reference should be made to the definition of the accounting principles in the present notes. In addition, this account includes telephone carrier fees and domain registration costs of the Dada.pro division.

The account "other receivables" include deposits paid to the various authorities relating to the domain registration activity for a total amount of Euro 1 million and receivables on contractual advances relating to minimum guaranteed contracts with telephone operators.

Tax receivables include the payments on account for Group direct taxes, withholding taxes and other tax credits.

17. Cash and cash equivalents

The composition of the liquidity is shown in the table below:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Bank and postal deposits	13,529	15,609	-2080	-13.33%
Cash in hand and similar	174	21	153	728.57%
Total	13,703	15,630	-1,927	-12.33%

The balance represents the liquidity and cash balances at December 31, 2008.

The yield on Italian bank deposits, prevalently relating to two Credit Institutions, is equal to Euribor at three months -0.3/-0.5.

The movement in this account was positively impacted by the disinvestment of the financial assets held which were present in the financial statements at the end of the previous year, and negatively impacted by the investment activity undertaken during the year. For further information, reference should be made to the Directors' Report on operations.

For further information relating to the liquidity movements in the year, reference should be made to the Directors' Report on Operations and to the Cash Flow Statement.

18. Share capital and reserves

The share capital of Dada S.p.A at December 31, 2008 is made up of 16,210,069 ordinary shares, of a nominal value of Euro 0.17, for a total value of Euro 2,756 thousand. During the year the share capital increased by Euro 22 thousand due to the subscription of the reserved share capital increase for employees of Dada S.p.A. (stock options plan).

The movements in net equity in the year are shown in the table at page 38.

Description	Amount	Possibility of utilisation	Quota available	Summary of utilisations made in the three previous years	
				to cover losses	for other reasons
Share capital	2,756				
Capital reserves:					
Share premium reserve	32,070	A-B-C	32,070		
Extraordinary reserve	12,543	A-B-C	12,543		
Translation reserve	-12,105				
Other reserves	-451				
IAS reserve	-3,213				
Profit reserves:					
Legal reserve	950	B	950		
Total			**45,563**		
Non-distributable quota			950		
Residual distributable			**44,613**		

* Possibility of utilisation:
Key:
A: for share capital increase
B: to cover losses
C: for distribution to shareholders

Legal reserve: it relates to a profit reserve and is aligned with the net profit of the approved consolidated financial statements. Only the parts exceeding one fifth of the share capital may be utilised.

At December 31, 2008, the reserve amounted to Euro 9,502 thousand. Movements in the year refer to the allocation of the 2007 net profit.

Share premium reserve: this is an equity reserve comprising of contributions by shareholders or conversion of bonds into shares. There is no specific limit relating to its utilisation. At December 31, 2008 the reserve amounted to Euro 32,070 thousand. The movement during the period relates to the subscription, on February 6, 2008, of 122,000 shares subscribed for an amount of Euro 1,203 thousand.

Other reserves: the account comprises the FTA Reserve (created on the transition to the IFRS) and the Extraordinary Reserve. The Extraordinary Reserve amounts to Euro 12,543 thousand and the movements during the period relate to the allocation of the 2007 result. The FTA Reserve amounts to Euro 3,213 thousand and the movements during the period relate to the Stock Options.

Translation reserve: the account arises from the differences deriving from the translation of the individual financial statements of the foreign currencies prepared in a currency other than that utilised for the preparation of the consolidated financial statements. The balance of this reserve at 31/12/2008 amounted to Euro - 12,105 thousand. The movements during the period, amounting to Euro -10,908 thousand, derive from the translation of the financial statements of the subsidiaries Dada USA, Dada Brazil, Upoc, Dada China and Namesco and especially the adjustment of goodwill of this latter.

Consolidation reserve: At 31/12/2008, this reserve amounted to Euro -40 thousand and is made up of the difference between the carrying value of the consolidated subsidiaries and the corresponding amount of net equity at the date of first consolidation.

The reconciliation of the net result and net equity of the Parent Company, with the consolidated net result and net equity at December 31, 2008 is shown in the table below:

RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/08

	Dec. 31, 08			
	NET PROFIT/(LOSS)		SHAREHOLDERS' EQUITY	
	Group	Minority interest	Group	Minority interest
As per Parent Company financial statements*	-1,746		57,077	
Translation reserve	0		-12,105	
Elimination of intercompany gains	-396		-396	
Net result of subsidiaries	9,769		16,482	
Cash Flow Hedge Reserve	0		-391	
Min. interest net equity and result	0	796	0	812
As per consolidated financial statements	7,627	796	60,668	812

19. Loans and financing

The composition is shown in the following table:

Description	31/12/2008	31/12/2007	Changes	Change %
Payables:				
long term bank payables	28,494	26,454	2,040	7.71%
short term bank payables	18,748	6,709	12,040	179.46%
Total	47,242	33,163	14,079	42.45%

Bank payables comprises the loans in place of the Dada Group for Euro 45,865 and overdrafts for Euro 1,377 thousand. Details of the loans of the Dada Group at December 31, 2008:

Company	Bank	Initial balance	Residual amount at 31/12/08	Loan Duration	Interest Rate
Register.it S.p.A.	Banca Intesa	30,000	25,714	7 years	Euribor 1M + 0.3 p.
Register.it S.p.A.	Banca Intesa	8,000	8,000	17 months	Euribor 1M + 0.55 p.
Register.it S.p.A.	Banca Intesa	8,000	8,000	7 years	Euribor 1M + 0.9/360
Giglio Group	Banca Antonveneta	350	257	4 years	Euribor 3M + spread 1.50
Giglio Group	Banca Pop. Sondrio	300	300	on demand	Euribor 3M + spread 1.75
Namesco Ltd	HSBC	1,050	540	2 years	English Bank's rate + 2%
DADA USA	Banca Intesa	3,844	3,054	1 months	Libor 1 M
Total		**51,544**	**45,865**		

The loans are reclassified to the short-term portion for the amount maturing in the year.

The loan of Register.it S.p.A. for Euro 30 million relates to the acquisition of the company Namesco Ltd in July 2007.

This loan was received from Banca Intesa San Paolo on July 16, 2007 totalling Euro 30 million, to be repaid in 14 half yearly instalments on January 31 and July 31 of each year. The interest rate is based on EURIBOR increased by a variable spread (currently 30 b.p.). The loan will mature in July 2014.

The two loans of Register.it S.p.A. for Euro 8 million each are related to the acquisition of the Amen Group in July 2008.

For further information on the structure of this operation, reference should be made to the Directors' report on operations.

These loans were received from Banca Intesa; the first with expiry in 7 years to be repaid in 14 half yearly instalments on January 31 and July 31 of each year. The interest rate is based on EURIBOR 1M increased by a spread of 90 b.p. The loan expires in January 2016; the second with expiry in 17 months based on a revolving bullet formula repayable in one final instalment on December 15, 2009. The interest rate is based on EURIBOR 1 month increased by a spread of 55 b.p.

The Loan received by Namesco Ltd relates to the acquisition by the company of a client portfolio in December 2007. This loan was provided by HSBC, totalling GBP 1 million, to be repaid in 24 monthly instalments; the interest rate is based on the Bank's Sterling Base Rate increased by 2%. Final instalment December 31, 2009.

The Loan received by Dada USA Inc. is a short-term credit line from the Banca Intesa New York for USD 5.35 million, at a variable Libor 1 month interest rate. The loan is renewable month by month at the discretion of the company.

The short-term part repayable within one year of the loans listed above are classified as short-term bank payables.

20. Provisions for risks and charges

The following table shows the movements in the year in the provisions for risks and charges:

Description	Balance at 31/12/2007	Increase for the year	Utilisation in the year	Exch. Difference	Balance at 31/12/08
Provisions for risks and charges	1,125	1,350	-565	-3	1,907
Total	1,125	1,350	-565	-3	1,907

The provisions for risks and charges were created against probable liabilities arising from contractual and legal disputes. The significant increase on the previous year is due to an increased amount of legal actions which was further impacted by the market situation and the macroeconomic crisis.

The utilisations in the period relate to the settlement of disputes. The increases relate to new disputes which arose during the period and the reassessment of previous disputes during the period.

The provision for risk and charges at December 31, 2008 consists of Euro 250 thousand for labour disputes and of Euro 1,157 thousand for disputes of an operational nature and Euro 500 thousand for other disputes.

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

21. Trade and other payables

The composition of the payables is as follows:

Description	31/12/08	31/12/07	Changes	Change %
Payables:				
Banks	18,748	7,318	11,430	156.19%
Bank overdrafts within one year	**18,748**	**7,318**	**11,430**	**156.19%**
Trade payables	57,039	54,020	3,019	5.59%
Trade payables	**57,039**	**54,020**	**3,019**	**30.66%**
Taxes	**6,051**	**4,842**	**1,209**	**24.97%**
Others	6,942	6,381	561	8.79%
Social security Inst.	1,177	1,234	-57	-4.62%
Deferred income	14,107	12,190	1,917	15.73%
Other payables	**22,226**	**19,805**	**2,421**	**44.452**
Total	**104,064**	**85,985**	**18,079**	**21.03%**

"Bank payables" consist principally of bank overdrafts repayable on demand of approx. Euro 800 thousand, and the short-term portion (repayable within one year) of bank loans for a description of which reference should be made to note 9.

The account "trade payables" includes the amounts related to purchases of a commercial nature and other costs. The Company estimates that the book value of trade and other payables approximates their fair value. The increase is strictly related to the growth in the business activities of the Group.

"Tax payables", amounting to Euro 6.1 million, include withholding taxes on salaries and consultants and other current taxes for the period, principally relating to IRAP regional tax for the Italian companies and local taxes for the foreign companies.

The account "Other payables" includes:

- employee payables for the month of December, the accrual on the "fourteenth" month and vacation days matured;
- the payables for the acquisition of user based portfolios in Ireland through the subsidiary Namesco UK;

Deferred income originates from income on connectivity, domain and hosting contracts and other resale services referring to future periods. The increase in this account is due, in addition to the increased operations of the Group and in particular Register.it, Namesco Ltd and to the change in the consolidation scope related to the acquisition of the companies of the Amen Group in July.

22. Commitments and risks

The composition of the changes are shown in the following table:

Description	Balance at 31/12/07	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/08
Guarantees	35,862	27,317	9,520		53,659
Total	35,862	27,317	9,520	0	53,659

The guarantees provided at December 31, 2008 amounting to Euro 53.7 million (compared to Euro 35.8 million at December 31, 2007) are recorded for the amount guaranteed.

The most important increases related to:

guarantee for a loan received by Register.it from Banca Intesa for the purchase of the companies of the Amen Group for Euro 16 million. For further information, reference should be made to the Directors' Report on Operations;

The decrease in the year amounting to Euro 9.5 million relates to:

- reduction of the guarantee for the closure of the third tranche of Nominalia for Euro 1.3 million, in January 2008;
- partial closure (corresponding to the repaid instalments) of the guarantee related to the loan obtained in the previous year by Register.it S.p.A. for the purchase of the company Namesco Ltd for an original amount of Euro 30 million;

No potential commitments exist that are not recorded in the balance sheet.

23. Transactions with related parties

The transactions with related parties relate to normal operations and are conducted at normal market conditions.

The company undertakes commercial transactions consisting of the acquisition and purchase of services, with subsidiary companies and with companies belonging to the RCS group, which has a 49.5% shareholding in Dada. The following table indicates the transactions with companies of the group and the balance sheet and income statement values in 2008 between companies of the Dada Group and "related parties" with the exclusion of intragroup transactions eliminated in the preparation of the consolidated financial statements.

The transactions of Dada S.p.A. with the Company RCS which is the largest shareholder of the company, with subsidiary and associated companies, disclosed in the notes to the financial statements of the Parent Company in the individual accounts of the balance sheet and income statement, principally relate to:

- transactions related to contracts for the provision of centralised services;
- transactions of a financial nature, relating to loans and cash pooling in relation to the treasury financial management;
- transactions of a fiscal nature deriving from the national consolidated fiscal regime, with the objective of neutrality and parity of treatment.

(Amounts expressed in Euro/thousands)

Description	Trade receivables	Trade payables	Revenues	Costs
RCS Group	1,927	3,756	4,166	5,941
Total	1,927	3,756	4,166	5,941

For further information in relation to the directors and executives with strategic responsibility reference should be made to the directors' report. Transactions with the companies of the Group largely relate to the provision of services, and the provision and use of financial resources as well as transactions of a fiscal nature which are regulated at market conditions. In particular, in 2008 the sale of the investments in Media Dada Science (Dada China) from Dada S.p.A. to Dada.net S.p.A. was carried out and the conferment of two business units as described in the Directors' report. In this domain, the Dada S.p.A. parent company acts as central treasury for the Groups' main companies.

In accordance with IAS 24, the following information is provided in relation to the remuneration of the directors of the group with strategic responsibilities, in the various forms in which they are paid for the year 2008 and the year 2007.

Description	31/12/2008		31/12/2007	
	Services	Personnel costs	Services	Personnel costs
Directors fees :				
- Emoluments for office	496	4	504	-
- Bonus and other incentives	293	253	278	290
- Non-monetary benefits	15	15	13	13
- Other remuneration		131		417
- Share-based payments	162	82	278	193
Total related parties	966	485	1,073	913
Board of Statutory Auditors	68		60	
Total related parties	1,034	485	1,133	913

Commercial transactions with associated companies
(Amounts expressed in Euro/thousands)

Transactions with associated companies	Receivables	Payables	Revenues	Costs
Dada Entertainment LLC	7,103	-14,107	14,803	0
Total	7,103	-14,107	14,803	0

24. Disclosure pursuant to article 149 of the Consob Issuer's Regulation

The following table, prepared pursuant to article 149 of the Consob Issuer's Regulations, reports the payments made in 2008 for audit services and also other services carried out by the audit firm and companies associated with the audit firm.

Service	Party providing the service	Company	Payments relating to 2008 (thousands of Euro)
Audit	Reconta Ernst & Young S.p.A.	Parent Com.	101
	Reconta Ernst & Young S.p.A.	Italian subsidiaries	38
	Reconta Ernst & Young S.p.A.	Foreign subsidiaries	148
Other services	Reconta Ernst & Young S.p.A. (1)	Parent Com.	125
Total			412

(1) Other services include:
Euro 75 thousand for support and assistance in the testing phase for the controls carried out in order to issue the declaration in accordance with article 154 bis of the Consolidated Finance Act, as required in article 81 ter of the Issuers' Regulations; Euro 25 thousand for the issue of an opinion on the accounting criteria for the price with exclusion of the rights option, for consultancy in relation to the application of the accounting principles and to the annual tax filing declarations.

25. Change in accounting principles

The income statement and balance sheet with the adjustments made following the change in the accounting principle relating to the accounting of the acquisition costs is shown below. For further information, reference should be made to page 20.

RECONCILIATION DADA GROUP CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2007 RELATING TO CHANGES IN ACCOUNTING PRINCIPLES

Amounts in Euro/thousand	31/12/07 Approved	Adjustments for changes in accounting principles	31/12/07 Adjusted
ASSETS			
Goodwill	63,331		63,331
Intangible assets	10,316		10,316
Other tangible assets	8,168		8,168
Equity investments in ass. & other companies	4,296		4,296
Financing assets	296		296
Deferred tax assets	9,309		9,309
Total	**95,716**	**-**	**95,716**
Inventories	73		73
Trade receivables	56,144		56,144
Tax receivables and others	14,655	- 6,178	8,477
Held-for-trading financial assets	1,388		1,388
Cash and cash equivalents	15,630		15,630
Total current assets	**87,890**	**- 6,178**	**81,712**
TOTAL ASSETS	**183,606**	**- 6,178**	**177,428**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	2,737		2,737
Share premium reserve	30,867		30,867
Legal reserve	902		902
Other reserves	6,398		6,398
Retained earnings/accumulated losses	15,208	-7,366	7,842
Net profit (loss)	12,488	1,188	13,676
Total Group Shareholders' equity	**68,600**	**-6,178**	**62,422**
Minority interest share	-103		-103
Total Net Equity	**68,497**	**-6,178**	**62,319**
Bank loans (payable beyond one year)	26,454		26,454
Provisions for risks and charges	1,125		1,125
Employee leaving indemnity	1,545		1,545
Total non-current liabilities	**29,124**	**0**	**29,124**

RECONCILIATION DADA GROUP CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2007 RELATING TO CHANGES IN ACCOUNTING PRINCIPLES			
Trade payables	54,020		54,020
Other payables	19,805		19,805
Tax payables	4,842		4,842
Bank overdrafts and loans (within one year)	7,318		7,318
Total current liabilities	**85,985**	**-**	**85,985**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**183,606**	**-6,178**	**177,428**

RECONCILLIATION OF THE DADA GROUP CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2007 RELATING TO CHANGES IN ACCOUNTING PRINCIPLES			
Amounts in Euro/thousand	31/12/07 Approved	Adjustments for changes in accounting principles	31/12/07 Adjusted
Net Revenues	**158.514**		**158.514**
Cost of raw materials and consumables	-156		-156
Changes in inventory and internal work	4,557		4,557
Service costs and other operating costs	-116,393	1,188	-115,205
Personnel costs	-23,895		-23,895
Other operating charges	-688		-688
Provisions and write-downs	-751		-751
Amortisation & depreciation	-5,368		-5,368
Ebit	**15,820**	**1,188**	**17,008**
Investment income	870		870
Financial charges	-2,843		-2,843
Share of profit/losses of associates	-352		-352
Profit before taxes	**13,495**	**1,188**	**14,683**
Income taxes	-833		-833
Profit from normal operations	**12,662**	**1,188**	**13,850**

RECONCILIATION OF THE DADA GROUP CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2007 RELATING TO CHANGES IN ACCOUNTING PRINCIPLES			
Minority interest profit	-174		-174
Group net profit	**12,488**	**1,188**	**13,676**
Basic earnings per share	0.782		0.856
Diluted earnings per share	0.733		0.803

RECONCILIATION OF THE CONSOLIDATED CASH FLOW OF THE DADA GROUP AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

Amounts in Euro/thousand	31/12/07 Approved	Adjustments for changes in accounting principles	31/12/07 Adjusted
Operating activities			
Net profit for the year	12,488	1,188	13,676
Adjustments for:			
Income from trading activities	-870		-870
Financial charges	3,195		3,195
Income taxes	833		833
Depreciation of property, plant & equipment	2,026		2,026
Amortisation of other intangible assets	3,342		3,342
Other provisions and write-downs	751		751
Increases/(decreases) in provisions	-355		-355
Cash flows generated from operating activities before working capital changes	21,410	1,188	22,598
Increase in inventories	38		38
(Increase) / decrease in receivables	-20,668	-1,188	-21,856
Increase in trade payables	22,532		22,532
Cash flow generated from operating activities	23,312	0	23,312
Income taxes paid	-1,093		-1,093
Interest paid	-3,195		-3,195
Net cash flow generated from operating activities	19,024	0	19,024

RECONCILIATION OF THE CONSOLIDATED CASH FLOW OF THE DADA GROUP AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS			
Investing activities			
Interest received	870		870
Purchase of subsidiary and associated companies	-36,600		-36,600
Effect of changes in the consolidation scope	-540		-540
Sale of subsidiary and associated companies	400		400
Purchase of tangible fixed assets	-5,621		-5,621
Purchase of financial assets			0
Purchase/sale of financial assets available-for-sale	1,068		1,068
Purchase of intangible assets	-2,679		-2,679
Product development costs	-4,557		-4,557
Net Cash flow used in investing activities	**-47,658**	**0**	**-47,658**
Financing activities			
Dividends from subsidiaries			0
Repayment of loans			0
Payments deriving from share capital increases	1,395		1,395
Sale of treasury shares	26,210		26,210
Other changes	24		24
Increases (decreases) in bank overdrafts			
Net Cash flow generated from financing activities	**27,629**	**0**	**27,629**
Net increase/(decrease) in cash and cash equivalents	**-1,005**	**0**	**-1,005**
Cash and cash equivalents at beginning of the year	**9,318**		**9,318**
Cash and cash equivalents at 31/12/2007	**8,312**		**8,312**

26. Information as per IFRS 7

1) Classification of the financial instruments and Fair Value

The standard requires the accounting values of each of the categories set out in IAS 39 is stated, with separate indication, in the category of assets and liabilities valued at fair value through the profit and loss , of the amount classified as “held for trading”.

In table 1 (reported on page 152) a summary of the amount relating to each category of financial instruments utilised is reported.

- In the account financial assets available-for-sale the minority investments in the Joint Venture USA, E-Box and Giglio Group are included.
- In the account receivables and loans, the loan to the Joint Venture USA of Euro 2,156 thousand was included;
- In the account financial assets/liabilities held for trading, the Fair Value of the derivative for Euro 390 thousand was included (forward purchase in Euro) of DADA USA on the exchange rate risk related to the intercompany loan, as well as Euro 539 thousand relating to the IRS derivative of Register.it S.p.A. to hedge movements in the variable interest rates;
- In receivables and loans, the bank overdraft of Giglio Group of Euro 1,315 thousand is included.

2) Collateral

The standard requires information relating to collateral in the case of financial assets provided as pledges (accounting value, terms and conditions of the pledge), and assets held as collateral and which the entity can dispose of without default by the counterparty (Fair value, terms and conditions of the pledge)

Given the low amount of collateral given by the DADA Group, only the accounting values of 2008 and compared with those of 2007 are indicated in the following table:

Collateral given (€/000)	Book value	
	31/12/08	31/12/07
Guarantee deposits	1,235	1,100

3) Provisions for doubtful debts

In the case in which the Company recorded losses for permanent losses in value of financial assets of a commercial nature in an separated account, a reconciliation of the changes in the period for each of the classes of financial assets must be made.

In the following table, the movements in the doubtful debt provision in 2008 compared with those in 2007 are shown

	Write-down of trade receivables (€ /000)	
	31/12/08	31/12/07
Balance at beginning of year	-2,309	-3,084
Increases in the year		0
- individual write-downs	-210	-376
- collective write-downs		-50
Utilisations	152	999
Write-back of value		0
Other movements		197
Exchange differences		5
Balance at end of year	**-2,367**	**-2,309**

4) Revenue, cost and profit and loss accounts:

IFRS 7 requires disclosure of information relating to the payment of interest, commissions and expenses deriving from financial instruments.

Excluded are the values relating to trade receivables/payables, employee receivables/payables and balances with social security institutions and tax authorities and employee benefits and all of the instruments covered by IAS 12 and 19 and not included in the ambit of IAS 39.

The profits and losses in the following tables compared with those of 2007 show:

- Profits relating to the forward purchase and sales of foreign currencies for a total of Euro 944 thousand of which profits realised of Euro 554 thousand and to be realised of Euro 390 thousand.

- Interest income for the loan of Dada USA to Joint Venture USA for Euro 74 thousand

- Interest income from banks of Euro 371 thousand including also Euro 7 thousand relating to the intercompany current account Dada/RCS media Group

In the account interest expense, the interest from banks for overdrafts on bank accounts for Euro 369 thousand and for loans of Euro 1,726 thousand are indicated separately

- In the account Bank charges and commissions, Euro 142 thousand for banking charges and Euro 541 thousand for banking commissions is included - prevalently relating to credit cards.

INCOME STATEMENT (Euro/thousand)	Held-for-trading financial assets/liabilities	Loans and Receivables	Financial liabilities at amortised cost
	31/12/08	31/12/08	31/12/08
NET PROFIT (LOSS)			
- Securities			
- Minority interest investments			
- Receivables for financial derivative instruments	944		
- Intercompany financial assets	74		
Total	1,018	0	0
NET PROFIT (LOSS)	31/12/07	31/12/07	31/12/07
- Securities		67	
- Equity Investments		-380	
- Receivables for financial derivative instruments	343		
- Financial assets			
Total	343	-313	0

	Book value	
INTEREST INCOME	31/12/08	31/12/07
Interest income on financial assets not valued at fair value		
- Bank and postal deposits	371	497
INTEREST EXPENSE		
Interest expense on financial liabilities not valued at fair value		
- Bank and postal deposits	369	40
- Loans and receivables and other payables		
- Mortgages loans	1,726	681
TOTAL	2,095	721

	Book value	
CHARGES AND COMMISSIONS	31/12/08	31/12/07
- Bank charges and commissions	683	558

5) Information on qualitative risks

- Credit risk

The Group has various concentrations of credit risk due to the nature of the activities it carries out in various sectors (the NET Division and PRO Division). The following table shows the ageing analysis by receivable due date and analysis of the ratings for future client payments.

In relation to guarantees to third parties the maximum amount that the Entity could possibly pay is considered; these include sureties and guarantees given by DADA S.p.A. to the group companies and from third parties through the primary banking institutions. In the attached table, the maximum exposition to credit risk is indicated, excluding the values relating to employee receivables, tax, credit institutions, employee benefits and for all of those instruments covered by IAS 12 and 19 and not covered by IAS 39.

In the account “binding commitments for the issue of loans” for a further Euro 719 thousand, the residual commitments to issue USD 1 million of the loan to the Joint venture USA (USD 3 million already issued) is listed.

IFRS 7 requires an analysis of overdue receivables for financial assets (trade receivables) with due date, net of write downs.

The following table shows client overdue dates net of the positions written down and the intercompany positions which are eliminated from the consolidation

Analysis by maturity of financial assets (€ /.000)	Book value	
	31/12/08	31/12/07
Trade receivables		
- Due in less than 30 days	10,308	15,201
- Due between 30 and 90 days	10,133	9,515
- Due between 90 and 180 days	3,955	3,735
- Due between 180 and 365 days	2,131	2,486
- Due between 1 and 2 years		127
Total	26,527	31,064

IFRS 7 requires an analysis of overdue receivables for financial assets (trade receivables) with expiry, net of write downs.

For non overdue receivables, the trade receivables based on division are regrouped as shown in the following table:

Analysis of the credit rating of non overdue receivables (Euro/thousand)	31/12/08	31/12/07
Rating A	22,647	22,208
Rating B	1,614	2,760
No Rated	4,520	112
Total	**28,781**	**25,080**

For the non overdue receivables, the trade receivables based on division are regrouped as shown in the following table:

Concentration of commercial credit risk (Euro/thousands)	Book value		%	
	31/12/08	31/12/07	31/12/08	31/12/07
By division				
NET Division	41,266	49,516	74.6%	88.2%
PRO Division	13,591	6,628	24.6%	11.8%
CORPORATE Division	451		0.8%	0.0%
Total	55,308	56,144	100%	100%

The risk relating to trade receivables is detailed by division and geographic area as shown in the following table:

Concentration of commercial credit risk (Euro/thousands)	Book value		%	
	31/12/08	31/12/07	31/12/08	31/12/07
By geographic area				
Italy	27,580	32,552	49.9%	58.0%
Overseas	27,728	23,592	50.1%	42.0%
Total	55,308	56,144	100%	100%

- Liquidity Risk

IFRS 7 requires a maturity analysis for the financial liabilities (trade receivables included) as shown in the tables attached relating to 2008 and 2007:

Analysis of maturity at December 31, 2008 (Euro/thousands)	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	57,040					57,040
Mortgage loans						
- capital portion	3,019	11,034	5,599	17,732	5,428	42,812
- interest portion	699	632	1,321	660	180	3,492
Short-term lines	3,054					3,054
Other payables	5,775		1,167			6,942
Total	69,587	11,666	8,087	18,392	5,608	113,340
DERIVATIVE FINANCIAL INSTRUMENTS						
Derivatives on foreign currency risks	200	150				350
Total	200	150	-	-	-	350
EXPOSITION AT DECEMBER 31, 2008	**69,787**	**11,816**	**8,087**	**18,392**	**5,608**	**113,690**

Analysis of maturity at December 31, 2007 (Euro/thousands)	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES						
NON DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	56,675					56,675
Mortgage loans						
- capital portion	4,231	2,511	4,993	12,857	8,571	33,163
- interest portion	831	666	1,307	2,504	556	5,864
Short-term lines	1,359					1,359
Other payables	6,380					6,380
Total	69,476	3,177	6,300	15,361	9,127	103,441
DERIVATIVE FINANCIAL INSTRUMENTS						
Derivatives on foreign currency risks						
Total	-	-	-	-	-	-
EXPOSITION AT DECEMBER 31, 2007	69,476	3,177	6,300	15,361	9,127	103,441

For the previous maturity analysis the future cash flows not discounted broken down by the capital and interest portions were considered.

The liquidity risk of the Group may arise from the difficulty to obtain loans to support operating activities in a timely manner.

The cash flows, financing requirements and the liquidity of the companies of the Group are monitored and managed centrally under the control of the Group Treasury, with the objective of guaranteeing efficient management of the financial resources.

Management believes that the funds and credit lines currently available, in addition to those that will be generated from operating and financial activities, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.

Market risk

For the market risk, IFRS 7 requires a sensitivity analysis including the data relating to the impact on the income statement and the net equity of varying possible market situations in the notes to the financial statements.

Two types of market risk are considered: exchange risk and interest rate risk

Currency risk

In the following table the financial situation expressed in thousands of Euro for the various positions in foreign currencies, at the balance sheet date 2008 compared with 2007, as well as the positive and negative effects on the income statements due to changes in exchange rates based on various percentage point movements + or – is shown. The exchange rate risk is considered for the foreign currency exposition of the single legal entities as well as for the intercompany trade and financing items, although they are eliminated from the consolidated financial statements, as they generate exchange gains and losses for the legal entities denominated in foreign currencies.

In order to mitigate the exchange risk, the Group is committed to adequate reporting and monitoring procedures for the exposition to foreign currency movements and to adopting the decisional instruments for undertaking foreign currency contracts, while limiting itself only to purchase and sales contracts in foreign currencies.

Interest rate risk

IFRS 7 requires analysis of the exposition of the interest-bearing assets and the financial liabilities and the relative Shock Analysis based on the percentage shock + and – as follows:

Shock Table		
Currency	UP	DOWN
Euribor	10%	-10%

The non-interest bearing deposits for companies of the group located in France, Spain, England, Brazil and the USA were excluded.

The interest risk of loans contracted by Register.it S.p.A. to purchase Namesco UK for a residual Euro 25,716 thousand was hedged through a derivative (IRS) at a fixed rate of 3.81% p.a. + spread, and is therefore excluded from the risk of interest rate movements shown in the following table.

For the Euro area, rates at Euribor 1 month at the end of 2008 (3.13% p.a. + spread)) and Euribor 1 month at the end of 2007 (4.83% p.a. + spread) were assumed; the account inter-group current account with DADA S.P.A./RCS MediaGroup is included among interest bearing assets.

For the Sterling area, the rate used is the England Exchange rate Interest, while for the USD area the Libor 1 month is used

The attached table shows the expositions by currency and the effects of rate movements:

Analysis of sensitivity to the interest rate risk (Euro/thousand)	Currency	Book value		Income statement			
				Shock up		Shock down	
		31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
Interest bearing assets	Euro	10,600	10,745	28	47	-28	-47
Financial liabilities at variable interest rates not hedged	Euro	-17,902	-30,000	-69	-103	69	103
Total		-7,302	-19,255	-41	-56	41	56

Analysis of sensitivity to the interest rate risk (Euro/thousand)	Currency	Book value		Income statement			
				Shock up		Shock down	
		31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
Interest bearing assets	GBP		680	0	5	0	-5
Financial liabilities at variable interest rates not hedged	GBP	-540	-1,397	-2	-10	2	10
Total		-540	-717	-2	-5	2	5

Analysis of sensitivity of interest rate risk	Currency	Book value		Income statement			
				Shock up		Shock down	
		31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
Interest bearing assets	USD	2,156	3,864	4	8	-4	-8
Financial liabilities at variable interest rates not hedged	USD	-3,054	-1,766	-6	-4	6	4
Total		-898	2,098	-2	4	2	-4

Analysis of sensitivity of interest rate risk	Currency	Book value		Income statement			
				Shock up		Shock down	
		31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
Interest bearing assets		12,756	15,289	32	59	-32	-59
Financial liabilities at variable interest rates not hedged		-21,496	-33,163	-77	-117	77	117
Total		-8,740	-17,874	-45	-58	45	58

The account "interest bearing assets" includes also the negative intercompany current account bank positions with RCS MediaGroup S.p.A.

For the deposits in Brazilian currency and Chinese currency there are no interest rates in place whose movements could cause significant effects and therefore these deposits are indicated only for the reconciliation related to the table.

TABLE No. 1									Book value					
ASSETS	Financial assets/liabilities held for trading		Loans and receivables		Financial assets available-for-sale		Financial liabilities at amortised cost		Total		of which current		of which non-current	
	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
- Minority interest investments					5,037	4,296								
- Securities														
- Cash and cash equivalents			13,704	15,630					13,704	15,630	13,704	15,630		
- Trade receivables			55,308	56,144					55,308	56,144	55,308	56,144		
- Financial assets			2,156	1,388					2,156	1,388	2,156	1,388		
- Other receivables			3,374	3,308					3,374	3,308	3,374	3,308		
- Prepayments and accrued income			3,542	9,587					3,542	9,587	3,542	9,587		
- Receivables for financial derivative instruments	390	171							390	171	390	171		
Total financial assets	390	171	78,084	86,057	5,037	4,296	0	0	78,474	86,228	78,474	86,228	0	0
									Book value					
LIABILITIES	Financial assets/liabilities held for trading		Loans and receivables		Financial assets available-for-sale		Financial liabilities at amortised cost		Total		of which current		of which non-current	
	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
- Trade payables			57,040	56,675					57,040	56,675	57,040	56,675		
- Bank current account overdraft			1,315						1,315		1,315			
- Loans and financing							45,927	33,163	45,927	33,163	17,433	6,727	28,494	26,405
- Other payables			6,942	6,380					6,942	6,380	6,942	6,380		
- Accruals and deferred income			14,107	10,144					14,107	10,144	14,107	10,144		
- Payables for financial derivative instruments	539								539		539			
Total financial liabilities	539	0	79,404	73,199	0	0	45,927	33,163	125,870	106,362	97,376	79,926	28,494	26,405

TABLE No.2

Exposition to exchange rate risk (Euro/thousand)	AUD		USD		GBP		Euro		IDR (Indonesian Rupia)		HUF		INR (Indian Rupee)		CNY (Renmimbi)		Total	
	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
ASSETS																		
Cash and similar in foreign currencies	11		298														309	0
Intercompany loans in foreign currencies							2,920										2,920	0
Intercompany trade receivables in foreign currencies			1,442	3,423	157										242		1,841	3,423
Trade receivables in foreign currencies	441	653	626	728	30	118			110	299	84	133	86		57		1,434	1,931
Total assets	452	653	2,366	4,151	187	118	2,920	0	110	299	84	133	86	0	299	0	6,504	5,354
LIABILITIES	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
Trade payables in foreign currencies	42	70	2,702	102	155	10	304				56	13					3,259	195
Intercompany trade payables in foreign currencies			548		113		2,809										3,470	0
Intercompany loans in foreign currencies							9,920	8,377									9,920	8,377
Trade payables in foreign currencies																	0	0
Total liabilities	42	70	3,250	102	268	10	13,033	8,377	0	0	56	13	0	0	0	0	16,649	8,572
EXPOSITION AT DECEMBER 31	410	583	-884	4,049	-81	108	-10,113	-8,377	110	299	28	120	86	0	299	0	-10,145	-3,218

DERIVATIVE FINANCIAL INSTRUMENTS

	AUD		USD		GBP		Euro		IDR (Rupia Indonesian)		HUF		INR (Rupia Indiana)		CNY (Renmibni)		Total	
	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07	31/12/08	31/12/07
Non-hedging derivatives				3,000			-5,000	-7,239									-5,000	-4,239
Total	0	0	0	3,000	0	0	-5,000	-7,239	0	0	0	0	0	0	0	0	-5,000	-4,239
NET EXPOSITION AT DECEMBER 31	410	583	-884	1,049	-81	108	-5,113	-1,138	110	299	28	120	86	0	299	0	-5,145	1,021

TABLE NO.3	AUD				USD				GBP				Euro				IDR (Indonesian Rupia)				HUF				INR				CNY (Chinese Renminbi)				Total			
Analysis of sensitivity to exchange rate risk (Euro/thousand)	Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L			
	Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
ASSETS																																				
Cash and similar in foreign currencies	1		-1		60		-60		0		0		0		0		0		0		0		0		0		0		0		0		61	0	-61	0
Intercompany loans in foreign currencies	0		0		0		0		0		0		292		-292		0		0		0		0		0		0		0		0		292	0	-292	0
Intercompany trade rec. in foreign currencies	0		0		288	-403	-288	403	16		-16		0		0		0		0		0		0		0		0		36		-36		340	-403	-340	403
Trade rec. in for. currencies	44	-3	-44	3	125	-86	-125	86	3	-11	-3	11	0		0		17	-50	-17	50	8	-1	-8	1	13		-13		9		-9		219	-150	-219	150
Total	45	-3	-45	3	473	-489	-473	489	19	-11	-19	11	292	0	-292	0	17	-50	-17	50	8	-1	-8	1	13	0	-13	0	45	0	-45	0	912	-553	-912	553
LIABILITIES																																				
Trade pay. in for. currencies	4	0	-4	0	540	12	-540	-12	16	1	-16	-1	30		-30		0		0		6		-6		0		0		0	1	0	-1	596	14	-596	-14
Intercompany trade payables in foreign currencies	0		0		110		-110		11		-11		281	-969	-281	969	0		0		0		0		0		0		0		0		402	-969	-402	969
Intercompany loans in foreign currencies	0		0		0		0		0		0		992	-969	-992	969	0		0		0		0		0		0		0		0		992	-969	-992	969
Other foreign curr. pay.	0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0	0	0	0
Total	4	0	-4	0	650	12	-650	-12	27	1	-27	-1	1,303	-1,939	-1,303	1,939	0	0	0	0	6	0	-6	0	0	0	0	0	0	1	0	-1	1,990	-1,925	-1,990	1,925
NET EXPOSITION	41	-3	-41	3	-177	-501	177	501	-8	-12	8	12	-1,011	1,939	1,011	-1,939	17	-50	-17	50	3	-1	-3	1	13	0	-13	0	45	-1	-45	1	-1,078	1,371	1,078	-1,371
FINANCIAL DERIVATIVE INSTRUMENTS																																				

	AUD				USD				GBP				Euro				IDR (Rupia Indonesian)				HUF				INR				CNY (Chinese Renminbi)				Total			
	Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L			
	Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Non-hedging derivatives	0		0		0	353	0	-353	0		0		-500	853	500	-853	0		0		0		0		0		0		0		0		-500	1,206	500	-1,206
NET EXPOSITION	41	-3	-41	3	-177	-854	177	854	-8	-12	8	12	-511	1,086	511	-1,086	17	-50	-17	50	3	-1	-3	1	13	0	-13	0	45	-1	-45	1	-578	166	578	-166

Ernst & Young

DADA S.p.A.

Bilancio consolidato al 31 dicembre 2008

Relazione della società di revisione ai sensi dell' art. 156 del D. Lgs. 24.2.1998, n. 58

Reconta Ernst & Young S.p.A.
Piazza della Libertà, 9
50129 Firenze

Tel. (+39) 055 552451
Fax (+39) 055 5524850
www.ey.com

Relazione della società di revisione
ai sensi dell'art. 156 del D. Lgs. 24.2.1998, n. 58

Agli Azionisti della Dada S.p.A.

1. Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dallo stato patrimoniale, dal conto economico, dal prospetto dei movimenti del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, della Dada S.p.A. e sue controllate ("Gruppo Dada") chiuso al 31 dicembre 2008. La responsabilità della redazione del bilancio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005, compete agli amministratori della Dada S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.

2. Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.
Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 7 aprile 2008.

3. A nostro giudizio, il bilancio consolidato del Gruppo Dada al 31 dicembre 2008 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico, le variazioni del patrimonio netto ed i flussi di cassa del Gruppo Dada per l'esercizio chiuso a tale data.

4. La responsabilità della redazione della relazione sulla gestione, in conformità a quanto previsto dalle norme di legge e dai regolamenti, compete agli amministratori della Dada S.p.A.. E' di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione con il bilancio, come richiesto dall'art. 156, comma 4-bis, lettera d), del D. Lgs. n. 58/1998. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla Consob. A nostro giudizio la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Dada al 31 dicembre 2008.

Firenze, 8 aprile 2009

Reconta Ernst & Young S.p.A.

Fulvio Favini
(Socio)

Reconta Ernst & Young S.p.A.
Sede Legale: 00196 Roma - Via G.D. Romagnosi, 18/A
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

·Dada·

Dada S.p.A.
piazza Annigoni 9/b
I - 50122 Firenze
T. +39 055 200211 • F. +39 055 20021550

dada.dada.net
p.iva 04628270482
capitale sociale € 2.755.711,73 i.v.
registro imprese Fi n. 467460

ATTESTAZIONE

del Bilancio d'esercizio al 31 Dicembre 2008 ai sensi dell'art. 81-*ter* del Regolamento Consob n. 11971 del 14 maggio 1999 e successive modifiche e integrazioni

1 I sottoscritti, Paolo Barberis in qualità di Presidente del Consiglio di Amministrazione, Barbara Poggiali in qualità di Amministratore Delegato di Dada e Federico Bronzi in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Dada Spa, attestano, tenuto anche conto di quanto previsto dall'art.154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:
- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione,

delle procedure amministrative e contabili per la formazione del Bilancio d'esercizio al 31 Dicembre 2008, approvato dal Consiglio di Amministrazione in data 13 Marzo 2009, nel corso dell'esercizio 2008.

2 Si attesta, inoltre, che il Bilancio d'esercizio al 31 Dicembre 2008:
- corrisponde alle risultanze dei libri e delle scritture contabili;
- redatto in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005 è idoneo/a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

Firenze, 13 Marzo 2009

Dada S.p.A.
Presidente del Consiglio di Amministrazione
Paolo Barberis

Dada S.p.A.
Amministratore Delegato
Barbara Poggiali

Dada S.p.A.
Dirigente Preposto
Federico Bronzi

DADA S.P.A. FINANCIAL STATEMENTS AT DECEMBER 31, 2008

(Prepared in accordance with IAS/IFRS international accounting standards)

Registered Office: Piazza Annigoni, 9/b - Florence
Share capital Euro 2.755.711,73 fully paid-in
Florence Company Registration Office No.FI017- 68727 - REA 467460
Fiscal code/VAT No. 04628270482

OPERATIONAL OVERVIEW

Dear Shareholders,

The Company Dada S.p.A. recorded revenues of Euro 50 million in 2008 compared to Euro 106.4 million in 2007. The decrease was sharper in the comparative fourth quarter figures - from Euro 35 million to Euro 6.2 million.

It is highlighted that this figure, as well as all figures in the current report, was significantly impacted by the reorganisation operation in 2008 which stemmed from the need for greater focus on the existing business lines of the Dada Group.

The reorganisation was carried out through a significant extraordinary operation which involved the Parent Company Dada S.p.A. and the 100% held subsidiaries Dada Net S.p.A. and Register.it S.p.A. In particular, with effect from July 1, 2008, Dada S.p.A. conferred its business units VAS Italia services and Advertising respectively to Dada Net S.p.A. and Register.it S.p.A., companies which therefore represent the two sectors of activity Dada.net and Dada.pro. In relation to the new organisational structure, reference should be made to the graph in the consolidated directors' report.

Therefore in the second half of the year, the revenues of Dada S.p.A. were made up exclusively of re-charges to the direct subsidiaries, principally: re-charges for the utilisation of brands and software and corporate overhead re-charges in relation to services provided to the subsidiaries.

Therefore, from the present year the Business Units are comprised of the Dada.net Division and the Dada.pro Division, while until December 31, 2007 a third division also existed, Dada.adv, now part of the Dada.pro division.

An effect of this organisational change is a substantial alteration in the contribution of the divisions to the income statement of the DADA Group with an increase in the contribution of the Dada.pro division and the relative reduction in the Dada.net division. For further analysis on the performance of the divisions, reference should be made to the report and notes of the consolidated financial statements of the Dada Group.

The breakdown of consolidated revenues of the Dada Group by geographic area in 2008 shows a contribution of international business substantially stable on the previous year, with particularly strong growth however noted on the Brazilian and Spanish markets.

The reclassified results of the **Parent Company Dada S.p.A.** for 2008 and 2007 are reported below:

Amounts in Euro/thousand	Dec 31, 08 12 months		Dec 31, 07 12 months	
	Amount	% of total	Amount	% of total
Net Revenues	**49,973**	**100%**	**106,441**	**100%**
Changes in inventory and internal work	1,442	3%	3,110	6%
Service costs and other operating costs	-40,808	-82%	-89,456	-179%
Personnel costs	-8,104	-16%	-11,931	-24%
Ebitda	**2,503**	**5%**	**8,164**	**16%**
Amortisation & depreciation	-3,116	-6%	-3,364	-7%
Non-recurring income (charges)	-184	0%	-183	0%
Revaluations/(Write-downs)	-200	0%	-575	-1%
Ebit	**-997**	**-2%**	**4,042**	**8%**

** before write-downs and extraordinary items of Euro 0.4 million*

The Ebitda of Dada S.p.A (before write-downs and other extraordinary items) was Euro 2.5 million (5% of revenues) compared to Euro 8.2 million in the previous year (16% of revenues).

The general costs and expenses, comprising principally of utilities, are in line with the previous year with an increase as a percentage on revenues.

The Ebit, as for all cost accounts, was closely related to that previously mentioned reorganisation.

The account "inventory changes and increases of internal work capitalised" relate to the expenses incurred for the development of the proprietary platform necessary for the launch and management of the services provided via web and mobile by the DADA Group. This amount is that capitalised until June 30, 2008.

The consolidated Ebitda of the Dada Group in 2008 (before write-downs and other extraordinary items) was Euro 28.9 million (a margin of 17% on consolidated sales), compared to Euro 23.4 million in the previous year (margin of 15%), growth therefore of 23%.

In the fourth quarter, the Ebitda was Euro 6.9 million (margin of 16% on consolidated sales), compared to Euro 6.8 million in the same period of the previous year (margin of 15%).

The Ebit of the parent company Dada S.p.A. in 2008 was a loss of Euro 1 million, compared to a profit of Euro 4.2 million in 2007. The Ebit for the year includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 3.1 million (Euro 3.3 million in 2007), while write-downs and non-recurring charges amounted to Euro 0.38 million (Euro 0.76 million in 2007).

The pre-tax result is substantially at break even due to the income from investment activities of approx. Euro 1 million (Euro 0.9 million in 2007). This income relates to bank account interest, interest charged to Group companies for loans and the gain from the intercompany sale of the investment in the company Media Dada Science.

The net loss of Dada S.p.A. in 2008 was Euro 1.7 million, relating to the tax charge in the year of Euro 1.7 million. The tax charge relates to Irap in the year, as well as the utilisation of deferred tax assets in previous years.

The Consolidated net profit in 2008 was Euro 7.6 million, 5% of consolidated sales, compared to Euro 13.7 million in the previous year (9% of consolidated sales). In the fourth quarter of 2008, the Group net result was a loss of Euro 3.2 million, compared to a profit of Euro 3.2 million in the same period of the previous year (7% of consolidated revenues).

The composition of the short-term net financial position at December 31, 2008 is shown below:

	FINANCIAL POSITION	Dec 31, 08	Dec 31, 07	DIFFERENCE	
				Absolute	Percent.
A	Cash	4	42	-38	-90%
B	Bank and postal deposits	8,814	5,174	3,640	70%
C	Securities held for trading	48	28	20	71%
D	Liquidity (A+B+C+D)	8,866	5,244	3,622	69%
E	Treasury management cash pooling	- 6,031	4,827	- 10,858	-225%
F	Current financial receivables			-	
G	Current bank payables	-	-	-	
H	Current portion of non-current debt	-	-	-	
I	Current debt (G+H)	-	-	-	
J	Current net financial position (I-F-E-D)	2,835	10,071	- 7,236	-72%
K	Non-current bank payables	-	-	-	
L	Other non-current payables			-	
M	Non-current debt (K+L)	-	-	-	
N	Total net financial position (J+M)	2,835	10,071	- 7,236	-72%

The short-term Net Financial Position of Dada S.p.A. at December 31, 2008 (and overall) was a cash balance of Euro 2.8 million, compared to Euro 10.1 million at December 31, 2007. There were no financial payables beyond one year.

In 2008, there was therefore a decrease in the cash position of Euro 7.2 million. This movement was impacted by the reorganisation described previously and which affected the results (and therefore the related financial benefits) of the operating companies Dada.net and Dada.pro.

Investments were made for the headquarters at Florence, in technology and development expenses for products and processes principally provided by the Dada.net Division and refer entirely to the first half of 2008.

Contributing to the cash flow in 2008 was a cash inflow from the exercise of the last tranche of a stock option plan. On February 6, 2008, the period closed for the subscription to the share capital increase approved by the Board of Directors on June 20, 2005 for the stock option plan for employees of Dada S.p.A. and its subsidiaries. The number of options exercised was 112,990 and the financial contribution was Euro 1.2 million.

The total consolidated net financial position of the Dada Group which also includes medium/long term sources and uses was a net debt of Euro 31.4 million at December 31, net of payables to banks and other lenders repayable beyond one year of Euro 28.5 million. This amount in the previous year was debt of Euro 16.8 million and at September 30, 2008 debt of Euro 32 million.

In 2007, there was therefore an absorption of liquidity amounting to Euro 14.6 million. The cash outflows principally relate to the Group investment activities, which particularly refers to the acquisition of controlling shareholdings. On this point, reference should be made to the consolidated Directors' Report on Operations.

The composition of the net working capital and the net capital employed of the Parent Company Dada S.p.A. at December 31, 2008 and at December 31, 2007 is shown below:

Amounts in Euro/thousand	Dec 31, 08	Dec 31, 07	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	58,751	46,781	11,970	26%
Current assets (B)	26,506	95,152	-68,646	-72%
Current liabilities (C)	-30,282	-93,228	62,946	-68%
Net working capital (D) = (B)-(C)	-3,776	1,924	-5,700	-296%
Employee leaving indemnity provision (E)	-266	-1,106	840	-76%
Provision for risks and charges (F)	-467	-805	338	-42%
Net capital employed (A+D+E+F)	54,242	46,794	7,448	16%

The net working capital at December 31, 2008 was negative for Euro 3.8 million, a decrease on a positive amount of Euro 1.9 million at December 31, 2007. This movement is principally related to the reorganisation described above and is linked also to the substantial reduction in the other working capital accounts.

Trade receivables are principally made up of recharges made to Group companies.

The increase in fixed assets is related to the increase in the carrying value of investments in the companies Dada.net S.p.A. and Register.it S.p.A. following the conferment operation in the year.

Consolidated net working capital of the Dada Group was a negative amount of Euro 11.5 million, while at December 31, 2007 it was a negative amount of Euro 4.7 million and at September 30, 2008 negative for Euro 12.7 million. The net working capital is impacted, among other factors, by the change in the accounting treatment of the user acquisition costs which resulted in the elimination of the accrued income under current assets. In addition, the change in the consolidation scope had an impact of approx. Euro 9 million, largely represented by deferred income of the Amen Group for the management of revenues from domains and web & hosting services.

Financial risks

Reference should be made to note 5.8 of the consolidated financial statements.

Alternative performance indicators:

In the present report, the following additional economic and financial performance indicators are provided in respect of those contained in IAS 1:

Ebitda: defined as the operating result before amortisation/depreciation, write-downs and non-recurring charges;

Net working capital: defined as the difference between current assets and liabilities, identifying current as one year from the balance sheet date. Within this account, the deferred tax assets are divided between current and non-current, based on the portion which is considered recoverable from the result of the following year;

Net capital employed: fixed assets plus net working capital and less non financial consolidated liabilities (employee leaving indemnity and provision for risks and charges);

Net financial position – short term: includes cash and cash equivalents, current financial assets and short-term financial liabilities;

Total net financial position: includes the short-term net financial position and all financial receivables and payables due beyond one year.

STOCK OPTION PLANS

The main details of the stock option plans existing at December 31, 2008 are shown below:

PLAN OF FEBRUARY 3, 2006:

With the Extraordinary Shareholders' Meeting resolution of December 30, 2005, the Board of Directors in accordance with article 2443, paragraph 2 of the civil code was conferred: the power to increase the share capital, on one or more occasions, up to a maximum nominal value of Euro 136,000.00, through the issue of 800,000 ordinary shares with a par value of Euro 0.17 as an incentive plan for the executives with specific appointments and/or general managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries.

In execution of these delegated powers, on February 3, 2006, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan for the Executives with specific appointments and/or General Managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries. The Board, on the proposal of the Remuneration Committee of the Company, approved the regulations of the plan and assigned 700,700 options for the subscription of the same number of ordinary Dada shares to 10 Directors holding specific offices and Top Managers of the Group, also approving a share capital increase totalling Euro 119,119 to service the above-mentioned options.

The stock option plan has the purpose of providing incentives and ensuring the loyalty of the Top Management and therefore the exercise of the options is conditional, within the limits established in the regulations, of achieving 90% of the objective Consolidated Ebitda for the year 2008 as determined by the Board. The shares subscribed are not subject to any availability restrictions.

In general terms, the exercise of the options may take place from January 15 to January 31, from February 16 to February 28, from June 1 to June 15, from September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, from November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

The subscription price of the shares was determined by the Board of Directors of the Company, in accordance with the criteria indicated by the Shareholders' Meeting, as Euro 14.782 per share, equal to the average official price registered of the DADA shares in the month prior to the assignment of the rights and in any case taking into account the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.232 per option.

PLAN OF MARCH 16, 2006:

With the Extraordinary Shareholders’ Meeting resolution on 28/4/2005, the Board of Directors were conferred, in accordance with articles 2443 and 2441, 8th paragraph of the civil code, the power to increase the share capital, for a five year period, on one or more occasions, up to a maximum nominal value of Euro 79,922.95, through the issue of ordinary shares with the nominal value of Euro 0.17 as an incentive plan for the employees of Dada S.p.A. and its subsidiaries.

Also in execution of these powers, on March 16, 2006, the Board of Directors deliberated to increase the share capital for the issue of a three-year stock option plan in favour of the employees of Dada S.p.A. and its subsidiaries.

The above-mentioned plan provides for the issue of a total of 33,000 shares divided into three annual tranches and offered in subscription to the employees of the group at an exercise price of Euro 16.92 per share, equal to the average official price recorded of the Dada shares in the month prior to the assignment of the rights and in any case taking into account the average share price in the last six months, and a subscription period between January 18 and February 6 in the three-year period 2007-2009.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method. The application of this method resulted in the calculation of the stock option value as Euro 2.18 per option for the third tranche.

PLAN OF JULY 28, 2006:

The Board of Director's meeting of July 28, 2006 also approved a paid-in share capital increase for a maximum amount of Euro 9,350, through the issue of a maximum of 55,000 new shares, to service the incentive and loyalty plan of two new Top Managers of the company and as partial execution of the powers attributed to the Dada Board by the Shareholders' Meeting of December 30, 2005 and recorded in the Florence company's registration office on January 9, 2006.

The Board of Directors of Dada determined the subscription price of the shares at Euro 15.97, equal to the official average arithmetical prices recorded of the ordinary shares of Dada in the period between the assignment date of the subscription rights and the same day in the previous month, taking into account the share price in the past six months.

This plan has the same features as the plan of February 3, 2006, previously described.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

PLAN OF FEBRUARY 12, 2007:

Also based on the powers conferred to the Board of Directors by the extraordinary shareholders' meeting resolution of December 30, 2005, the Board, on February 12, 2007 assigned 25,000 options for the subscription of a similar number of Dada ordinary shares to 3 US Managers of the Group and approved the regulations of the plan, approving therefore on May 11, 2007 a share capital increase for a maximum amount of Euro 4,250 to service the above-mentioned plan.

This plan has the same features as the plan of February 3, 2006, previously described.

The subscription price of the shares was determined by the Board of Directors of the Company, in accordance with the criteria indicated by the Shareholders' Meeting, as Euro 16.99 per share, equal to the average official price registered of the Dada shares in the month prior to the assignment of the rights and in any case higher than the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

The movements of the stock option plans are shown in the following tables:

	2008 Number of shares	Average exercise price	Market price	2007 Number of shares	Average exercise price	Market price
(1) Existing rights at 1/1	935,293	14.44	-	1,064,465	13.86	-
(2) New rights assigned	-	-	-	25,000	16.99	
(3) Rights exercised in the period	(112,990)	10.82		(128,954)	10.82	
				(67)	16.92	
(4) Rights expired in the period	(21,874)	10.82	-	(25,151)	10.82	
Rights expired in the period	(10,735)	16.92				
	140,150	14.78				
	25,000	16.99				
(5) Existing rights at 31/12/2008	624,544			935,293	14.44	

Exercise price:	RIGHTS ASSIGNED AT 31/12/2007 (granted)				OF WHICH EXERCISEABLE (vested)	
	Life of the residual contract			TOTAL	TOTAL	Average residual contract life
	< 1 year	1-2 years	> 2 years			
Euro 14.78	540,550	-	-	540,550		
Euro 16.92	8,994	-	-	8,994		
Euro 15.47	55,000	-	-	55,000		
TOTAL	624,544		-	624,544		

PURCHASE OF TREASURY SHARES

The Shareholders' Meeting of April 24, 2008 renewed the authorisation to the Board of Directors, to acquire within 18 months from the date of the resolution, up to a maximum number of ordinary shares representing 10% of the share capital at a price not lower than 20% and not above 10% compared to the reference price traded on the stock exchange on the day prior to each purchase and for a total amount not above the reserves available resulting from the latest approved financial statements; the same Shareholders' Meeting also authorised the Board of Directors to hold shares already in portfolio or acquired resulting from the present authorisation.

The utilisation of the treasury shares, in relation to those already in portfolio or those that may be acquired due to the present authorisation renewal, may be carried out within three years of the approval by the Shareholders' Meeting at a price or at a valuation not lower than 95% of the average price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the official deeds of commitment. The terms of this authorisation expire on 24/10/2009.

At 31/12/2008, the company does not hold treasury shares in portfolio.

CORPORATE GOVERNANCE

1 Introduction

The Self-Governance Code of listed companies prepared by the Committee for the Corporate Governance of listed companies indicates an adequate corporate organisational model to manage the Company, the enterprise risks and potential conflicts of interest that can arise between directors and shareholders and between majority and minority shareholders. This model is therefore in line with the principles of international best practice. Its adoption is voluntary and not obligatory.

Borsa Italiana S.p.A., in the Instructions of the Regulations of the New Market, Section IA, 2.6, requires that listed companies must prepare a specific communication annually relating to its organisational choices in view of the recommendations made by the Corporate Governance Committee, to be made available to the shareholders together with the documentation required for the Annual Shareholders' Meeting to approve the annual accounts. In this communication, the Board of Directors of listed companies that have not applied the recommendations of the code or only applied them in part must provide information on the reasons for this decision. Similar provisions are contained in article 123 bis of Legs. Decree 58/98 (hereafter also the "CFA") and article 89 bis of CONSOB regulation No. 11971/99.

The Chairman of the Board of Directors of Dada S.p.A. announced, on behalf of the Board, that the company approved on November 9, 2006 the internal code on Corporate Governance, which cover the regulations relating to the corporate governance adopted by the Board of Directors of Dada S.p.A. and of the Board of Statutory Auditors of the company, and in relation to the regulations applicable to this latter, are in compliance with the Self-Governance Code of listed companies updated in March 2006.

The Board therefore periodically approved the Criteria Document of the above-mentioned internal Code on Corporate Governance, with which some resolutions were adopted under the Code.

In order to provide adequate disclosure, information is provided on the application of the Self Governance Code for listed companies, indicating which recommendations have been effectively applied and in which manner, having regard to the Self-Governance Code and providing adequate information on which recommendations have not been applied, either partially or delayed.

Shareholding structure:

At the date of approval of the present report, based on the communications received in accordance with articles 120 and 122 of Legislative Decree No.58 of 1998, the significant holdings in the share capital of Dada S.p.A. are as follows:

RCS Media Group S.p.A. 49.50%
Paolo Barberis 5.36%
Simona Cima 2.23%
Alessandro Sordi 2.34%
Angelo Falchetti 2.16%
Jacopo Marello 2.10%
Eurizon Inv. SGR 3.05%

It is recalled that a shareholder agreement currently exists between Rcs MediaGroup S.p.A. and Paolo Barberis (approx. 55% of the share capital), signed on November 11, 2008. Reference should be made to the communications made in accordance with law for further information. For completeness of information, it is stated that on November 11, 2008 the shareholder agreement between RCS MediaGroup S.p.A. and Messrs. Paolo Barberis, Marco Argenti, Angelo Falchetti, Jacopo Marello and Alessandro Sordi expired.

2. Role and functions of the Board of Directors

Article 1 of the Self Governance Code:

1. The Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner to guarantee an effective and efficient performance of its functions.

2. The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, where the Company, in accordance with the law is subject to the direction and coordination and/or control by third parties, the Directors of the Company, in the undertaking of the offices held, must also take into account the directives and policies defined for the group to which the company belongs, as well as the benefits deriving from belonging to the group.

GENERAL CRITERIA

i) the Board of Directors, in the undertaking of its responsibility to determine and identify the strategic objectives of the Company and of the Group, in addition to its activities in accordance with the company's by-laws, and within the powers delegated internally to deal with third parties, exclusively:

a) examines and approve the strategic, industrial and financial plans of the Company and of the Group which the Company heads, the corporate governance of the Company and the structure of the group;

b) evaluates the adequacy of the organisational, administration and general accounting system of the Company and of its subsidiaries having strategic importance, which has been implemented by the corporate boards with particular reference to the internal control system and to the management of a conflict of interests;

c) assigns and revokes the delegation of powers to the chief executive officers as well as to the general managers, where present, and the executive committee, establishing the limits and manner of exercising such power and the frequency of reporting, normally for a period not beyond three months, through which the appointed bodies must report to the directors on the activities performed in relation to the powers conferred;

d) establishes, after examining the proposals of the relevant Remuneration Committee and after having consulted with the Board of Statutory Auditors, the fee to be paid to executive directors and those who hold specific offices, as well as dividing the total fees to which the directors are entitled among the individual members of the board, if this has not already been decided by the shareholders' meeting;

e) evaluates the general operational performance, taking into account, in particular, the information received from executives, as well as periodically comparing the results with the budgets;

f) examines and approves the operations of the Company and its subsidiaries, when these operations have a significant strategic, economic, or financial importance for the Company, with particular attention to the situations in which one or more directors have an interest on their own behalf or on behalf of third parties and, in general, in the transactions with related parties; they establish general criteria to identify significant transactions;

g) undertakes, at least once a year, a valuation on the size, on the composition and on the functioning of the Board and on the committees, and where necessary, expresses opinions on the appointment of professional persons to the Board;

h) provides information, in the corporate governance report, on the application of the present Article I and, in particular, on the number of meetings of the Board and of the Executive Committee, where present, which were held during the year and on the relative percentage of participation of each director.

****

The above-mentioned self-governance code has been implemented in the governance structure of the Company which recognises to the Board of Directors a central role within the Company, and in relation to this it should be noted that article 20, letter E of the By-laws of Dada S.p.A. largely in conformity with the provisions of the Self-Governance Code on Corporate Governance establishes that "The Board of Directors can delegate its powers to an Executive Committee and/or to one or more Directors determining the limits of the powers delegated. The powers indicated in article 2381 of the Civil Code cannot be delegated, nor those that are not permitted by current legislation. The Executive Committee and the Executive Directors report to the Board of Directors in the following board meeting in relation to the most important economic, financial and equity operations of the company.

In particular, they report on operations in potential conflict of interest or on those of an atypical or unusual nature compared to the normal operations of the company. The same information must be provided to the Board of Statutory Auditors.

In addition to the powers that may not be delegated by law, the following powers may not be delegated by the Board of Directors:

- the determination of the general management strategy;
- the remuneration of the directors appointed to carry out particular duties (where this has not been already decided by the Shareholders' Meeting) and the division of the total remuneration to the individual members of the Board of Directors and of the Executive Committee;
- the creation of committees and commissions determining their duties, responsibilities and functioning, including with the purpose of modelling the corporate governance in accordance with that established in the self-regulation code of listed companies;
- the approval of important economic, financial, and equity transactions, with particular reference to transactions with related persons.

The board of directors can, in addition, nominate general managers determining their duties and powers and can also nominate procurers for single deeds or categories of deeds.

The criteria for the determination of particularly significant operations, that may not be delegated, were indirectly fixed through the structure of the delegated powers made by the Board in the meeting of May 9, 2006 (and subsequently re-evaluated in the meeting of July 27, 2007), confirmed in the Shareholders' Meeting of December 31, 2008, and thus from a quantitative and qualitative viewpoint. In particular, from a quantitative view point, all operations are considered significant whose value is above Euro 3 million. From the qualitative viewpoint, significant operations are considered, without regard to their value, as being the approval of the strategic, industrial and financial plans of the company and the corporate structure of the group, acquisitions, mergers, disposals, conferment of equity investments, quotas, business units, the incorporation of joint ventures, the purchase of buildings and company assets and the concession and granting of loans of significant amounts, that may not be delegated.

In order to clarify the identification of the significant operations, while maintaining the above-mentioned criteria, the Board of Directors approved the Procedure for the conclusion and execution of the significant operations with related parties or with a director having an interest on February 12, 2007.

The criteria for the determination of the significant operations were and are already in part indirectly fixed through the executive powers and, in particular, by the qualitative and quantitative limits, and therefore from a quantitative and qualitative viewpoint, but they were specifically outlined in the above-mentioned Procedure for the conclusion and execution of the significant operations, with related parties or in which a director has an interest; this procedure provides for the identification of the criteria characterising significant operations, which includes the most important extraordinary operations and in any case those above a value of Euro 3 million, at the same time including ad hoc procedures for the approval of these operations which require Board approval or the appointment of third party experts or of the Internal Control Committee.

This procedure was applied in 2008 specifically relating to some significant operations.

In its meetings (the last one being on 3/12/2008 and referred to in greater detail in the following paragraph), the Board approved the corporate governance system as resulting from the system of powers and proxies delegated currently in force within the company in conformity with the matters previously outlined.

The Board also examined and approved the operations of significant strategic, economic, equity or financial importance, in relation to both the Company and its subsidiaries.

The Board also confirmed the approval of the group structure and positively evaluated the organisational, administrative and general accounting structure of the company and its subsidiaries with strategic importance; the organisational structure was verified under different profiles, including through the activities of the internal control committee and is based on a system of procedures and controls, largely centralised on the corporate structures of the parent company; in addition, Dada S.p.A. and its subsidiaries with strategic importance have an internal control system which is largely based on a series of analyses and procedures.

In relation to that reported above, it is noted that with regard to article 36 and 39 of Consob Regulation No. 16191/2007 and subsequent modifications in relation to subsidiaries based outside the EU (hereafter the "Markets Regulation"), the Company has preliminarily identified the subsidiary companies constituted and regulated by laws of States not belonging to the European Union (hereafter "Outside EU Companies") which it is believed fall within the ambit of such conditions. In view of the data contained in the financial statements of the previous year and of the audit activities, three subsidiary companies are recognised (the two US companies Dada USA Inc., UPOC Networks Inc. and the Brazilian company Dada Brasil Servicos de Tecnologia Ltda) as therefore exceeding the relevant individual size parameters as set out in article 151 of the Issuers' Regulations.

Therefore the necessary procedural indications were made in relation to the above-mentioned companies, a large part of which were already implemented, with respect to that contained in paragraph 1 of article 36 of the Markets Regulation.

In addition, the Ethical Code and the Organisational Model as per Legislative Decree No. 231/2001 were adopted.

In relation to this latter, following the issue of the recent Law 81/2008 in relation to Workplace Health and Security, the Company commits itself to analyse the regulations in force and to ensure compliance with these regulations and to carry out any such necessary actions to ensure same, which also guarantees compliance with the organisational and management model for worker's security (SGSL).

The preparation of the SGSL Model was also an opportunity to update the Organisational, Management and Control Model in accordance with Legislative Decree 231/01, which was updated by the additional ad hoc protocol "Specialty Part D", approved both by the Supervisory and Control Committee and by the Board of the Company.

It also underlined that the Company has approved the Procedures for the management of privileged information.

In relation to this, it is reported that the Board, in line with the criteria used for the preparation of the present Report, defines subsidiary companies with strategic importance as each subsidiary in accordance with law which undertakes its principal activities in the sectors of Internet and communications and has the obligatory requirement to audit their financial statements in accordance with the Consolidated Finance Act, or each subsidiary which, by its income, equitable or financial size, or by the particular characteristics of its activities, is defined as such by the Chairman of the company.

In relation to significant operations with related parties and the management of conflicts of interest, the procedures already adopted based on the above-mentioned Self-Governance Code of listed companies was further confirmed by the approval of the specific procedure for the conclusion and execution of significant operations with related parties or with a director having an interest.

The Board also established that the executive boards report at least quarterly on the activities undertaken in relation to the responsibilities conferred to them.

With regard to the maximum number of offices which each director of Dada may hold in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking, or insurance companies or of significant size, the Board considered the limit which should be imposed for the effective execution of the role of Director of the Issuer.

Following this analysis it was considered appropriate to introduce a limit to the maximum number of offices which each director of Dada S.p.A. may hold in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking or insurance companies or companies of a significant size and which considers the role covered by the Director as one which requires discriminatory judgement and whether belonging or not to the Dada Group. The limits introduced did not give rise to any issues or conflict with the offices effectively held by the Directors of the Issuer.

In particular, each Executive Director of Dada may not hold Executive Director positions within other large companies (as listed in the previous paragraph), but may simultaneously hold other offices (up to a maximum of seven) as non Executive Director, including as independent director or standing statutory auditor (or member of another supervision board) of companies of a significant size.

However, each Non Executive Director of Dada may hold offices up to a maximum of 5 Executive Directorships in other listed companies in regulated markets as indicated above, and up to a maximum of 12 offices of non Executive Director.

In order to correctly outline the application of the regulation, companies of a significant size are considered those which in the previous year were not permitted to prepare financial statements in abbreviated form.

A number of exceptions are applicable to the above-mentioned regulations:

- in the case of offices held within the Dada Group or in subsidiaries directly or indirectly held by Dada S.p.A., these offices are not included;
- in the case in which these offices are held in holding companies, subsidiaries or other companies subject to common control, the offices held are considered as a single office.

Finally it should be noted that these limitations are not mandatory as the Board of Directors has the right to make exceptions to the above-mentioned limits by means of a resolution.

The Board also determined, as further described in the present report, after examining the proposals of the Remuneration Committee and after having consulted the Board of Statutory Auditors, the remuneration of the Executive Directors, as well as dividing the total remuneration to which the directors are entitled among the individual members of the Board.

In 2008, the Board of Directors held 8 meetings. At the date of the preparation of the present document, in 2009 two meetings of the BoD had been held, while for the current year at least 7 meetings are planned. The by-laws provide that the Board meets at least on a quarterly basis. The percentage of participation of each director at the meetings is indicated in table 1 attached to the present report.

The members of the Board of Directors are provided with the necessary documentation within a reasonable time period in advance, except in the case of urgency, in order that the Board may express opinions in an informed manner on the matters on the agenda.

3. Composition of the Board of Directors

The Self-Governance Code states that the Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner which guarantees an effective and efficient performance of its functions.

The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, the directors, in the undertaking of the office held, must also take into account the directives and policies established for the group to which the company belongs as well as the benefits deriving from belonging to the group.

The Board of Directors of Dada S.p.A. is composed of 11 members: they were elected at the shareholders' meeting of the company held on April 21, 2006, with the exception of the Directors Riccardo Stilli and Roberto Ravagnani, appointed by cooption by the Board on November 9, 2006 in replacement of the resigning Directors, Vittorio Colao and Aldo Bisio, and confirmed for the shareholders' meeting of April 20, 2007, and the director Monica Alessandra Possa appointed by cooption by the Board on July 27, 2007, as replacement for the resigning director Alberto Ronzoni; it is noted also that the shareholders' meeting of April 21, 2006 originally determined as 13 the number of members for the Board which was subsequently reduced to 11 with the shareholders' meeting resolution of January 9, 2009 and which following the resignation of the directors Marco Argenti and Angelo Falchetti effective on December 3, 2008. It was not considered necessary to appoint two new directors in replacement of the resigned directors, but to continue with the current reduced number of 11 until the approval of the financial statements at December 31, 2008.

Members of the Board of Directors		
Name	Place and date of birth	In office from
Paolo Barberis	La Spezia 08/12/1967	21/04/2006
Salvatore Amato	Florence 23/05/1956	21/04/2006
Danilo Vivarelli	La Spezia 06/06/1964	21/04/2006
Raffaello Napoleone	Rome	21/04/2006
Monica Alessandra Possa	Milan 18/10/1964	27/07/2007
Riccardo Stilli	Sanremo (IM) 01/06/1962	09/11/2006
Giorgio Valerio	Milan 13/07/1966	21/04/2006
Barbara Poggiali	Milan 04/03/1963	21/04/2006
Lorenzo Lepri	Rome	21/04/2006
Pietro Varvello	Vigevano	21/04/2006
Roberto Ravagnani	Monza (MI) 04/05/1968	09/11/2006

Composition of the BoD at March 13, 2009

Also at the meeting of December 3, 2008, the Board completely revised the organisational structure of the Company, which in continuity with previous management, allows for a greater expansion of Group activities nationally and internationally, and in this context and also in the remittal of responsibilities by the Executive Director Lorenzo Lepri and the Chairman Paolo Barberis – who however maintained a significant strategic role in the Group – the Board approved a new organisational structure and delegation of powers to the various departments, as part of which from January 7, 2009 signatory powers in all areas were conferred to the Chief Executive Officer Barbara Poggiali.

At the above-mentioned meeting, powers were also given to the Chief Executive Officer to employ certain managers and Directors of the company.

The directors, in such capacity, act with the objective of creating value for the shareholders and deliberate in complete autonomy with prior exhaustive knowledge of the facts, which may also be obtained from information distributed before each board meeting.

The Board of Directors is composed of executive and non-executive directors.

In 2008 the Executive Directors were the Chairman and Chief Executive Officer and three Delegated Directors, Lorenzo Lepri, Angelo Falchetti and Marco Argenti (the latter two until their resignation and therefore until December 3, 2008).

Subsequently, on January 7, 2009, the Executive directors were the Chairman, given his strategic role in the company, and the Chief Executive Officer Barbara Poggiali as well as the Director Lorenzo Lepri, this latter due to his role of deputy general manager and with power of attorney.

The powers attributed to the Chief Executive Officer, which also covers the role of General Manager, are set out in the BoD resolution of December 3, 2008. The Chief Executive Officer Barbara Poggiali was attributed powers in all management areas; in the exercise of delegated powers Barbara Poggiali may represent the company with each single signature up to a maximum of Euro 1,000,000.00 (Euro 1 million), which increases to Euro 3,000,000 in the case of public tenders;

The Director Lorenzo Lepri, who also holds an executive role within Dada S.p.A. and also the role of deputy general manager with power of attorney in the company has signatory powers in the areas: market and investor relations; control, administrative, finance and tax; purchases, resources, logistics and offices; legal and disputes; merger & acquisitions; strategic planning.

In the exercise of the power of attorney held, Lorenzo Lepri can represent the Company with single signature up to a maximum amount of Euro 500,000.

In conformity with the disclosure requirements of the provisions introduced through article 1.C.2, the members of the Board of Directors of Dada S.p.A. that until December 31, 2008 held offices in other listed companies, financial, banking, or insurance companies, or of significant size are provided below: - Barbara Poggiali, director of the Finelco S.p.A. Group, Unidad Editorial SA, m-dis Distribuzione Media S.p.A., Rai Sat S.p.A. and RCS Digital S.p.A.;- Raffaello Napoleone, director Pitti Immagine, Ente Moda Italia;
- Riccardo Stilli, director of RCS Pubblicità S.p.A., RCS Libri, unidad Editorial SA, m-dis Distribuzione Media S.p.A., RCS Factor and Flammarion SA;- Giorgio Valerio, director of Rcs Quotidiani. RCS Digital and Unidad Editorial SA;- Pietro Varvello, director of Finelco S.p.A. Group and RCS Broadcast S.p.A

The chief executive officer reports to the Board on the most important activities undertaken in relation to the powers delegated to them and on the most important activities undertaken by the Company and its subsidiaries.

The Board of Directors made a positive evaluation in relation to the numbers on the board, its composition and its function.

4. Independent directors

The Self-Governance Code affirms an adequate number of non-executive directors are independent, indirectly, with the issuer or with parties related to the issuer, as they do not have, or have not recently had, relations that would affect their independent judgment.

The independence of the directors is periodically evaluated by the Board of Directors. The result of the evaluation of the Board is communicated to the market.

Article 3 of the Self-Governance Code recommends that the board of directors elect an adequate number of independent directors and attributes the duty to evaluate the independence of its non-executive members to the Board, with regard in particular to the substance rather than the form and taking into account that a director is normally not independent in the following situations:

a) if, directly or indirectly, including through subsidiary companies, trusts or interposed persons, controls the issuer or is capable of exercising a significant influence, or participates in a shareholder agreement through which one or more parties can exercise the control or have a significant influence on the issuer;

b) if he is, or was in the previous three years, a significant member of the issuer, of a subsidiary with strategic importance or of a company under joint control with the issuer, or of a company or of an entity which, also together with others through shareholder agreements, controls the issuer or is able to exercise a significant influence;

c) if, directly or indirectly (for example through a subsidiary or through which it has a significant holding, or as a partner of a professional studio or a consultancy company), has, or had in the previous year, a significant commercial, financial or professional relationship:

– with issuers, one of its subsidiaries or with relevant members;

- with a party which, also together with others through a shareholder agreement, controls the issuer, or – relating to a company or entity – with the relative significant holdings or is, or was in the previous three years, an employee of one of the above-mentioned parties;

d) if he receives, or has received in the previous three years, from the issuer or from a subsidiary or holding company a significant additional remuneration compared to the "fixed" emoluments of a non-executive director of the issuer, including the participation in incentive plans related to the performance of the company, including share-based payments;

e) if he was a director of the issuer for more than nine of the past 12 years;

f) if he held the role of executive director in another company in which an executive director of the Issuer is a director;

g) if he is a partner or director of a company or of an entity belonging to the network of the audit company of the issuer;

h) if he is a close family member of a person relating to one of the situations in the previous points.

****

The Board of Directors of Dada S.p.A. nominated by the Shareholders' Meeting of April 21, 2006 includes three independent directors (Salvatore Amato, Raffaello Napoleone and Danilo Vivarelli): The three Directors before the Shareholders' Meeting filed declarations that they qualify as independent directors in accordance with the new edition of the Self-Governance Code (as per article 148, paragraph 3 of Legislative Decree No. 58/1998 and the regulations of the Italian stock exchange applicable to the Company); the Board meeting of May 9, 2006 positively evaluated the independence of the above-mentioned directors and subsequently confirmed the evaluation on the approval of the 2007 and 2008 Corporate Governance Reports. The number and expertise of the current independent Directors is assessed as adequate by the Board of Directors, both in relation to the Regulations of Borsa Italiana and in relation to the constitution of the Committees in accordance with the provisions of the Self-Governance Code of listed companies and adequate guarantees of independent management. The independent Directors met during the year in the absence of the other directors.

The positive evaluation of the independence of the directors, in light of their declarations in accordance with the Self-Governance Code and information available to the company, is reconfirmed with the approval of the present annual report on the Corporate Governance by the Board and, also with the approval of the present report, the positive evaluation was made by the Board of Statutory Auditors on the correct application of the criteria and procedures utilised by the Board in this evaluation.

5. Chairman of the Board of Directors

The role of the Chairman of the Board of Directors outlined by the Self-Governance Code is fundamental to ensuring an efficient functioning of the Board and efficient Corporate Governance: he is in fact responsible for the functioning of the Board, and of the distribution of information between directors.

According to the By-laws of Dada S.p.A., the Chairman of the Board of Directors is the legal representative of the company, The Chairman calls the Shareholders' Meetings, of which he is the chairman, verifying the correctness of the convocation and the procedures for voting, He also calls and establishes the agenda of the Board and ensures that all of the Directors receive in a timely manner (compatible with the requirements of confidentiality, urgency and the nature of the resolutions) the necessary documentation and information in order to vote in an informed manner.

In 2008, the Chairman of the Board of Directors was also the Chief Executive Officer and had additional responsibilities; at the meeting of December 3, 2008, the Board decided to reconsider the organisational structure of the same. Following this, the Chairman will continue to hold a strategic role within the Group without any change in his activities, however formally delegating all operational powers; As the Chairman is not considered the principal and main person responsible for the operational management of the business, it was not considered necessary to appoint a Lead independent director.

6. Treatment of privileged information

The Directors and Statutory Auditors maintain maximum confidentiality with respect to the documents and information acquired in the performance of their duties, and conform to the procedure adopted by the Company for the internal management and public disclosure of these documents and information.

The Chairman and Chief Executive Officer, together with the Executive Directors ensures the correct management of corporate information; for this purpose, the Board of Directors implemented the recommendation of the Self-Governance Code, and on September 11, 2006 adopted, as replacement of the previous code, a new procedure which has the purpose to govern the internal management and external publication of Reserved Information, and in particular Confidential Information, relating to DADA S.p.A., to all subsidiaries, and/or financial instruments issued, in order to implement instruments which would prevent the non-compliance of legal obligations in relation to public communications and market abuse and avoid that the internal management of its information is undertaken in an inadequate manner and respects a general principle of confidentiality and that the external communication is not untimely, incomplete, or which in any case would result in asymmetric information, through an internal procedure which identifies the parties with the power to deal with confidential information and the criteria for the diffusion of the same; this is applicable to all companies of the DADA Group. The procedure is therefore applicable to each subsidiary; in addition, the procedure is related to the internal procedure, also adopted by the Board, to maintain an updated register of the persons having access to confidential information in accordance with article 115-bis of the finance act and article 152-bis and thereafter of the Issuers' Regulations.

Internal Dealing

The Board of Directors of Dada S.p.A. on March 16, 2006 adopted the new Code of Conduct in relation to operations made on Dada shares and related financial instruments, subsequently modified on May 11, 2007 and prepared in accordance with article 152.6 and thereafter of the Consob Regulations adopted with Resolution No. 11971 and the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A. and introduced the so-called "black-out period", or a prohibitory period in which relevant parties may not carry out operations involving the company's shares in the 15 days preceding the Board of Directors' meetings called to approve the draft financial statements, the half-year report and the quarterly reports; this code replaces the previous code adopted by the Company. The Code governs the conduct that Relevant Persons must comply with in relation to operations undertaken by these latter and by persons strictly related to them on Financial Instruments (as defined), also in order to permit DADA S.p.A. to comply with the communication obligations to the market in accordance with the Issuers' Regulations, and in accordance with the procedures and terms contained in the Code.

7. Holdings of Directors and transactions with related parties

In relation to transactions with related parties, the Self-Governance Code provides that: "The board of directors adopts measures in order to ensure that the transactions in which a director has an interest, on his own behalf or on behalf of third parties, and those undertaken with related parties are undertaken in a transparent manner and applying criteria which are correct both in substance and in form."

****

In accordance with this requirement, the "Procedure for the conclusion and execution of significant operations, with related parties or with a director having an interest" approved by the board provides that the realisation by the Company, directly or through a subsidiary company, of operations with related parties or with a director having an interest, must be undertaken in accordance with the criteria of transparency and be correct both in substance and form, and in consideration of the law and in particular the provisions of articles 2391 and 2391-bis of the Civil Code, and relative regulations. In particular, this procedure, for the part relating to transactions with related parties, identifies criteria for the identification of significant operations, both of a qualitative nature and relating to the value of the operation and requires the Board to be fully informed on the terms and conditions of the operation and of the evaluation procedure required; in the case of significant operations under the procedure, the intervention of independent experts or the internal control committee is required. The procedure also provides that, where a Director has, on his own behalf or on behalf of third parties, an interest even potential or indirect, in relation to a transaction or matter subject to examination and approval by the Board of Directors, this Director must inform in a timely manner and exhaustively, the Board of Directors, in addition to the Board of Statutory Auditors – indicating the nature, the terms, the origin, and the amount of this interest – and abstaining from the meeting during the relative discussions, except where the Board does not consider this appropriate, taking into account the circumstances and also the necessity to maintain the required quorum.

8. Formation and functioning of the internal committees of the Board of Directors

The Self-Governance Code states that the Board of Directors forms one or more committees for the purposes of making proposals and of a consultative nature as illustrated in the subsequent paragraphs.

****

The Committees are created and operate in accordance with the principles and applicable criteria of the Self-Governance Code, as described below. In relation to this, the Board of Directors approved the regulations governing the activities of the two committees formed by the Board – the Remuneration Committee and the Internal Control Committee.

9. Appointment of Directors and the Nominations Committee

The Self-Governance Code provides that the nomination of the directors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the personal and professional characteristics of the candidates for the office. The Board of Directors evaluates whether to create an internal committee for nominations, composed of a majority of independent directors.

General criteria

The slate of candidates, together with the professional and personal information, as well as whether they qualify as independent directors in accordance with the Code, must be filed at the registered office of the company at least 15 days before the date fixed for the Shareholders' Meeting. The slates, together with the information on the candidates, are published in a timely manner on the Internet site of the Company.

In relation to this, it is noted that, and considering the application of the provisions of law and the company by-laws in relation to the nomination of the Board of Directors, on the convocation of the relative shareholders' meeting, and the relative documentation required to be presented before the shareholders' meeting in accordance with law, the Board recalls the above-mentioned recommendations.

Where formed, the committee for nominations may have one or more of the following functions:

a) propose to the Board of Directors, the candidates for the board in the cases provided by article 2386, first paragraph of the civil code, where it is necessary to replace an independent director;

b) indicate – provided there is compliance of law and of the company by-laws – candidates for the office of independent directors to be proposed to the shareholders' meeting of the company, taking account of any indications received from the shareholders; c) provide opinions to the Board of Directors in relation to the size and composition of the Board and on the necessity to appoint professional persons to the Board.

****

Article 19 of the by-laws of Dada S.p.A. was amended in accordance with the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the administrative board in accordance with the so-called savings law and by related CONSOB regulation; in particular, this resolution introduced the voting by slates, the necessity that at least one director was representative of the minority slate and the necessity that the Board of Directors is composed of a minimum number of independent Directors.

In order to address some of the salient points required by the new laws, the proposals for the appointment of members of the Board of Directors must be filed at the registered office at least 15 days before the Shareholders' Meeting. The shareholders may also present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations. In addition, except for the minimum number reserved by law for the minority slate, the appointment of the directors is as follows:

a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;

b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates. If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority. In any case, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No, 58/1998.

In relation to the present point, it should be noted that in the meeting of May 9, 2006, the Board, exercising a right expressly included in the Self-Governance Code and in consideration of the changes to the shareholding structure of the company, deliberated not to re-elect the nominations committee; the Self-Governance Code of the listed companies in fact recognises that the formation of this Committee normally arises in systems characterised by a high degree of shareholder dispersion, in order to ensure an adequate level of independence of the directors in comparison to management and that they undertake a function of particular importance in the identification of the directors in companies with a wide shareholder base.

10. Remuneration Committee

The internal Code on Corporate Governance recommends that the remuneration of the directors should be established in a sufficient manner to attract, maintain and motivate directors with the professional qualities required to manage the Company and also that the remuneration of the executive directors should be such as to provide motivation in the achievement of the primary objective of the creation of value for the shareholders over a long-term period.

The Code provides that the Board of Directors forms a remuneration committee composed of non-executive directors, the majority of which being independent directors.

The Remuneration Committee was created from within the Board of Directors, and currently consists of the following non-executive directors, the majority of which independent: Barbara Poggiali, Salvatore Amato and Danilo Vivarelli. The objective of this Committee, confirmed by the Board on the approval of its regulations, is:

- to present to the Board proposals for remuneration of the executive directors and of the other directors holding specific offices, monitoring the application of the decisions adopted by the board;– periodically evaluating the criteria adopted for the remuneration of the senior management with strategic responsibility, review the application based on the information provided by the executive directors and formulate to the Board of Directors general recommendations;- with reference to the utilisation of the stock options and to the other incentive systems based on shares, the Remuneration Committee presents to the board its recommendations in relation to their utilisation and all the significant technical aspects in relation to their form and application, and in particular makes proposals to the Board in relation to the incentive systems considered most appropriate and monitors the progress and the application of the plans approved by the shareholders' meeting proposed by the Board.

The decisions of the Remuneration Committee must be made in such a manner that no director can influence the determination of his remuneration, allowing their participation only in the areas in which their remuneration is not under discussion.

The total remuneration to be attributed to the Board was fixed by the Shareholders' Meeting of April 4, 2006, which also confirmed the amount for attending each board meeting.

In relation to the total remuneration, the Board, with the assistance of the Committee, has therefore identified the remuneration of directors with specific roles, attributing a significant part to the achievement of the objectives indicated by the Board. Similarly, a significant part of the remuneration of the senior management with strategic responsibility is related to the achievement of specific objectives. The executive directors and senior management are also beneficiaries of share-based payments (so-called Stock Option plans), as this instrument is considered effective for the loyalty and retention of management.

During 2008, the Committee undertook a benchmarking analysis on the remuneration of the Company's top management and presented to the Board of Directors its proposals for the remuneration of directors with specific offices, with regard to fixed parts of their remuneration and the variable parts, as well as the assignment of stock options, and provided its indications on the general criteria of the remuneration of the top managers and also on the adoption by the Board of the stock option plans for the Top management of Dada S.p.A. and its subsidiaries. In relation to these latter plans, the Committee also presented to the Board, which has given its approval, some proposals for specific actions on a part of the options assigned, within the regulations of the stock option plan for top management, and provided its opinion on the agreement regarding the exit from the Group of the Directors Angelo Falchetti and Marco Argenti.

Minutes of the Committee meetings confirming their proper regulation are kept.

11. Internal Control

The Self-Governance Code defines the internal control system as the overall rules, procedures and organisational structures aimed at permitting, through an adequate process of identification, measurement, management and monitoring of the principal risks, a healthy, correct and coherent management of the enterprise with its set objectives.

An effective internal control system contributes to safeguarding the company's assets, the efficiency and effectiveness of the business operations, the reliability of the financial information and the compliance with law and regulations. The Board of Directors evaluated the adequacy of the internal control system in relation to the requirements of the enterprise.

The Board of Directors ensures that it evaluations and decisions relating to the internal control system, to the approval of the financial statements and the half-year reports and the relationships between the issuer and the external auditors are supported by adequate instructions. For this purpose, the Board of Directors created an internal control committee composed of non-executive directors, the majority of which independent directors. If the issuer is controlled by other listed companies, the internal control committee is composed exclusively of independent directors. At least one member of the committee must have adequate accounting and financial experience, to be evaluated by the board of directors on the nomination.

****

The Internal Control Committee of Dada S.p.A., in compliance with the provisions of law and the internal Code on Corporate Governance, is composed entirely of independent directors; the members of the committee are as follows: Salvatore Amato (Chairman), Raffaello Napoleone and Danilo Vivarelli; among the directors, Mr. Vivarelli has adequate accounting and financial experience.

The Board of Directors appointed the CEO Barbara Poggiali as the person responsible for supervising the operations of the internal control system.

As indicated in the internal regulations of the Committee, the Internal control committee, which undertakes general consultative and proposal functions, in addition to assisting the Board of Directors in undertaking its duties, indicated by the Self-Governance Code:

a) evaluates, together with the executive responsible for the preparation of the corporate accounting documents and with the auditors, the correct utilisation of the accounting principles and, in relation to the Group, their uniformity in the preparation of the consolidated financial statements;

b) on request, the executive director, where necessary, expresses an opinion on specific aspects relating to the identification of the principal business risks as well as the planning, realisation and management of the internal control system

c) examines the work plan prepared by the person responsible for internal control as well as the periodic reports prepared by this person;

d) evaluates the proposals made by the external audit firms for the audit appointment, as well as the work plan prepared by the auditors and the auditors opinion and management letter;

e) reviews the efficiency of the audit;

f) undertakes additional duties which may be attributed by the Board of Directors in relation to transactions with related parties;

g) reports to the Board, at least on a half-yearly basis, on the approval of the financial statements and on the half-year report, on the activities undertaken as well as on the adequacy of the internal control system.

The chairman of the Board of Statutory Auditors or another statutory auditor designated by him attends the internal control committee meetings.

In accordance with the above-mentioned Self-Governance Code, the Board of Directors, with the assistance of the Committee, defined the guidelines for the internal control system and periodically verified the adequacy and the functioning of the control system, and also on the examination and approval of the half-yearly reports presented by the committee on the activity undertaken.

On the proposal of the Committee, the Board also approved the guidelines on the control system in order that the principal risks relating to the issuer and its subsidiaries are correctly identified, and adequately measured.

The annual evaluation on the adequacy, efficiency and effective functioning of the internal control system was positively renewed during the Board meeting of 10/3/2009 on the presentation by the Committee of the Report on the activities undertaken during the second half of 2008 and based on the considerations and results of the Committee. Minutes of the Committee meetings confirming their proper regulation are kept.

In relation to the control structure, it is noted that in 2008 the role of the Person responsible for Internal Control was assigned to Mr. Carlo Ravazzin. The function of the person responsible for internal control is to verify whether the operational processes of the “normal” controls are adequate compared to the potential risks, making recommendations to management and to the control committee, where necessary, on the adoption of all the measures required to eliminate risks of a financial nature and to improve the efficiency and effectiveness of business processes.

The activity of the person responsible for internal control is continually directed at the identification of further areas of risk, to be reported to the Control Committee for the adoption of appropriate measures.

The person responsible reports to the internal control committee and to the board of statutory auditors; in addition, he also reports to the executive director responsible for supervising the functioning of the internal control system. In particular, he reports on the manner in which the management of the risks is undertaken, as well as compliance of the plans defined for their containment.

The Manager and the Internal Control Committee consult with the Supervisory Board of the Group established in accordance with Legislative Decree 231/2001 also in the application and verification of the procedures as per Legislative Decree 231/2001 (governing the administrative responsibility of legal persons), for the purposes of the adoption of the most appropriate preventive and control model. The activities of the Supervisory Board, comprising the independent Director Danilo Vivarelli, the statutory auditor Piero Alonzo and the Head of Internal Control Carlo Ravazzin, in 2008 undertook an on-going verification of the organisational model, with particular regard to matters concerning workplace security which the legislature has recently enacted through Legislative Decree 231/2001, approving the health and workplace management system (SGSL) and the new ad hoc protocol of the organisational model 231 relating to workplace security, thereafter approved by the Board of Directors of the Company.

The above-mentioned committee defines the procedures in order to examine, identify and resolve new potential risk areas in accordance with the current organisational structures and responsibilities.

In 2008, the Internal Control Committee approved the proposal for guidelines for the internal control system, which was subsequently validated by the Board of Directors of the Company, and as part of its activities examined the issues brought to the attention of the Committee by the Person responsible for Internal Control.

The Committee activities in relation to the verification of procedures of the Company in accordance with Law 262/2005 and in fulfilling requests by the Market Regulator with regards to subsidiary companies not belonging to the European Union, is analysed and approved by the Committee as part of a comprehensive corporate reorganisation plan communicated to the market on May 9, 2008, principally revolving around the conferment of the business units associated to the Dada.net service (web and mobile community services) already offered to the public by Dada.net S.p.A. and the business unit Dada.Adv (web and mobile advertising services), respectively to the jointly held subsidiaries Dada.net S.p.A. and Register.it S.p.A., and some significant operators or related party transactions.

The company also created an internal audit department, under the responsibility of the Person Responsible for Internal Control, an external party to the Company and head of this Department in consideration of his competence and experience already matured in relation to the companies of the Dada Group.

The audit firm of the Issuer is Reconta Ernst & Young S.p.A., appointed by the shareholders’ AGM of April 2006 and appointed as auditor for the period 2006-2011.

Federico Bronzi was appointed as the executive responsible for the preparation of corporate accounting documents. He has been the Administration Director of Dada S.p.A. since 2000 and holds all the statutory requirements necessary, and therefore has adequate expertise in the administrative and financial field confirmed through experience matured covering managerial roles in administrative/accounting activities and/or financial and/or control undertaken within the Company and/or at other companies.

12. Relations with institutional investors and other shareholders

The Self-Governance Code states that the Board of Directors promotes initiatives in order to favour the greatest participation possible of the shareholders at shareholder meetings and facilitates the exercise of the rights of the shareholders.

The Board of Directors actively attempts to establish a continual dialogue with its shareholders based on an understanding of their reciprocal roles. The Committee for Corporate Governance consider that it is in the interest of the company to implement a continual dialogue with all shareholders and with institutional investors, including nominating a person responsible, and if necessary, creating a corporate structure dedicated to this function.

****

The Board of Directors operates in a timely manner and facilitates the access of significant information to the shareholders, in order to ensure that these latter can exercise their rights in a knowledgeable manner. For this purpose, the Company has created a separate section on its Internet site, easily identifiable and accessible, in which, in accordance with the provisions of law and the internal procedure for the management and communication of corporate information of importance to the shareholders is made available concerning the issuer, such as the manner for participation in the exercise of the voting rights in shareholder meetings, the documentation relating to the matters on the agenda, including the list of candidates for the role of director or statutory auditor.

The Board also appointed the Executive Director Lorenzo Lepri as Investor Relator and created a department for this function.

Financial communication activity is carried out through press releases and periodic meetings with the financial community in order to pursue the principal of information symmetry and in respect of "price sensitive" information.

13. Shareholders' Meetings

Article 12 of the Self -Governance Code underlines the central role that the Shareholders' Meeting must have in the life of a company, as a fundamental forum of corporate debate and relations between the shareholders and the Board of Directors.

On the proposal of the Board of Directors the Shareholders' Meetings must approve a regulation that indicates the procedures to be carried out in order to permit the functioning of the Shareholders' Meetings, without however affecting the right of each shareholder to express their opinion on the matters under discussion.

****

In order to facilitate the participation of the shareholders at the shareholders' meeting of the company, the Board of Directors convenes the meetings in locations easily accessible from the headquarters of the company and from central stations; in addition, the shareholders' meetings are called in the early afternoon in order to facilitate the participation of shareholders from outside of the city.

The shareholders' meetings are governed by Regulations approved by the shareholders' meeting in 2001, whose adoption was considered appropriate, for a correct and normal functioning of the meetings. The regulations are available at the registered office of the company and govern the organisation of the shareholders' meetings, the right of shareholders to attend meetings, executive powers of the Chairman of the Shareholders' Meeting and other matters related to the meeting.

The company encourages and facilitates the widest possible participation of the shareholders at the Shareholders' Meetings, providing, in respect of the Governance on price sensitive communications, the information, requested by the shareholders relating to the company, in order to enable informed voting at the shareholders' meetings. The participation at the Shareholders' Meetings is regulated by the provisions of law and current regulations on the matter. For the participation at the Shareholders' Meetings the shareholder must file at the registered office of the company, in accordance with the procedures established in the convocation notice, at least two days prior to the date fixed for the first convocation, specific communication given in accordance with the current regulations to the intermediary appointed holding the securities.

The shareholder having the right to participate at the Shareholders' Meeting, subject to the provisions for proxies contained in Legislative Decree No. 58/98, can be represented, through written proxy, by any person that is not one of the parties mentioned in article 2372 of the civil code.

14. Statutory Auditors

The Self-Governance Code provides that the appointment of the statutory auditors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the professional and personal characteristics of the candidates.

The statutory auditors act with autonomy and independence also in relation to the shareholders who elected them.

The issuer prepares the measures which guarantee an efficient undertaking of the duties of its board of statutory auditors. The Self-Governance Code provides that the statutory auditors act in a transparent manner.

****

Article 24 of the by-laws of Dada S.p.A. was amended by the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the board of statutory auditors under the so-called savings law and by related CONSOB regulation; in particular this resolution introduced the requirement that at least one statutory auditor is elected from the minority slate, as well as the limit in relation to the maximum amount of offices of direction and control that may be held.

The by-law in particular provides that the slates must be filed at least 15 days before the first convocation of the shareholders' meeting and establishes that only the shareholders that, alone or together with other shareholders, holding at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations, may present slates.

The procedure for electing Statutory Auditors shall be as follows:

from the slate which obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order, 2 standing members and 2 alternate members;

from the slate that obtained the second largest number of votes, and that are not related in any manner in accordance with law, even indirectly, with the slate in the previous letter a), based on the progressive numbering of the slate, the remaining standing members, from which the chairman of the Board of Statutory Auditors is elected and the other alternate member.

For the purposes of the appointment of the statutory auditors as per letter b) in the previous paragraph, in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

In the case where two or more slates have obtained the same highest number of votes and where they are not related, even indirectly, with the shareholders who presented or voted in favour of the other, a further ballot takes place.

Where only one slate is presented, all candidates on this slate are elected with the votes of those representing a majority of the share capital at the Shareholders' Meeting.

Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by the majority vote of the share capital represented at the Shareholder' Meeting.

In the latter case, the Chairman of the Board of Statutory Auditors is the first on the slate presented or the person nominated by the shareholders' meeting where no slate was presented.

The positive evaluation on the independence of the current Statutory Auditors in accordance with the Self-Governance Code is carried out on the appointment and with the approval of the present annual report on Corporate Governance by the Board.

The Board of Statutory Auditors, during 2008, met with the Internal Control Committee and with the audit firm.

In 2008, the Standing Auditor Mr. Massimo Cremona, originally elected from the majority slate, resigned.

In accordance with law and the by-laws, on May 31, 2008, Mr. Claudio Pastori became a Statutory auditor until the following Shareholders' Meeting of the Company which was held on January 9, 2009. In this meeting, the Shareholders' Meeting of the Company confirmed Mr. Claudio Pastori as a statutory auditor of the company, as well as appointing Ms. Maria Stefania Sala as a new alternate auditor.

TABLE 1: BOARD OF DIRECTORS

(information on attendance in 2008)

	BOARD OF DIRECTORS							INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE	
OFFICE	MEMBER	EXECUTIVE	NON-EXECUTIVE	IND	IND CFA	% ATTEND	OTHER OFFICES	MEMBER	% ATTEND	MEMBER	% ATTEND
CHAIRMAN	PAOLO BARBERIS		X			100					
EXECUTIVE DIRECTOR	ANGELO FALCHETTI (*)	X				87.5					
EXECUTIVE DIRECTOR	MARCO ARGENTI (*)	X				87.5					
DIRECTOR	GIORGIO VALERIO		X			37.5	5				
DIRECTOR	LORENZO LEPRI	x				100					
DIRECTOR	DANILO VIVARELLI			X	X	100		X	100	X	100
DIRECTOR	SALVATORE AMATO			X	X	75	1	X	100	X	80
DIRECTOR	RAFFAELLO NAPOLEONE			X	X	50	2	X	75		
DIRECTOR	RICCARDO STILLI		x			75	6				
DIRECTOR	BARBARA POGGIALI		X			100	6				
DIRECTOR	PIETRO VARVELLO		X			100	1				
DIRECTOR	ROBERTO RAVAGNANI		X			87.5					
DIRECTOR	MONICA ALESSANDRA POSSA		X			87.5				X	100
NUMBER OF MEETINGS HELD IN THE YEAR			BOD: 8					INTERNAL CONTROL COMMITTEE: 4		REMUNERATION COMMITTEE: 5	

(*) director resigned 3/12/2008

TABLE 2: BOARD OF STATUTORY AUDITORS

OFFICE	MEMBER	IN OFFICE FROM	SLATE	INDEPENDENCE FROM CODE	PERCENTAGE OF ATTENDANCE AT BOARD MEETINGS	NUMBER OF OTHER OFFICES HELD
CHAIRMAN	PIER ANGELO DEI	21/04/2006	m	X	100%	3
STATUTORY AUDITOR	PIERO ALONZO	21/04/2006	M	X	87.5%	3
STATUTORY AUDITOR	MASSIMO CREMONA (*)	21/04/2006	M	X	12.5%	10
ALTERNATE AUDITOR	FRANCESCA PIRRELLI	21/04/2006	M	X		
ALTERNATE AUDITOR	CLAUDIO PASTORI (**)	21/04/2006	M	X	62.5%	
ALTERNATE AUDITOR	MARIA TERESA SALA	09/01/2009	M	X		
			NUMBER OF MEETINGS IN YEAR: 4			
			Shareholders may present a list for the appointment of the statutory auditors alone or together with other shareholders, if they represent at least 2.5% of the shares with voting rights at an ordinary shareholders' meeting.			

(*) statutory auditor resigned on 31/5/2008
(**) standing auditor co-opted on May 31, 2008 and appointed as a standing auditor by the shareholders' meeting of January 9, 2009

TABLE 3: OTHER REQUIREMENTS OF THE GOVERNANCE CODE

	YES	NO	Summary of any differences from the recommendations of the Code
Powers delegated and transactions with related parties			
The BoD has attributed powers defining:			
a) limits	x		
b) functioning	x		
c) and periodical information?	x		
The BoD reviews and approves the transactions of an important economic and financial nature (including transactions with related parties)?	x		
The BoD has defined guidelines and criteria for the identification of "significant" operations?	x		
The above guidelines and the criteria are described in the report?	x		
The BoD has defined specific procedures for the review and approval of operations with related persons?	x		
Are the procedures for approval of transactions with related parties described in the report?	x		
Procedures for the most recent appointment of directors and statutory auditors			
Was the candidature for director filed at least 10 days in advance?	x		
The candidature for director is accompanied by full and complete information?	x		
Were the appointments for statutory auditor filed at least 10 days in advance?	x		
The candidature for statutory auditor is accompanied by full and complete information?	x		
Shareholders' Meetings			
The company has approved Shareholders' Meeting Regulations?	x		
The Regulation is attached to the report (or indicated where it can be obtained)?	x		
Internal Control			
Has the company appointed persons responsible for internal control?	x		
Are they hierarchically independent from Business Area managers?	x		
Organisational internal control dept. (ex art. 9.3 of the Code)			The person in charge of Internal Control is the head of the Internal Audit department, Mr. Carlo Ravazzin.
Investor relations			
Has the Company appointed an investor relations manager?	x		
Structural unit and references (address/telephone/fax/email) of investor relations manager	x		IR Manager: Mr. Lorenzo Lepri, Milano, Via della Braida, 5 Tel. 02540271, lorenzo.lepri@staff.dada.net investor.relator@staff.dada.net

PRIVACY

With reference to compliance in relation to privacy and treatment of personal data, it should be noted that the regulations of legislative decree No. 196 of June 30, 2005 implementing “The regulations on the protection of persons and parties in relation to the treatment of personal data” (so-called Privacy Law), and in particular the document on the minimum measures of security Attachment (B) to the code on privacy prescribes (point 26) that, in the case of the obligation to prepare the directors’ report attached to the financial statements (articles 2428-2478 bis and 2435-bis of the civil code), reference should be made to the adoption or updating of the programmed document on security.

The planning document on security is required by the minimum technical regulations of attachment B to Legislative Decree of June 30, 2003 (Privacy Law), being the minimum mandatory security measure in the treatment of information, in the use of computers, that, according to this same law, is deemed to be "sensitive" or "judicial".

Dada S.p.A. utilises electronic instruments for its personal data bank and for which the company is obliged to prepare (and to update) the planning document on security, in accordance with the requirements of law.

In compliance with the obligations contained in point 19 of the regulations, Dada S.p.A., in accordance with article 29 of the Privacy Law, has already, in previous years, prepared the planning document on security, while with reference to the updating of the document, this will be completed by March 31, 2009, as prescribed by the regulations.

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

Person	Description of office			Remuneration			
Name	Office held	Period of office	Expiry	Emoluments	Non-monetary benefits	Bonuses and other incentives	Other
BOARD OF DIRECTORS							
Paolo Barberis	Chairman of the Board of Directors	1/1 – 31/12/08	Financial stt. at 31/12/2008	291,800		183,000	
Angelo Falchetti *	Chief Executive Officer	1/1 – 31/12/08	Financial stt. at 31/12/2008	192,550		109,800	
Marco Argenti *	Director	1/1 - 31/12/08	Financial stt. at 31/12/2008	1,550		124,160	251,420
Lorenzo Lepri	Director	1/1 – 31/12/08	Financial stt. at 31/12/2008	2,275		128,700	193,800
Barbara Poggiali	Director	1/1 – 31/12/08	Financial stt. at 31/12/2008	1,575			
Pietro Varvello	Director	1/1 – 31/12/08	Financial stt. at 31/12/2008	1,575			
Salvatore Amato	Director	1/1 - 31/12/08	Financial stt. at 31/12/2008	1,400			
Giorgio Valerio	Director	1/1 - 31/12/08	Financial stt. at 31/12/2008	525			
Raffaello Napoleone	Director	1/1 - 31/12/08	Financial stt. at 31/12/2008	1,200			
Danilo Vivarelli	Director	1/1 - 31/12/08	Financial stt. at 31/12/2008	1,400			
Roberto Ravagnani	Director	1/1 – 31/12/08	Financial stt. at 31/12/2008	1,225			
Riccardo Stilli	Director	1/1 – 31/12/08	Financial stt. at 31/12/2008	1,225			
Monica Alessandra Possa	Director	1/1 – 31/12/08	Financial stt. at 31/12/2008	1,400			

* Director resigned during the year

Person	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments	Bonuses	Other
BOARD OF STATUTORY AUDITORS						
Pier Angelo Dei	Chairman	1/1 – 31/12/08	Financial stt. at 31/12/2008	30,000		
Piero Alonzo	Statutory Auditor	1/1 – 31/12/08	Financial stt. at 31/12/2008	19,000		
Massimo Cremona *	Statutory Auditor	1/1 – 31/12/08	Financial stt. at 31/12/2008	10,000		
Claudio Pastori	Statutory Auditor	1/6/ - 31/12/2008	Next Shareholders' meeting	9,000		

Investments held directly or indirectly by Directors, Statutory Auditors, General Managers and senior management with strategic responsibilities.

Name	Company	Number of shares held at 31/12/2007	Number of shares held at 31/12/2008
Paolo Barberis	DADA S.p.A.	870,000	870,000
Angelo Falchetti*	DADA S.p.A.	390,168	
Marco Argenti*	DADA S.p.A.	66,081	
Lorenzo Lepri	DADA S.p.A.	5,900	7,400

* Director resigned during the year

Options assigned to Directors and Executives with strategic responsibilities during the year

name	Options held at beginning of the year		
	Number of options	Average exercise price	average expiry
Marco Argenti	32,500	10.82	From January 18 to February 6, 2008
Paolo Barberis	127,400	14.78	From the approval of the annual accounts 2008 up to 2012
Angelo Falchetti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012
Lorenzo Lepri	68,250	14.78	From the approval of the annual accounts 2008 up to 2012
Marco Argenti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012

* January 15 to January 31, February 16 to February 28, June 1 to June 15, September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

name	Options exercised during the year			Options expired in the year
	Number of options	Average exercise price	Average market price in year	Number of options
Marco Argenti	32,500	10,82		

name	Options held at the end of the year		
	Number of options	Average exercise price	Average expiry
Paolo Barberis	127,400	14.78	From the approval of the annual accounts 2008 up to 2012
Angelo Falchetti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012
Lorenzo Lepri	68,250	14.78	From the approval of the annual accounts 2008 up to 2012

SIGNIFICANT EVENTS IN 2008

The principal extraordinary operations of the Dada Group in the year are reported below:

On January 9, 2008 the transfer was completed of the company Media Dada Science and Development (Beijing) Co. Ltd which distributes the Dada.net product/service on the Chinese market, from Dada S.p.A. to Dada.net S.p.A., which within the Group is the distribution vehicle in the various countries of the product, and which already holds the investment in the other foreign companies of the Group undertaking similar activities; the sale was made at market conditions.

On January 30, 2008 Register.it S.p.A., in accordance with the purchase contract, completed the acquisition of the company Nominalia S.l., acquiring from the founding shareholders the remaining 25% of the share capital, for an amount of Euro 1.3 million, of which Euro 650 thousand paid on closing and the remaining part in two instalments - the first due on March 31, 2008 and the second on June 30, 2008.

On March 20, 2008 the registered office of Dada S.p.A. was changed to the address Piazza Annigoni 9/B – Florence.

On May 9, 2008 the Board of Directors of Dada S.p.A. approved, in order to rationalise the corporate holdings in line with the current organisational structure, the conferment of a business unit related to the Dada.net service (web and mobile community services) currently offered to the public by Dada.net S.p.A. and the business unit Dada.Adv (web advertising and mobile services) respectively into the wholly owned subsidiaries Dada.Net S.p.A. and Register.it S.p.A.: this rationalisation will permit the business divisions to focus on their respective "core" activities and better aid the decision-making process. The process will be undertaken in compliance with the normal regulations for such operations with the involvement of the two subsidiaries. These operations will be fiscally neutral and will not result in any gain or loss in Dada S.p.A., as the operations will be at book values with the wholly owned subsidiaries.

The main values conferred from Dada S.p.A. to Dada.net S.p.A. and Register.it S.p.A. are as follows:

(Amounts expressed in Euro/thousand)	DADA NET	DADA.PRO
Total assets conferred	16,667	12,385
Total liabilities conferred	*- 10,415*	*- 10,638*
Shareholders' Equity conferred	**- 6,252**	**- 1,747**
Total liabilities and equity	- 16,667	- 12,385

The effects of this reorganisation will be effective as of July 1, 2008.

On July 3, 2008, the Dada Group, through Dada S.p.A., acquired a further 40% holding in E-Box S.r.l. (owner of Blogo), increasing its shareholding to 70% and thereby acquiring control of the Company ahead of the planned date of March 2009.

The acquisition of 40% of the share capital of the Company was made with own funds for a consideration – including controlling premium – of Euro 1.6 million which was paid to the founding shareholders of Blogo in 2 equal tranches, the first paid on closing and the second by the end of 2008.

On July 9, 2008, Dada S.p.A acquired 10% of the share capital of Giglio Group S.p.A., owner of Music Box, leader in Italy in the music television channel segment on satellite platforms. This acquisition, which is within a wider consolidation strategy of the Dada Group in the music content segment with the aim of being a leading player in the online music world, was finalised on July 9 for a total consideration of Euro 750 thousand. Simultaneously, Dada was assigned call options up to a holding of 51% or 100% to be exercised at the sole discretion of Dada within two years from the signing of the contract, and a put option relating to the stake acquired exercisable after the approval of the 2008 annual accounts, subject to certain conditions.

On July 16, 2008 - Dada acquired from Claranet, a leading UK Group in the managed service providing, 100% of the share capital of the Amen Group. This operation, which furthers DadaPro Division's strategy of consolidating its leadership in the European market, will place the Dada Group among the leading companies in the sector in Europe, with over 400 thousand business clients and more than 1.2 million domains, of which 70% overseas. The acquisition was made through Register.it S.p.A., a wholly owned subsidiary of Dada S.p.A. and head of the DadaPro Division, and involves 100% of the share capital of all the companies in the Amen Group: Agences des Medias Numeriques S.A.S (France), Agencia de Media Numerica Espana S.L. (Spain), Amenworld Services Internet Sociedade Unipessoal Lda (Portugal), Amen Limited (United Kingdom), Amen Nederland B.V. (The Netherlands) and Amen Italia S.r.l (Italy). The transaction was completed on July 16 for a cash payment of Euro 17.5 million entirely paid on closing. The acquisition was partly financed utilising Dada Group liquidity and partly through bank funding.

TRANSACTIONS WITH RELATED PARTIES

Reference should be made to the section in the notes to the financial statements (note 23).

SUBSEQUENT EVENTS AFTER THE YEAR END

In the first months of the new year, an already difficult economic scenario deteriorated further, which, in addition to intensifying pressure on operating results, strongly reduced the visibility of the Group's outlook for the current year.

In particular, the complexity of predicting trends in the principal business variables characteristic of some activities of the Group continues, particularly considering our strong international exposure, and greater uncertainty exists concerning the decisions and timing of some new initiatives planned for the year.

The Company's response to the current situation is on the one hand through operating a portfolio policy aimed at maximising the risk/return profile of its activities and on the other through implementing actions to optimise operating costs - measures also aimed at seeking to benefit to a greater extent from opportunities which may arise when the market overcomes the current general crisis.

On January 9, 2009, the Shareholders' Meeting also approved in ordinary session the stock option incentive plan for the period 2009-2011 (the "2009-2011 Top Manager Plan" or the "Plan") proposed by the Board of Directors for directors holding particular positions, as well as general managers and/or executives and/or Division managers of Dada and/or or its Subsidiary Companies, whether employees or professional consultants.

The Shareholders' Meeting of January 9, 2009, in extraordinary session, then approved the delegation of the powers to the Board of Directors, in accordance with article 2443 of the civil code - to be exercised within 5 years from the date of the shareholders' meeting resolution - to implement a paid-in share capital increase with the exclusion of the rights option, under article 2441, paragraphs 5 and 6 of the civil code - including in several tranches - to service the 2009-2011 Top Manager Plan, for a maximum nominal amount of Euro 85,000.00, through the issue of a maximum of 500,000 Dada ordinary shares of a nominal value of Euro 0.17 each.

The Dada S.p.A. Board meeting of February 24, 2009, on the proposal of the Remuneration Committee of the Company and in accordance with the delegated powers received, approved the regulations of the Plan and assigned 410,000 options to five Top Managers of the Dada Group for the subscription of the same number of Dada ordinary shares to be subscribed during predetermined periods of the year, subsequent to the approval of the annual accounts for the year ended December 31, 2011 by the Shareholders' Meeting, and not beyond November 11, 2015, and thus approved a share capital increase for a maximum nominal amount of Euro 700.00 to service the above-mentioned options at the subscription price of Euro 6.05 per share.

On February 6, 2009 the period for subscription to the stock option plan approved by the Board of Directors on March 16, 2006 was concluded without the options being subscribed to.

ALLOCATION OF THE RESULT FOR THE YEAR

The loss of Euro 1,746 thousand is carried forward.

Florence, April 23, 2009

For the Board of Directors

The Chairman, Paolo Barberis

ATTACHMENT 1

WORKING CAPITAL AND NET FINANCIAL POSITION OF DADA S.p.A. AS AT December 31, 2008

Amounts in Euro/thousand	Dec 31, 08	Dec 31, 07	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	58,751	46,781	11,970	26%
Current assets (B)	26,506	95,152	-68,646	-72%
Current liabilities (C)	-30,282	-93,228	62,946	-68%
Net working capital (D) = (B)-(C)	-3,776	1,924	-5,700	-296%
Employee leaving indemnity provision (E)	-266	-1,106	840	-76%
Provision for risks and charges (F)	-467	-805	338	-42%
Net capital employed (A+D+E+F)	54,242	46,794	7,448	16%
Medium-long term payables	0	0	0	
Shareholders' equity (G)	-57,077	-56,865	-212	0%
Short-term bank debt	0	0	0	
Short-term financial receivables and securities	48	28	20	71%
Treasury management cash pooling	-6,031	4,827	-10,858	-225%
Cash and cash equivalents	8,818	5,216	3,602	69%
Short-term net financial position	2,835	10,071	-7,236	-72%

ATTACHMENT 2

RECLASSIFIED INCOME STATEMENT DADA S.p.A. AS AT December 31, 2008				
Amounts in Euro/thousand	Dec 31, 08 12 months		Dec 31, 07 12 months	
	Amount	% of total	Amount	% of total
Net Revenues	**49,973**	**100%**	**106,441**	**100%**
Changes in inventory and internal work	1,442	3%	3,110	6%
Service costs and other operating costs	-40,808	-82%	-89,456	-179%
Personnel costs	-8,104	-16%	-11,931	-24%
Ebitda	**2,503**	**5%**	**8,164**	**16%**
Amortisation & depreciation	-3,116	-6%	-3,364	-7%
Non-recurring income (charges)	-184	0%	-183	0%
Revaluations/(Write-downs)	-200	0%	-575	-1%
Ebit	**-997**	**-2%**	**4,042**	**8%**
Investment income	981	2%	844	2%
Share from equity valuations	13	0%	-1,038	-2%
Profit/(loss) before taxes	**-3**	**0%**	**3,848**	**8%**
Income taxes	-1,743	-3%	-2,882	-6%
Group net profit/(loss)	**-1,746**	**-3%**	**966**	**2%**

(*) Operating result before amortisation/depreciation, write-downs and extraordinary items

FINANCIAL STATEMENTS OF DADA S.P.A.

DADA S.p.A INCOME STATEMENT AT December 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

	Ref		31/12/08 (12 months)		31/12/07 (12 months)
Net Revenues	3.1		**49,973**		**106,441**
- of which related parties		*20,440*		*38,878*	
Cost of raw materials and consumables			-69		-65
Changes in inventory and internal work			1,442		3,110
Service costs and other operating costs			-40,722		-89,069
- of which related parties		*-17,080*		*-42,108*	
Personnel costs	3.6		-8,104		-11,931
- of which related parties		*-485*		*-913*	
Other operating charges	3.2		-201		-505
Provisions and write-downs	3.4		-200		-575
Amortisation & depreciation	3.5		-3,116		-3,364
Ebit			**-997**		**4,042**
Investment income	3.3		981		844
- of which related parties		*464*		*646*	
- of which from non-recurring activities	*3.7*	*396*		*41*	
Financial income and expenses, net	3.3		13		-316
- of which related parties		*-40*		*-128*	
Write-down in subsidiary companies			0		-722
Profit (loss) before taxes			**-3**		**3,848**
Income taxes	4		-1,743		-2,882
Net profit (loss) for the year			**-1,746**		**966**
Basic earnings per share			-0.108		0.060
Diluted earnings per share			-0.103		0.057

DADA S.p.A. BALANCE SHEET AS AT December 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

ASSETS	Ref	31/12/08 (12 months)		31/12/07 (12 months)	
Non-current assets					
Goodwill	6		899		899
Intangible assets	6		5,368		6,662
Other tangible assets	5		1,272		3,586
Investments in subsidiary companies	7		43,111		27,486
Financial assets	7		8,101		8,128
- of which related parties	19	*8,000*		*8,000*	
Deferred tax assets	4		756		2,621
Total			59,507		49,382
Current assets					
Inventories					
Trade receivables	12		29,179		96,928
- of which related parties	*19*	*28,732*		*65,136*	
Tax receivables and others	12		1,256		1,385
- of which related parties	19	*21*		*137*	
Held-for-trading financial assets	8		48		28
Cash and cash equivalents	13		8,818		5,216
Total current assets			39,301		103,557
TOTAL ASSETS			98,808		152,939

DADA S.p.A. BALANCE SHEET AT December 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

SHAREHOLDERS' EQUITY AND LIABILITIES	Ref	31/12/08 (12 months)		31/12/07 (12 months)	
SHAREHOLDERS' EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	14		2,756		2,737
Share premium reserve	14		32,071		30,867
Treasury shares	14				
Legal reserve	14		950		902
Other reserves	14		18,652		16,998
- of which related parties	19	*1,208*		*471*	
Retained earnings	14		4,395		4,395
Net profit/(loss)	14		-1,746		966
Total Shareholders' Equity			**57,078**		**56,865**
Medium/long term liabilities					
Bank loans (payable beyond one year)			0		0
Provisions for risks and charges	16		467		805
Employee leaving indemnity	10		266		1,106
Other payables beyond one year			0		0
Total non-current liabilities			**733**		**1,911**
Current liabilities					
Trade payables	17		38,653		88,152
- of which related parties	*19*	*35,469*		*60,546*	
Other payables	17		1,267		4,322
- of which related parties	*19*	*546*		*568*	
Tax payables	17		1,077		1,689
Bank overdrafts and loans (payable within one year)					0
Total current liabilities			**40,997**		**94,163**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			**98,808**		**152,939**

CASH FLOW OF DADA S.p.A. AS AT December 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS

Amounts in Euro/thousand	31/12/08 (12 months)	31/12/07 (12 months)
Operating activities		
Net profit/(loss) for the year	**-1,746**	**966**
Adjustments for:		
Income from trading activities	-981	-844
Financial charges	-13	1,038
Costs for share-based payments	672	1,020
Income taxes for the year	1,743	2,882
Depreciation of property, plant & equipment	726	943
Amortisation of other intangible assets	2,390	2,421
Other provisions and write-downs	530	1,052
Increases/(decreases) in provisions	-1,057	-563
Cash flows generated from operating activities before working capital changes	**2,264**	**8,915**
Increase in inventories	0	111
(Increase) / decrease in receivables	42,966	-40,628
Increase in trade payables	-42,798	42,420
Cash flow generated from operating activities	**2,432**	**10,818**
Income taxes paid	-377	-734
Interest paid	0	-132
Net cash flow generated from operating activities	**2,055**	**9,952**
Investing activities		
Interest received	97	158
Changes in investments in subsidiaries and associated companies	-8,897	649
Sale of subsidiary and associated companies	433	400
Purchase of tangible fixed assets	-673	-1,830
Purchase of financial assets	27	-10
Purchase/sale of financial assets available-for-sale	0	2,413
Purchase of intangible assets	-77	-1,010
Product development costs	-1,442	-3,110
Net Cash flow used in investing activities	**-10,532**	**-2,340**

CASH FLOW OF DADA S.p.A. AS AT December 31, 2008 PREPARED IN ACCORDANCE WITH IAS/IFRS		
Amounts in Euro/thousand	31/12/08 (12 months)	31/12/07 (12 months)
Financing activities		
Dividends from subsidiaries		
Repayment of loans		
Payments deriving from share capital increases	1,223	1,396
Sale of treasury shares		
Other changes	-2	-4
Increases (decreases) in bank overdrafts		
Net Cash flow generated from financing activities	1,221	1,392
Net increase/(decrease) in cash and cash equivalents	-7,256	9,004
Cash and cash equivalents at beginning of the year	10,043	1,039
Cash and cash equivalents at the end of the year	2,787	10,043

SCHEDULE OF MOVEMENTS IN NET EQUITY OF DADA S.P.A. IN THE LAST THREE YEARS

Description	Share capital	Share premium reserve	Legal reserve	Other reserves	Retained earnings/accumulated losses	Net profit/loss	Total
Balance at January 1, 2006	2,692	28,085	406	3,261	4,607	4,643	43,694
Allocation of results 2005			133	4,723	-212	-4,643	0
Share capital increase	22	1,408					1,430
Other changes							0
Stock Option				1,094			1,094
Result 2006						7,267	7,267
Balance at 31/12/06	2,714	29,493	539	9,078	4,395	7,267	53,484
Allocation of results 2006			363	6,904		-7,267	0
Share capital increase	23	1,374					1,397
Other changes				-3			-3
Stock Option				1,020			1,020
Result 2007						966	966
Balance at 31/12/07	2,737	30,867	902	16,998	4,395	966	56,864
Allocation of results 2007			48	918		-966	0
Share capital increase	19	1,203					1,222
Other changes					0		0
Stock Option				736			736
Result 2008						-1,746	-1,746
Balance at 31/12/08	2,756	32,070	950	18,652	4,395	-1,746	57,077

ACCOUNTING PRINCIPLES AND NOTES

1. Corporate information

DADA S.p.A. is a limited liability company incorporated in Italy at the Florence Company's Registry Office. The addresses of the registered office and of the locations in which the main activities of the Group are carried out are indicated in the introduction to the accounts.

The DADA Group operates in the Internet sector and its principal activities are in the consumer market, with applications for PC and mobile telephone services, the business solutions market and the Hosting & domain market (Dada.pro). For further information, reference should be made to the Directors' Report on operations.

2. Criteria for the preparation of the Financial Statements

The present financial statements were prepared on the basis of the historical cost criteria.

The present separate financial statements are expressed in Euro as this is the currency in which the majority of the operations are carried out.

The report comprises the balance sheet, income statement, statement of change in shareholders' equity, cash flow statement and the present notes.

3. Declaration of compliance with IFRS

Dada S.p.A. has adopted international accounting standards as from the financial statements for the year 2006.

The separate financial statements for the year 2008 are prepared in accordance with IFRS issued by the International Accounting Standards Board and approved by the European Union. IFRS also include all the revised international accounting standards (IAS) and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee ("SIC").

Investments in subsidiaries and associated companies

The investments in subsidiaries are measured under the cost method and periodically subject to an impairment test to assess whether any loss in value exists. This test is made at least annually, or whenever there is an indication of a probable loss in the value of the investments. The valuation method utilised is based on the Discounted Cash Flow, applying the method described in the "Losses in value of the assets". Where it is necessary to make a write-down, this is charged to the income statement in the year in which it is recorded. When the reasons for the write-down no longer exist, the book value of the investment is increased up to the original cost. The restated amount is recorded in the income statement.

Impairment

At each balance sheet date, Dada S.p.A. reviews the carrying value of its intangible and tangible assets to determine if there are indications that these assets have incurred a loss in value. When it is determined that a potential loss exists, the Directors make valuations on the recoverable amount of those assets in order to identify the potential amount of the loss. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to.

The indefinite intangible assets (including goodwill) and the investments are verified annually and whenever there is an indication of a possible loss in value in order to determine whether a loss in value has occurred.

The recoverable value is the higher between fair value less costs to sell and value in use. In determining the value in use, the estimated future cash flows are discounted on a pre-tax basis which reflects the market assessment of the time value of money and the risks specific to the asset.

When the reasons for the impairment no longer exist, the carrying value of the asset (or CGU) – except for goodwill – is increased to the revised estimate of its recoverable value. The new value cannot exceed the net carrying value if no write-down for impairment had being recorded. The restated values are immediately recognised in the income statement.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held for sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is applicable only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current conditions and the management has undertaken a commitment to sell, which should take place within 12 months from the date of classification of this account.

Intangible assets

The intangible assets acquired separately are initially capitalised at cost, while those purchased through business combinations are capitalised at fair value defined at the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortisation and any loss in value. The intangible assets produced internally, with the exception of development costs, are not capitalised and are recognised in the income statement in the year incurred. The useful life of the intangible assets are measured as definite.

The definite intangible assets are amortised over the useful life of the asset and verified for any indications of a possible loss in value. The period and method of amortisation applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or of the manner in which the future economic benefits related to the intangible assets are received by the Group are recorded amending the period and method of amortisation, and treated as changes in the accounting estimates. The amortisation of definite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

Research and development costs

The research costs are recognised in the income statement in the year in which they are incurred. The development costs incurred in relation to a specific project are capitalised only when the Group can demonstrate the technical possibility to complete the intangible asset in order to make it available for use or sale, its intention to complete this asset for use or sale, the manner in which it will generate probable future economic benefits, the availability of technical, financial and other resources in order to complete the development and its capacity to evaluate in a reliable manner the cost attributable to the activity during its development.

During the development period, the asset is reviewed annually in order to determine any loss in value. Subsequent to the initial recording, the development costs are valued at cost less amortisation or accumulated loss. Amortisation begins when the development is completed and the asset is available for use. Amortisation is made with reference to the period in which it is expected the related project will generate revenues for the Group. During the period the asset is no longer in use, it is reviewed annually in order to determine any loss in value.

Other intangible assets

They are initially recognised at purchase cost and are amortised on a straight line basis over their expected useful life. Reference should be made to the accounting policy relating to the loss in value and impairment test.

The gains and losses deriving from the disposal of an intangible asset is measured as the difference between the net sales revenue from the disposal and the carrying value of the intangible asset and recorded in the income statement when the asset is sold.

Other tangible assets

The other tangible assets, plant, machinery and equipment are recognised at purchase or production cost, net of accumulated depreciation and any write-down for loss in value. Cost includes any related charges and direct and indirect costs reasonably attributable to the asset.

Tangible assets are depreciated each year on a straight line basis reflecting the estimated useful life of the asset applying the following percentages:

Equipment and EDP: 20%
Furniture and fittings: 12%
Ordinary office machines: 12%

Inventories

The inventory relates to work in progress on contracts in progress at the balance sheet date. The valuation of the contracts is made in accordance with the percentage of completion method.

Receivables

The receivables are measured at nominal value and reduced to net realisable value through the recording of a specific allowance for doubtful debts. Such provisions are calculated on the basis of an assessment of recoverability, carried out through analysis of individual positions and overall degree of risk, taking into account guarantees and existing insurance covers.

Receivables due beyond one year, non-interest bearing or which mature interest below lower market rates are discounted using market rates.

Financing assets

The financial assets are recognised and unrecognised from the financial statements on the basis of the trading date and are initially measured at cost, including the transaction costs.

After initial recognition, the financial assets that Dada S.p.A. has the positive intention and ability to hold to maturity (securities held to maturity) are stated at amortised cost using the effective interest method, net of write-downs to reflect losses in value.

Financial assets other than those held to maturity are classified as held for trading or available-for-sale, and are measured at the end of each period at fair value.

When the financial assets are held for trading, the gains and losses deriving from the changes in the fair value are recognised in the income statement in the period; for the financial assets available-for-sale, the gains and losses deriving from the changes in the fair value are recognised directly to equity until they are sold or have incurred a loss in value; at that moment, the total gains and losses previously recorded under equity are recognised in the income statement of the period.

Cash and cash equivalents

The account relating to the cash and cash equivalents includes cash, bank current accounts and deposits on demand and other highly liquid short-term financial investments readily convertible into cash and that do not have a significant risk of a change in value. They are recorded at their nominal value. For the purposes of the consolidated cash flow statement, cash and cash equivalents are recorded as available funds, as defined above, net of bank overdrafts.

Payables

Payables are recognised at their nominal value.

Bank borrowings

The interest bearing bank loans and overdrafts are recognised based on the amounts received, net of the cost of the operation and subsequently valued at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded based on the proceeds received, less direct issue costs.

Provisions and funds for risks and charges

The provisions are recorded in the financial statements when the Company has a present obligation resulting from a past event and it is probable that the obligation must be met. Provisions are made based on the Directors best estimate of the cost of fulfilling the obligation at the balance sheet date and are discounted to present value when the effect is significant.

Transactions in foreign currencies

The financial statements are presented in Euro, which is the company's operative currency. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the balance sheet date.

All the exchange differences are recorded in the income statement, with the exception of the differences deriving from loans in foreign currencies to hedge a net investment in a foreign entity, which are recorded directly in equity until the net investment is sold, which are then recognised in the income statement. The deferred taxes attributable to exchange differences on these loans are also recorded directly in equity.

Revenue recognition

Revenues are recorded in accordance with the probability that the Company will receive economic benefits and the amount can be determined reliably. The revenues are measured at the fair value of the amount received, excluding discounts, premiums or other sales taxes. The following criteria are used for the recording of revenues in the income statement:

Sale of goods

The revenues are recognised when the company has transferred to the acquirer all of the significant risks and rewards connected to the ownership of the asset, generally the shipping date of the goods.

Services

The revenues deriving from services are recognised on the provision of the service. When they relate to projects the revenues are measured in proportion to the hours worked compared to the estimated hours on each contract. When the outcome of the contract cannot be measured reliably, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

Interest

Amounts are recorded as financial income in relation to interest income matured (using the effective interest method which is the rate that precisely discounts the expected future cash flows based on the expected life of the financial instrument to the net book value of the financial asset).

Dividends

Revenues are recorded when the right of the shareholders to receive the payment arises.

Pension provision and other post-service benefits

These provisions and benefits are not financed. The expected cost of defined benefit plans are determined separately for each plan using the projected unit credit actuarial method. The gains and losses deriving from the actuarial calculation are recorded in the income statement as cost or income. These gains or losses are recorded on the basis of the average residual working life expected of the employees of the plan.

The pension costs relating to previous employment (past service cost) is recorded as a cost on a straight-line basis on the average maturity period of the benefit. If the benefits mature immediately after the introduction or the change of the plan, the pension cost relating to past services is recorded immediately.

The assets or liabilities relating to the benefits defined include the current value of the defined benefit obligations less any pension costs relating to past services not yet recorded less the fair value of the assets to service the plan which will directly settle the obligations. The value of any asset is limited to the aggregate of any cost for past services not yet recorded and the current value of any financial benefit in the form of repayment from the plan or reduction in future contributions to the plan.

Share-based payments (stock options)

Operations settled with securities

The cost of the operations with employees settled with securities for benefits granted after November 7, 2002 is measured with reference to the fair value at the assignment date. Fair value is calculated by an independent assessor using an appropriate valuation method. For further information, reference should be made to note 18.

The cost of the operations settled with securities, together with the corresponding increase in the net equity, is recorded in the period when the conditions relating to the reaching of the objectives and/or provision of the services are satisfied, and terminate at the date when the employees concerned have fully matured the right to receive the compensation ("maturity date"). The cumulative costs relating to these operations at each balance sheet date until the maturity date are compared to the maturity date and to the best estimates available of the number of participating instruments which will effectively mature. The cost or revenue recorded in the income statement for the year represents the change of the cumulative cost recorded at the beginning and at the end of the year.

No cost is recorded for the rights which have no definitive maturity, except in the case of rights whose assignment is subject to market conditions, which are treated as if they independently mature from the fact that the market conditions to which they are subject are complied with, provided that all the other conditions are satisfied. If the initial conditions are modified, a cost should be recorded assuming that these conditions are unchanged. In addition, a cost will be recorded for all changes which result in an increase in the total fair value of the payment plan, or which is in any case favourable for employees; this cost is measured with reference to the date of the change.

If the rights are cancelled, they are treated as if they matured at the cancellation date and any costs not yet recorded against these rights are recorded immediately. However, if a right cancelled is replaced by a new right and this is recognised as a situation at the date on which granted, the right cancelled and the new right are treated as if it is a change to the original right, as described in the previous paragraph.

Income taxes

Current income tax

Tax receivables and payables for the current and previous years are valued at the amount expected to be paid to / received from the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the financial statements.

Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the financial statements.

The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

when deferred taxes derive from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;

with reference to temporary differences related to investments in subsidiaries, associates, and joint ventures, if the reversal of the temporary differences can be controlled and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except when:

the deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the financial statements or on profit or loss calculated for tax purposes;

with reference to temporary taxable differences associated to investments in subsidiaries, associated companies and joint ventures, deferred tax assets are recognised only when it is probable that the temporary deductible differences will reverse in the immediate future and that there are will be adequate fiscal profits against which the temporary differences can be utilised.

Use of estimates

The preparation of the financial statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the balance sheet date. The actual results may vary from such estimates. The estimates are used to value the intangible and tangible assets subject to impairment tests as described above in addition to record provisions for risks on receivables, inventory obsolescence, amortisation and depreciation, write-down of assets, employee benefits and income taxes. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised in the income statement.

Transactions with group and related companies

The transactions with group and related companies are reported in the notes (note 19).

Seasonal activities

The principal activities of Dada are not impacted by seasonal factors which could influence the current results.

Change of accounting standards

The accounting principles adopted are in line with those of the previous year, with the exception of the new accounting principle relating to the accounting of acquisition costs (reference should be made to paragraph 25 for further details) and the interpretations of IFRIC14 (Assets for defined benefit plans and minimum hedging requirements) and IFRIC12 (Service concession arrangements), whose adoption did not have significant effects on the financial statements of the Group, nor has given rise to additional disclosure requirements.

IFRS and IFRIC interpretations not yet in force

The Group has not yet adopted the following new standards and believes they will not have significant impacts on the financial statements.

IFRS not yet in force

IFRS 8 – Operating segments

The accounting standard IFRS 8 - Operating Segments, will be applicable from January 1, 2009 in place of IAS 14 - Segment Information. This standard requires the presentation of information on operating segments of the Group and replaces the requirements for the determination of the primary (business) and secondary (geographic) segments of the Group. The new accounting standard requires the company to base the segment information on the elements which management utilises to make its operating decisions, therefore requiring the identification of the operating segments on the basis of the internal reporting which is regularly reviewed by management for the allocation of resources to the different segments and for the purposes of performance analysis. The adoption of the standard will not have an impact on the valuation of accounts in the financial statements.

IAS 1 Presentation of Financial Statements

The revised standard IAS 1 - Presentation of financial statements (September 2007) will be effective from January 1, 2009. The standard requires the movements in equity to show those attributable to the parent and to minority interest. The statement of change in shareholders' equity will include all transactions with shareholders while all the changes relating to transactions with minority interest will be presented in a single line. In addition, the standard introduces the "comprehensive income" statement: this statement includes all the revenue and cost items for the period recorded in the income statement, and in addition all the other cost and revenue items recorded. The "comprehensive income" statement may be presented in a single statement or in two related statements. The group is still considering whether to prepare one or two statements.

IAS 23 Borrowing costs

On March 29, 2007, the revised version of IAS 23 – Borrowing Costs – was issued, with application from January 1, 2009. The revised version of the standard removed the option in which it is possible to immediately record in the income statement borrowing costs incurred against assets in which a determined period would normally pass before the asset is ready for use or for sale. The standard will be applicable to borrowing costs relating to assets capitalised from January 1, 2009.

IFRS 2 – Share-based payment – Vesting and Cancellation conditions

This change to IFRS 2 Share-based payments was published in January 2008 and will be effective from January 1, 2009. The standard defines "vesting conditions" as a condition which includes an explicit or implicit obligation to provide a service. All other conditions are a "non-vesting condition" and must be taken into consideration in determining the fair value of the instrument representing the capital assigned.

Where the premium does not mature as a consequence of the fact that it does not satisfy a "non vesting condition" which is under the control of the entity or of the counterparty, this must be recorded as a cancellation.

The Group has not made any share-based payments with "non vesting" conditions and, consequently, no significant effects are expected in the recording of the share-based payments on options.

IFRS3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements:

The two revised standards were approved in January 2008 and will be effective from July 1, 2009. IFRS 3R introduces some changes in the recording of the business combinations which will have effects on the amount of the goodwill recorded, on the result for the year in which the acquisition takes place and on the results of subsequent years. IAS 27R requires that a change in the holding in a subsidiary is recorded as a capital transaction. Consequently, this change will have no impact on goodwill, and will not give rise to gains or losses.

In addition, the revised standard introduces changes in the recording of a loss incurred by a subsidiary and the loss of control of the subsidiary. The changes introduced by the standards IFRS 3R and IAS 27R must be applied to future periods and will have an impact on the future acquisitions and transactions with minority shareholders.

Changes to IAS 32 and to IAS 1 Financial instruments "for sale":

The changes to IAS 32 and IAS 1 are effective from January 1, 2009. The change to IAS 32 requires that some financial instruments "for sale" and obligations arising on settlement are classified as capital instruments if certain conditions apply. The change to IAS 1 requires that certain information on options "for sale" classified as capital is disclosed in the explanatory notes.

Amendments to IFRS 1 – First time adoption of international accounting principles and IAS 27 Consolidated and Separate Financial Statements.

The amendments to IFRS 1 allow the entity to determine in its first IFRS accounts, the "cost" of the investments in associated companies, subsidiaries and joint ventures based on IAS 27 or utilising the deemed cost method.

The amendment to IAS 27 requires that all dividends from subsidiaries, associated companies and joint ventures are recorded to the income statement of the separate financial statements. Both the amendments are effective from January 1, 2009 or at a subsequent date. The amendments to IAS 27 must be applied in a prospective manner.

IAS 39 – Financial Instruments: recognition and measurement – Instruments that qualify as hedges

This amendment to IAS 39 was issued in August 2008 and is effective from July 1, 2009 or at a subsequent date. The amendment concerns the designation of unilateral risks of a hedged instrument and the designation of inflation as a hedged risk or portion of hedged risk in certain situations. The amendment clarifies that the entity may designate a portion of the changes of fair value or of the changes in cash flow to a financial instrument such as the hedged instrument. The Group concluded that the amendment will not have an impact on the financial position or profitability of the Group in that they do not take part in operations of this type.

Improvements to IFRS

In May 2008, the Board issued its first full amendment to the standards principally to remove the inconsistencies and to clarify the text. Varying transition periods for each standard are applicable. The Group has not yet adopted any amendments to the following standards:

- IFRS 7 Financial Instruments – information:
- IAS 8 Accounting policies, changes in accounting estimates and errors:
- IAS 10 Events after the balance sheet date
- IAS 16 Property, plant and equipment .
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for government grants.
- IAS 27 Consolidated and separate financial statements.
- IAS 29 Financial reporting in hyperinflationary economies:
- -IAS 34 Interim financial reporting.
- IAS 39 Financial Instruments: recognition and measurement:
- IAS 40 Investment property.
- IAS 41 Agriculture:

IFRIC Interpretations not yet in force.

These following interpretations not yet in force have also been issued:

IFRIC 13 – Customer loyalty programmes (applicable from January 1, 2009)

IFRIC 15 Agreement for construction of own plant (effective from January 1, 2009 and not yet approved by the European Union).

IFRIC 16 hedging of a net investment in a foreign operation (effective from January 1, 2009 and not yet approved by the European Union).

3. Other costs and revenues

3.1 Revenue

The table below reports the breakdown of revenues for the year 2008 compared to the previous year:

Description	31/12/2008		31/12/2007	
	Amount	%	Amount	%
Web Development Projects	439	0.88%	1,192	1.12%
Infrastructure Projects	0	0.00%	2,100	1.97%
Net Marketing	443	0.89%	1,042	0.98%
VAS Revenues	21,200	42.42%	65,072	61.13%
Online advertising	12,341	24.69%	16,482	15.48%
Connectivity	28	0.06%	442	0.42%
Other	274	0.55%	607	0.57%
Purchase of services for companies of the Group	355	0.71%	19,412	18.24%
Corporate re-charges	14,894	29.80%	90	0.08%
TOTAL	49,973		106,441	

The significant decrease in revenues in 2008 on the previous year is due to the reorganisation carried out through a significant extraordinary operation which involved the Parent Company Dada S.p.A. and the 100% held subsidiaries Dada Net S.p.A. and Register.it S.p.A. In particular, with effect from July 1, 2008, Dada S.p.A. conferred its VAS Italia and Advertising business units respectively to Dada Net S.p.A. and Register.it S.p.A.

Therefore in the second half of the year, the revenues of Dada S.p.A. were made up exclusively of re-charges to the direct subsidiaries, principally: re-charges for the utilisation of brands and software and corporate overhead re-charges in relation to services provided to the subsidiaries.

3.2 Other operating expenses

The table below reports the breakdown of other operating costs for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Deductible taxes	-5	-13	8	-58.34%
Non-deductible taxes	-70	-40	-30	74.33%
Other non-deductible costs	-92	-110	18	-16.52%
Other operating charges	-34	-342	308	-90.06%
Total other operating charges	**-201**	**-505**	**304**	**-60.20%**

Other management charges refer principally to withholding taxes on the transfer of funds to the subsidiary Dada Brasile.

3.3 Financial charges and income

The table below reports the breakdown of financial income for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Change	Change %
Interest income from bonds	0	67	-67	-100.00%
Interest income on bank accounts	113	90	23	25.56%
Other interest income	472	646	-174	-26.93%
Gain on sale of investments	396	41	355	
Total	**981**	**844**	**137**	**16.23%**

Financial income is comprised of the interest matured on bank accounts. The gains from equity investments in 2007 related to the sale of the company Softec S.p.A. for an amount of Euro 400 thousand, while the gains from equity investments in 2008 relate to the transfer of the company Media Dada Science and Development (Beijing) Co Ltd from Dada S.p.A. to Dada.net S.p.A. for an amount of Euro 433 thousand.

The Interest income includes the interest recharged to companies of the Group for existing loans.

The table below reports the breakdown of financial charges for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Change	Change %
Interest on current accounts	-1	-35	34	-97.14%
Interest on loans	0	-9	9	-100.00%
Bank charges and commissions	-47	-75	28	-37.33%
Other interest payable	-83	-201	118	-58.71%
Exchange losses	144	4	140	3500.00%
Total	13	-316	329	-104.11%

Financial charges principally include the commissions on credit cards and other bank charges. Other interest expense includes the recharged interest of the Group companies relating to the cash-pooling of the treasury financial management.

The exchange gains arise from the translation of trade accounts.

3.4 Provisions and write-downs

The table below reports the breakdown of the provisions and write-downs for the year 2008 compared to the previous year:

Description	31/12/08	31/12/07	Change	Change %
Doubtful debt provision	0	-325	325	-100.00%
Other write-downs	-200	-250	50	-20.00%
Total	-200	-575	375	-65.22%

Other write-downs relate to the provisions made for risks and charges.

For further information, reference should be made to the tables of movements in bad debt provisions and the provisions for risks and charges.

3.5 Amortisation and depreciation of fixed assets

The table below reports the breakdown of the amortisation and depreciation for the year 2008 compared to the previous year:

Description	31/12/08	31/12/07	Change	Change %
Depreciation of tangible fixed assets	726	943	-217	-23.01%
Amortisation of development costs	2,014	1,926	88	4.57%
Amortisation of patents and trademarks	139	151	-12	-7.95%
Amortisation of other intangible assets	236	344	-108	-31.40%
Total	**3,116**	**3,364**	**-249**	**-7.40%**

The decrease is strictly related to the reorganisation, in which, effective from July 1, 2008, Dada S.p.A. conferred its VAS Italia and Advertising service business units respectively to Dada Net S.p.A. and Register.it S.p.A.

For further details, reference should be made to the directors' report.

3.6 Personnel costs

The table below reports the breakdown of personnel costs for the year 2008 compared to the previous year:

Description	Balance at 31/12/08	Balance at 31/12/07	Change	Change %
Salaries and wages	6,014	8,872	-2,858	-32.21%
Social charges	1,760	2,582	-822	-31.84%
Leaving indemnity	330	477	-147	-30.82%
Total	**8,104**	**11,931**	**-3,827**	**-32.08%**

Also in relation to personnel costs, the decrease is due to the conferment of the VAS Italia services and Advertising business units to Dada Net S.p.A. and Register.it S.p.A.

The national work contract applied is that for the commercial sector.

3.7 Non-recurring income

Discontinued operations:

Media Dada Science and Development (Beijing) Co. Ltd

On January 9, 2008, the transfer was completed of the company Media Dada Science and Development (Beijing) Co. Ltd which distributes the Dada.net product/service on the Chinese market, from Dada S.p.A. to Dada.net S.p.A., which within the Group is the distribution vehicle in the various countries of the product, and which already holds the investment in the other foreign companies of the Group undertaking similar activities; the sale was for an amount of Euro 0.4 million.

Softec S.p.A. (I/S 2007)

In 2007, the group completed the sale of the entire holding in the company Softec S.p.A., a company specialised in software development. The sale was to the founding shareholders of the company for a payment of Euro 0.4 million, of which Euro 100 thousand was paid on closing with the remaining Euro 0.3 million to be paid in three annual instalments. The Group realised a gain of Euro 41 thousand from this operation.

3.8 Risk management

For further details, reference should be made to the notes to the consolidated financial statements. The principal risks to which the company is exposed are reported below.

Financial risks

Currently, the company does not utilise derivative instruments to manage exposure to currency risks.

Dada S.p.A. is principally exposed to credit risk and in an insignificant manner to interest rate risk and liquidity risk and is not exposed to price risks.

Credit risk

The exposure to the credit risk refers to trade and financial receivables. Receivables now exclusively refer to intercompany transactions with subsidiary companies.

In relation to the financial receivables, the investment operations of the liquidity are made only with high standing banks.

Interest rate risk and liquidity risk

Dada S.p.A.'s exposure to the risk of changes in market rates is principally related to the bank debt represented by occasional bank overdrafts and short-term loans at variable interest rates against which the company has not subscribed any hedging contract. In order to optimise the utilisation of the group liquidity, a cash pool line was implemented with the subsidiaries Register.it S.p.A. and Dada.net S.p.A..

The liquidity risk is managed by the Company through the investment of liquidity in short term operations, such as insurance policies and bonds.

Utilisation of the short-term lines generally covers a minimal portion of the capital invested.

Price risk

The company is not exposed to significant risks in relation to price fluctuations.

Other risks

It should be noted that the market in which the Dada Group operates is extremely competitive, both in relation to the continual and fast pace of innovation, including product technology, and for the potential entry into the market of new competitors; this environment requires constant investment in innovation of the services proposed to the customer, and updating of the products and services in order to maintain the Group's competitive position.

The Group undertakes its activity largely utilising connectivity providers and telephone carriers, and provides contents to its clients which in some cases are supplied by outside content suppliers; an interruption of services from these suppliers or a deterioration in the services with one or more of these suppliers could infringe upon the capacity to supply the products and services to the final client, impacting upon the financial results.

The sector in which the Group operates, both in Italy and internationally, is also subject to competitive regulations, among which, the protection of personal data, the safeguarding of consumers, regulations on commercial communications, and in general norms governing the telecommunication sector. It is expected that the above-mentioned regulations will have an increasingly direct effect on the activities of the company with possible effects - in general terms - for the market and on the profitability of the business. In relation to this, it is noted that some Group companies are involved in, or may be involved in, disputes in relation to the provision of their services and particularly that some recent acts in the United States are currently still in a preliminary phase, therefore rendering it impossible to give an evaluation and which also could lead to collective action.

4. Income taxes

The table below reports the breakdown of income taxes for the year 2008 compared to the previous year:

Description	31/12/08	31/12/07	Change	Change %
Regional taxes	-353	-727	374	-51.44%
IRES income taxes	0	0	0	
Deferred tax charge	-1,390	-2,155	765	-35.50%
Total	**-1,743**	**-2,882**	**1,139**	**-39.52%**

The movements in deferred taxes in 2008 are shown in the table below:

Description	31/12/07	Increase for the year	Utilisation in the year	Other movements	31/12/08
Deferred tax assets	2,621	1,146	-2,536	-475	756
Total	**2,621**	**1,146**	**-2,536**	**-475**	**-756**

Deferred tax assets, recorded in the financial statements for Euro 0.8 million, originate from the temporary timing differences recoverable in the short-term relating to provisions made for write-downs, doubtful debts and risks and charges and all of the other temporary adjustments which will be recovered in future years (so-called "temporary differences"). In addition, deferred tax assets were recorded on the expected recovery of fiscal losses, as well as the temporary differences relating to the transitional adjustments to the international accounting standards.

It is noted that the tax losses carried forward amount to approximately Euro 0.8 million.

The utilisations in the year refer to:

- the fiscal charge for the year, while the increase was calculated utilising the criteria at the end of the previous year, on the basis of the recovery of the above mentioned items.

It is also recalled that the Dada Group adhered to the tax consolidation regime, which includes, in addition to the Parent Company Dada S.p.A. (consolidating company), the subsidiary companies Dada.net S.p.A., Clarence S.r.l. and Register.it S.p.A. (consolidated companies).

In relation to this, in the column "other movements" the income taxes of Register.it S.p.A. transferred to subsidiaries is reported, based on the consolidated fiscal contract.

5. Plant & equipment

The movements in tangible fixed assets in 2008 are shown in the table below:

Description	Value at 31/12/07	Increases	Decreases	Other movements	Depreciation	Value at 31/12/08
EDP	3,091	583	0	-2,261	-630	783
Furniture & fittings	478	79	0	0	-80	477
Others	17	11	0	0	-16	12
Total	**3,586**	**673**	**0**	**-2,261**	**-726**	**1,272**

The increase in the year is principally due to the purchases in the first half-year of servers for the internet and the installation of new equipment for the enlargement of the farm server, represented by servers, networking and storage systems.

The increase in the account furniture and fixtures relates to the expenses incurred for the new Dada offices in Florence.

The account other movements, includes assets conferred to the subsidiaries Dada Net S.p.A. and Register.it S.p.A. following the reorganisation on July 1, 2008 described previously.

6. Intangible assets

The movements in intangible assets in 2008 are shown in the table below:

Description	Value at 31/12/07	Increases	Decreases	Other movements	Amortisation	Value at 31/12/08
Goodwill	899	0	0	0	0	899
Total goodwill	*899*	*0*	*0*	*0*	*0*	*899*
Development expenses on products/services	5,032	1,442	0	0	-2,014	4,461
Concessions, licenses, trademarks	359	0	0	0	-139	220
Others	1,271	383	-305	-424	-236	687
Total intangible assets	*6,662*	*1,825*	*-305*	*-424*	*-2,389*	*5,368*
Total	7,561	1,825	-305	-424	-2,389	6,267

The goodwill recorded in the accounts relates to the merger difference arising following the incorporation of the company Wireless Solutions S.p.A. in 2005.

The increase in the "development expenses on products/services" refers to the capitalisation of the costs incurred for the development of the new products and services prevalently relating to the portals and Dada.net and Dada.pro services. These assets relate to the portfolio of "Community & Entertainment" fee-based products and services via web and mobile, through the single SMS numbers of the Operators.

In relation to this the expenses from the Dada.net product are highlighted, principally for the supply of services on foreign markets and the launch of the new product "Music Movement" and the new web mail and easy click projects, and particularly the "Simply" project in the Dada.pro sector.

Reference should be made to the information on the activities of the two business sectors described in the section on sector activities in the Directors' Report.

Following the reorganisation, the amortisation related to these fixed assets was re-charged to the companies Dada.net S.p.A. and Register.it S.p.A.

The capitalisation is made based on their future profitability and in accordance with the criteria established by international accounting standards.

Their recognition is supported by a careful evaluation in order to determine the future economic benefits connected to these services. The amortisation is made on a straight-line basis over a period of 5 years.

The increase entirely relates to the second half year, as this capitalisation was made by the companies Dada Net S.p.A. and Register.it S.p.A. following the conferment on July 1, 2008.

The account "others" is prevalently comprised of the software acquired by the company, which is amortised on a straight-line basis over five years.

7. Equity investments

The composition and movements of the subsidiary companies are shown in the following table:

Description	31/12/07	Increases	Decreases	31/12/08
Investments in subsidiary companies	27,486	15,663	-38	43,111
Total equity investments in subsidiary companies	**27,486**	**15,663**	**-38**	**43,111**
Loans to subsidiaries	8,000			8,000
Guarantee deposits	128	4	-32	101
Total financial assets	**8,128**	**4**	**-32**	**8,101**
Total	**35,614**	**15,667**	**-70**	**51,212**

The decrease relates to the sale of the company Media Dada Science and Development (Beijing) Co. Ltd., which distributes Dada.net's product/service in China, from Dada S.p.A to Dada.net S.p.A. The sale was for an amount of Euro 433 thousand.

This investment was recorded in the financial statements of Dada at December 31, 2007 for a value of Euro 38 thousand. Therefore, the sale generated a gain of Euro 395 thousand in the financial statements of Dada S.p.A.

The loan of Euro 8 million was issued in 2006 to the subsidiary Dada USA for the acquisition of Upoc. The interest which matured on these loans is regulated at normal market conditions.

The movements of the investments in subsidiary companies are shown in the following table:

Company	Value at 31/12/07	Increases	Decreases	Other movements	Value at 31/12/08	% held
Register.it S.p.A.	15,378	7,747		64	23,189	100%
Dada.net S.p.A.	12,070	6,252			18,322	100%
Media Dada Science & Development Co. Ltd	38		-38		0	
E-Box Srl	0	1,600			1,600	40%
Total	**27,486**	**15,599**	**-38**	**64**	**43,111**	

The increases relate to the purchase of a further 40% stake in *E-Box S.r.l.* (owner of Blogo):

On July 3, 2008, the Dada Group, through Dada S.p.A., acquired a further 40% holding in E-Box S.r.l. (owner of Blogo), increasing its shareholding to 70% (30% was already held by the subsidiary Dada.net S.p.A) and thereby acquiring control of the Company ahead of the planned date of March 2009. The acquisition of 40% of the share capital of the Company was made with own funds for a consideration – including controlling premium – of Euro 1.6 million paid to the founding shareholders of Blogo in 2 equal tranches, the first paid on closing and the second in October 2008.

The increase in the shareholding Register.it S.p.A. relates to the share capital increase of Euro 6 million, while the remaining part, as with the increase in the shareholding in Dada.net S.p.A., refers to the share capital increase following the conferment of the business unit related to the Dada.net service (web and mobile community services) currently offered to the public by Dada.net S.p.A. and the business unit

Dada.Adv (web advertising and mobile services) respectively into the wholly owned subsidiaries Dada.Net S.p.A. and Register.it S.p.A.. These operations were fiscally neutral and did not result in any gain or loss in Dada S.p.A., as the operations were at book values with the wholly owned subsidiaries.

The other movements relating to the investment Register.it S.p.A. principally include the increase in the investments following the recording of the stock options assigned to executives of the Dada Group and in the equity account "Other equity financial instruments", in accordance with IFRS 2.

The impairment test is made on an annual basis on the preparation of the annual accounts. The recoverable value of this investment was verified through the determination of the value in use based on the Discounted Cash Flow with the exception of the Dada.net, whose cost results lower than whose cost is lower than the share of net equity.

In particular, the table below shows the principle assumptions used for the preparation of the impairment test.

Assumptions	E-box	Register.it
Periodo f Plan	3 years	3 years
GROWTH RATE:		
Revenues	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +5% and +5%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +11% and +13%.
EBITDA	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +15% and +18%.	2009 data from the Approved Budget; 2010 and 2011 data with year on year growth rates (2010 on 2009 and 2011 on 2010) of +10% and +18%.
Growth Rate beyond explicit period	0%	0%

The expected growth rates of Register.it were formulated based on the average growth rates realised in the domain & hosting sector in the previous years: in an extremely fragmented market, the company's management believes that the sector growth rates are principally related to the strategic guidelines implemented.

The expected growth rates of E-Box were based on the growth rates expected of the business based on an analysis of the sector.

The discount rate, gross of income taxes, utilised for the projection of cash flows was determined as 8.14% and, among others, uses the following parameters: cost of money for the enterprise, specific risk factors for the sector activity, return on activities without risk and marginal income tax rates. The rate therefore respects the type of activity carried out by each business, while also taking account of the particular movements in the market rate and of the overall macroeconomic scenario.

The verification made at December 31, 2008 confirmed that it was not necessary to make any changes to the values recorded in the accounts.

8. Other financial assets

The balance of financial assets is composed of:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Financial receivables	48	28	20	71%
Total	48	28	20	71%

9. Share-based payment plans

The share-based payments (Stock Options) are described in detail in the directors' report.
The salient features of the DADA SpA plans at December 31, 2008 were as follows:

Key points to the plan	Plan of 03/02/06	Plan of 16/03/06	Plan of 28/07/06	Plan of 12/02/07
Duration of plan	2009-2012	2007-2009	2009-2012	2009-2012
Total options issued	700,700	33,000	55,000	25,000
Total residual options at 31/12/2006	700,700	33,000	55,000	25,000
Value of issue	14.782	15.47	16.92	16.99

The data utilised in the valuation models of the four plans are shown below:

Data utilised for the valuation	Plan of 03/02/06	Plan of 16/03/06	Plan of 28/07/06	Plan of 12/02/07
Valuation Date	issue of plan	issue of plan	issue of plan	issue of plan
Model utilised	Binomial	Binomial	Binomial	Binomial
Percentage of annual exit	5%	5%	5%	5%
Expected volatility	23.50%	31-36%	29.07%	29.07%
Interest rate without risk	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve
Estimated dividends	Zero	zero	zero	zero
Vesting conditions	90% Ebitda 2008	none	90% Ebitda 2008	90% Ebitda 2008

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may not coincide with the actual outcome.

The fair value of the plans is measured at the assignment date. For further details on the stock option plans, reference should be made to the Directors' Report.

10. Pensions and other employee post-service benefits

The movement of the employee leaving indemnity is shown in the table below:

Description	Balance at 31/12/2007	Increase for the year	Utilisation in the year	Other movements	Income on discounting	Balance at 31/12/2008
Leaving indemnity	1,106	330	-252	-905	-13	266
Total	**1,106**	**330**	**-252**	**-905**	**-13**	**266**

The provision at December 31, 2008 of Euro 0.3 million reflects the indemnity matured in favour of employees, in conformity with legislation and collective employment contracts.

The other movements refer to employee leaving indemnity transferred from Dada S.p.A. to the companies involved in the reorganisation of July 1, 2008, with the transfer of 125 employees.

In accordance with international accounting standards, the obligation was calculated through the projected unit credit method which considers each employment period a source of an additional unit of benefit and separately measures each unit in order to calculate the final obligation.

In accordance with finance law No. 296 of December 27, 2006, for IAS 19 purposes only the liability relating to the Employee Leaving Indemnity matured remaining in the company was considered, as the quota maturing after this period is paid to a separate entity.

This calculation was made by an independent actuary. The methodology utilised can be broken down into the following points:

projection for each employee in service at 31/12/2008 of the employee leaving indemnity matured up to the estimated time of pension;

determination for each employee in service at 31/12/2008 and for each year up to the estimated time of pension, the probable employee leaving indemnity payments which will be made by the Company in the case of the employee leaving due to redundancy, dismissal, resignation, death and pension;

discounting, at the measurement date, of each probable payment;

proportionately, for each employee in service at 31/12/2008, of the payments, estimated and discounted, based on the years matured at the measurement date compared to the years matured at the date of each probable payment.

In particular, the assumptions adopted were as follows:

DADA GROUP	31/12/2008
Mortality table	SIM/F 1998
Reduction of mortality table	20.00%
Rate relating to advanced request by EXECUTIVES	1.00%
Rate relating to advanced request by EMPLOYEES	1.00%
Rate relating to advanced request by TRAINEES	0.00%
Growth rate of salaries of EXECUTIVES	4.00%
Growth rate of salaries of EMPLOYEES	3.50%
Growth rate of salaries of TRAINEES	2.10%
Future inflation rate	2.10%
Discount rate	4.10%
Rate relating to advance departure of EXECUTIVES	0.50%
Rate relating to advance departure of EMPLOYEES	4.00%
Rate relating to advance departure of TRAINEES	0.50%

12. Trade and other receivables

The account consists of:

Description	Balance at 31/12/08	Balance at 31/12/07	Change	Change %
Trade receivables - Italy	**1,995**	**33,343**	-31,348	-94%
Trade receivables from subsidiaries	19,479	55,500	-36,021	-65%
Financial receivables from subsidiaries	8,948	7,709	1,239	16%
Trade receivables from holding companies	3	579	-576	-99%
Financial receivables from holding companies	301	0	301	
Receivables from related parties	0	1,348	-1,348	-100%
Less: bad debt provision	-1,547	-1,551	4	0%
Total	**29,179**	**96,928**	**-67,749**	**-70%**

The trade receivable movements, as in the other accounts, were impacted by the conferment of the business units as described previously.

The movement in the provision for doubtful debts is summarised in the following table:

Description	Balance at 31/12/2007	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/08
Bad debt provision	1,551	0	-4		1,547
Total	1,551	0	-4	0	1,547

The utilisations relate to positions closed in the year for which either recognition was made of the impossibility to recover the amount or a decision made relating to the settlement with the debtor.

The provision as at December 31, 2008 is considered adequate to meet the potential losses relating to the entirety of trade receivables.

There are no trade receivables due over one year for which it would be necessary to record a financial loss.

The Company estimates that the book value of trade and other receivables approximate their fair value.

There are no receivables over 5 years.

Reference should be made to the paragraph concerning related parties in relation to trade receivables from subsidiaries.

The table below shows the composition of other receivables:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Tax receivables	793	741	52	7%
Advances to suppliers	43	43	0	0%
Other receivables	277	289	-12	-4%
Accrued income	143	312	-169	-54%
Total	1,256	1,385	-129	-9%

Accrued income includes telephone carrier fees referring to two accounting periods.

The account "other receivables" includes deposits paid to the various authorities relating to domain registration activity.

Tax receivables include the payments on account for Irap regional tax of Euro 713 thousand while the residual is comprised of withholding taxes and other tax receivables.

13. Cash and cash equivalents

The composition of the liquidity is shown in the table below:

Description	Balance at 31/12/08	Balance at 31/12/07	Changes	Change %
Bank and postal deposits	8,814	5,207	3,607	69.27%
Cash in hand and similar	4	9	-5	-55.56%
Total	**8,818**	**5,216**	**3,602**	**69.06%**

The balance represents the liquidity and cash balances at December 31, 2008.

The yield on bank deposits, prevalently relating to one Credit Institution, is equal to Euribor at one month -0.5.

For further information relating to the liquidity movements in the year, reference should be made to the Directors' Report on Operations and to the Cash Flow Statement.

14. Share capital and reserves

The share capital of Dada S.p.A at December 31, 2008 is made up of 16,210,069 ordinary shares, of a nominal value of Euro 0.17, for a total value of Euro 2,756 thousand. During the year the share capital increased by Euro 20 thousand due to the subscription of the reserved share capital increase for employees of Dada S.p.A. (stock options plan).

The movements in net equity in the year are shown in the table at page 198.

Description	Amount	Possibility of utilisation	Quota available	Summary of utilisations made in the three previous years	
				to cover losses	for other reasons
Share capital	2,756				
Capital reserves:					
Share premium reserve	32,070	A-B-C	32,070		
Extraordinary reserve	12,544	A-B-C	12,544		
FTA Reserve	6,108				
Profit reserves:					
Legal reserve	950	B	950		
Total			45,564		
Non-distributable quota			950		
Residual distributable			44,614		

* Possibility of utilisation:

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

Legal reserve: it relates to a profit reserve transferred from the net profit of the approved annual accounts. Only the parts exceeding one fifth of the share capital may be utilised.

At December 31, 2008, the reserve amounted to Euro 950 thousand. Movements in the year refer to the allocation of the 2007 net profit.

Share premium reserve: this is a capital reserve comprising of contributions by shareholders or conversion of bonds into shares. There is no specific limit relating to its utilisation. At December 31, 2008 the reserve amounted to Euro 32,070 thousand. The movement during the year relates to the subscription, on February 6, 2008, of 112,990 shares subscribed for an amount of Euro 1,203 thousand.

Other reserves: the account comprises the Reserve created on the transition to the IFRS and the Extraordinary Reserve. The Extraordinary Reserve amounts to Euro 12,544 thousand and the movements during the year relate to the allocation of the 2007 result. The IAS transition reserve amounts to Euro 6,108 thousand and the movements during the year relate to the Stock Options.

15. Loans and financing

No medium/long term loans exist at December 31, 2008.

16. Provisions for risks and charges

The following table shows the movements in the year in the provisions for risks and charges:

Description	Balance at 31/12/2007	Increase for the year	Utilisation in the year	Balance at 31/12/2008
Provisions for risks and charges	805	200	-538	467
Total	805	200	-538	467

The provisions for risks and charges were created against probable liabilities arising from contractual and legal disputes.

The utilisations in the period relate to the settlement of disputes. The increases relate to new disputes and litigation arising in the year.

The provision for risk and charges at December 31, 2008 consists of Euro 320 thousand for labour disputes and Euro 217 thousand for other disputes.

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

17. Trade and other payables

The breakdown of the payables is as follows:

Description	31/12/08	31/12/07	Changes	Change %
Payables:				
Trade payables	3,184	27,606	-24,422	-88.47%
Trade payables - subsidiary companies	24,427	54,925	-30,498	-55.53%
Financial payables - subsidiary companies	10,725	1,256	9,469	753.90%
Trade payables – holding companies	165	189	-24	-12.70%
Financial payables – holding companies	0	609	-609	-100.00%
Trade payables - other group companies	152	3,567	-3,415	-95.74%
Trade payables	38,653	88,152	-49,499	-56.15%
Taxes	1,077	1,689	-612	-36.23%
Tax payables	1,077	1,689	-612	-36.23%
Others	1,093	3,087	-1,994	-64.59%
Social sec. institutions	170	810	-640	-79.01%
Deferred income	4	425	-421	-99.06%
Other payables	1,267	4,322	-3,055	2.534
Total	40,997	94,163	-53,166	-56.46%

The account “trade payables” includes the amounts related to purchases of a commercial nature and other costs. The Company estimates that the book value of trade and other payables approximates their fair value.

The strong decrease is also due in this case to the conferment of the VAS Italia and Advertising business units respectively to Dada Net S.p.A. and Register.it S.p.A.

Payables to other group companies refers to purchases of a commercial nature to RCS Group companies excluding the Parent Company RCS MediaGroup S.p.A..

"Tax payables”, amounting to Euro 1.1 million, include withholding taxes on salaries and consultants and other current taxes for the period, principally relating to IRAP regional tax.

The account “Other payables” includes:

- employee payables for the accrual on the “fourteenth” month and vacation days matured;

The decrease in deferred income is due to the fact that accruals on connectivity, housing and other resale services deferred to future periods were conferred, with the reorganisation from July 1, 2008, to Register.it S.p.A..

18. Commitments and risks

The composition is shown in the following table:

Description	31/12/08	31/12/07	Changes	Change %
Guarantees	46,581	33,749	12,832	38.02%
Total	**46,581**	**33,749**	**12,832**	**38.02%**

Description	31/12/07	Increases	Decreases	31/12/08
Guarantees	33,749	20,693	-7,861	46,581
Total	**33,749**	**20,693**	**-7,861**	**46,581**

The sureties provided at December 31, 2008 amounting to Euro 46.6 million (compared to Euro 33.7 million at December 31, 2007) are recorded for the amount guaranteed.

The most important increases related to:

Guarantee for a loan received by the subsidiary Register.it from Banca Intesa for the purchase of the Amen Group for Euro 16 million

Guarantee for Dada Usa Inc. credit lines by Banca Intesa San Paolo for Euro 3.4 million

Guarantee for the acquisition of the residual part of E-Box Srl for Euro 360 thousand;

Guarantee for the new rental of the Dada Headquarters in Florence totalling Euro 1.2 million.

The decreases relate to the cancellation of the guarantee for the payment of the residual part of Tipic Inc. given by Dada S.p.A. for a total amount of Euro 2,925;

No potential commitments exist that are not recorded in the balance sheet.

19. Transactions with related parties

The transactions with related parties relate to normal operations and are conducted at normal market conditions.

The company undertakes commercial transactions consisting of the acquisition and purchase of services, with subsidiary companies and with companies belonging to the RCS group, which has a 49.5% shareholding in DADA. The following table indicates the transactions with companies of the group and the balance sheet and income statement values in 2008 between companies of the Dada Group and “related parties”.

The following tables show the composition of the transactions with related parties:

Trade receivables - related parties

(Amounts expressed in Euro/thousands)

Company	Trade receivables	Other receivables	Total trade receivables
Dada.net S.p.A.	14,385	1,222	15,607
Clarence Srl	861	377	1,238
Dada Usa Inc.	287		287
Upoc Networks Inc.	3		3
Dada Iberia SL	19		19
Dada Brasil Serviços de Tecnologia Ltda.	68		68
Dada Media Science and Development (Beijing) Co. Ltd.	249		249
Register.it S.p.A.	3,456	7,349	10,805
Nominalia SL	0		0
Namesco Ltd.	6		6
E-Box S.p.A.	144		144
Total	**19,479**	**8,948**	**28,427**
RCS Group	3	301	304
Total	**19,482**	**9,249**	**28,732**

Trade payables - related parties

(Amounts expressed in Euro/thousands)

Company	Trade payables	Other Payables	Total trade payables
Dada.net S.p.A.	21,962	10,121	32,083
Clarence Srl	9	1	10
Dada Usa Inc.	-		-
Upoc Networks Inc.	50		50
Dada Iberia SL	-		-
Dada Brasil Serviços de Tecnologia Ltda.	-		-
Dada Media Science and Development (Beijing) Co. Ltd.	-	-	-
Register.it S.p.A.	2,405	604	3,009
Nominalia SL	-		-
Namesco Ltd.	-		-
E-Box S.p.A.	-		-
Total	**24,427**	**10,725**	**35,152**
RCS Group	317		317
Total	**24,744**	**10,725**	**35,469**

(Amounts expressed in Euro/thousands)

Company	Trade receivables	Trade payables	Revenues	Costs
RCS Group	3	- 317	1,293	- 1,435
TOTAL	3	- 317	1,293	- 1,435

The transactions of Dada S.p.A. with subsidiaries, disclosed in the notes to the financial statements of the parent company in the individual accounts of the balance sheet and income statement, principally relate to:

transactions related to contracts for the provision of centralised services;

transactions of a financial nature, relating to loans and cash pooling in relation to the treasury financial management;

transactions of a fiscal nature deriving from the national consolidated fiscal regime, with the objective of neutrality and parity of treatment.

In 2008 the sale of the investment in Media Dada Science (Dada China) from Dada S.p.A. to Dada.net S.p.A. was carried out and the conferment of two business units as described in the directors' report. In this domain, the Dada S.p.A. parent company acts as central treasury for the Groups' main companies.

The transactions with related parties also include the interest on bank accounts managed in cash pooling for a total amount of Euro 464 thousand and Euro 40 thousand of interest expenses and the interest matured on the loans provided to the American company Dada USA Inc.

In accordance with IAS 24, the following information is provided in relation to the remuneration of the directors of the group with strategic responsibilities in the various forms in which they are paid (short-term benefits, service benefits, long-term benefits, leaving indemnities and share-based payments) for the year 2008 and the year 2007.

Description	31/12/2008		31/12/2007	
	Services	Personnel costs	Services	Personnel costs
Directors' fees :				
- Emoluments for office	496	4	504	-
- Bonus and other incentives	293	253	278	290
- Non-monetary benefits	15	15	13	13
- Other remuneration		131		417
- Share-based payments	162	82	278	193
Total related parties	966	485	1,073	913
Board of Statutory Auditors	68		60	
Total related parties	1,034	485	1,133	913
Total as per financial statements	40,722	8,104	89,069	11,931
In percentage terms	2.54%	5.98%	1.27%	7.65%

For further information in relation to the directors and executives with strategic responsibility reference should be made to the directors' report.

20. Disclosure pursuant to article 149 of the Consob Issuer's Regulation

The following table, prepared pursuant to article 149 of the Consob Issuer's Regulations, reports the payments made in 2008 for audit services and also other services carried out by the audit firm and companies associated with the audit firm.

Service	Party providing the service	Company	Payments relating to 2008 (thousands of Euro)
Audit	Reconta Ernst & Young S.p.A.	Parent Com.	101
Other services	Reconta Ernst & Young S.p.A. (1)	Parent Com.	125
Total			**412**

(1) Other services include:

Euro 75 thousand for support and assistance in the testing phase for the controls carried out in order to issue the declaration in accordance with article 154 bis of the Consolidated Finance Act, as required in article 81 ter of the Issuers' Regulations; Euro 25 thousand for the issue of an opinion on the accounting criteria for the price with exclusion of the rights option, for consultancy in relation to the application of the accounting principles and to the annual tax filing declarations.

21. Information in accordance with IFRS 7

The information required by IFRS 7 is reported below:

1) Classification of the financial instruments and Fair Value

The standard requires the accounting values of each of the categories set out in IAS 39 is stated, with separate indication, in the category of assets and liabilities valued at fair value through the profit and loss, of the amount classified as "held for trading".

In the following table a summary of the amount relating to each category of financial instruments utilised is reported.

			Book value					
	Loans and Receivables		Total		of which current		of which non current	
	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07
ASSETS								
- Cash and cash equivalents	8,818	5,216	8,818	5,216	8,818	5,216		
- Intercompany cash and cash equivalents		5,762	-	5,762		5,762		
- Trade receivables	752	33,717	752	33,717	752	33,717		
- Other receivables	1,256	1,248	1,256	1,248	1,256	1,229		19
- Intercompany trade receivables	29,179	55,500	29,179	55,500	29,179	55,500		
- Intercompany financial receivables	8,000	8,000	8,000	8,000	8,000	8,000		
Total financial assets	48,005	109,443	48,005	109,443	48,005	109,424	-	19

LIABILITIES								
- Trade payables	3,511	31,363	3,501	31,363	3,501	31,363		
- Loans and financing		609	-	609		609		
- Other payables	1,083	409	1,093	409	1,093	409		
- Intercompany trade payables	24,427	55,300	24,427	55,300	24,427	55,300		
- Loans and intercompany payables	10,715	881	10,715	881	10,715	881		
Total financial liabilities	39,736	88,562	39,736	88,562	39,736	88,562	-	-

2) Collateral

The standard requires information relating to collateral in the case of financial assets provided as pledges (accounting value, terms and conditions of the pledge), and assets held as collateral and which the entity can dispose of without default by the counterparty (Fair value, terms and conditions of the pledge)

Given the low amount of collateral given by the Dada S.p.A., only the accounting values of 2008 and compared with those of 2007 are indicated in the following table:

Collateral given	Book value	
	Dec 31, 08	Dec 31, 07
Guarantee deposits	115	138

3) Provisions for doubtful debts

In the case in which the Company recorded losses for permanent losses in value of financial assets of a commercial nature in an separated account, a reconciliation of the changes in the period for each of the classes of financial assets must be made.

The table below relates solely to trade receivables:

	Doubtful debt provision	
	Dec 31, 08	Dec 31, 07
Initial balance	-1,551	-1,720
Increase in the year		-325
- individual write downs		-325
- collective write downs		
Utilisations	4	494
Write-back of value		
Other movements		
Exchange differences		
Closing balance	-1,547	-1,551

4) Revenue, cost and profit and loss accounts:

IFRS 7 requires disclosure of information relating to the payment of interest, commissions and expenses deriving from financial instruments.

Excluded are the values relating to employee receivables/payables and balances with social security institutions and tax authorities and employee benefits and all of the instruments covered by IAS 12 and 19 and not included in the ambit of IAS 39.

The following two tables include:

- interest income and expenses for financial assets and liabilities not valued at fair value and are calculated at amortised cost.

	Book value	
INTEREST INCOME	Dec 31, 08	Dec 31, 07
Interest income on financial assets not valued at fair value		
- Bank and postal deposits	113	90
- Financial assets		
Intercompany financial receivables	458	646
Interest income on written down financial instruments		
INTEREST CHARGE	Dec 31, 08	Dec 31, 07
Interest expense on financial liabilities not valued at fair value		
- Bank and postal deposits	30	
- Loans and other payables		
Mortgage loans		681
Intercompany loans	40	127

Expenses and commissions not included in the effective interest rate	Book value	
	Dec 31, 08	Dec 31, 07
- Bank charges and credit card commissions	47	75

The gain recorded by Dada S.p.A. on the sale to Dada.net S.p.A. of DADA China is shown in the following table

Net Equity	Book value	
	Dec 31, 08	Dec 31, 07
Net gain/loss deriving from the available-for-sale assets		
- Equity Investments	396	
TOTAL	396	

5) Information on qualitative risks

- Credit risk

In the attached table, the maximum exposition to credit risk is indicated, excluding the values relating to employee receivables, tax, credit institutions, employee benefits and for all of those instruments covered by IAS 12 and 19 and not covered by IAS 39.

In relation to guarantees to third parties the maximum amount that DADA S.p.A. could possibly pay is considered; these include sureties and guarantees given in favour of third parties.

Maximum exposure to credit risk	Dec 31, 08	Dec 31, 07
Financial assets at fair value with Income Statement impact		
- available for trading		
- Securities		-
Loans and receivables		
Deposits	8,818	5,216
Intercompany deposits		5,762
Trade receivables	752	33,717
Intercompany trade current accounts	304	390
Intercompany financial assets	8,000	8,000
Other receivables	1,256	281
Intercompany trade receivables	28,123	55,500
Receivables for financial derivative instruments		
Irrevocable commitments to provide loans		
Guarantees	46,581	33,616
Total	93,834	142,482

IFRS 7 requires an analysis of overdue receivables for financial assets by expiry date, net of write downs, included in the following tables:

Analysis by expiry of financial assets	Book value	
	Dec 31, 08	Dec 31, 07
Trade receivables		
- Not overdue		
- Expiry within 30 days	638	3,453
- Due between 30 and 90 days		5,607
- Due between 90 and 180 days	64	3,671
- Due between 180 and 365 days	50	2,464
- Due between 1 and 2 years		127
- Due between 2 and 3 years		
- Due over 3 years		

Analysis by expiry of financial assets	Book value	
	Dec 31, 08	Dec 31, 07
Intercompany trade current accounts		
- Not overdue	304	390
Intercompany trade receivables		
- Not overdue	17,085	
- Expiry within 30 days		198
- Due between 30 and 90 days	8,982	
- Due between 90 and 180 days	493	197
- Due between 180 and 365 days	1,490	15,060
- Due between 1 and 2 years	73	4,796
- Due between 2 and 3 years		293
- Due over 3 years		
Financing assets		
- Not overdue	8,000	8,000
Other Receivables		
- Not overdue	1,256	281
Total	78,248	83,984

- Liquidity Risk

IFRS 7 requires a maturity analysis for the financial liabilities (trade receivables included) as shown in the tables attached relating to 2008 and 2007:

Analysis of maturity at December 31, 2008	Short-term	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES							
NON DERIVATIVE FINANCIAL INSTRUMENTS							
Trade and other payables		3,501					3,501
Intercompany trade payables		24,427					24,427
Loans and financing							-
Intercompany loans and financing							-
Other payables		809		284			1,093
							-
							-
Total		28,737	-	284	-	-	29,021

Analysis of maturity at December 31, 2007	Short-term	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES							
NON DERIVATIVE FINANCIAL INSTRUMENTS							
Trade and other payables		31,363					31,363
Intercompany trade payables		55,300					55,300
Loans and financing		609					609
Intercompany loans and financing		881					881
Other payables		409					409
							-
							-
Total		88,562	-	-	-	-	88,562

For the previous maturity analysis the future cash flows not discounted in 2008 against 2007 were considered.

The liquidity risk of DADA S.p.A. may arise from the difficulty to obtain loans to support operating activities in a timely manner.

The cash flows, financing requirements and the liquidity of the companies of the Group are monitored and managed centrally under the control of the Group Treasury, with the objective of guaranteeing efficient management of the financial resources.

Management believes that the funds and credit lines currently available, in addition to those that will be generated from operating and financial activities, will permit DADA S.p.A. to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.

Market risk

For the market risk, IFRS 7 requires a sensitivity analysis including the data relating to the impact on the income statement and the net equity of varying possible market situations in the notes to the financial statements.

Two types of market risk are considered: exchange risk and interest rate risk

- Exchange rate risk

In the following tables the situation at the reporting date 2008 compared with 2007, as well as the positive and negative effects on the income statements due to changes in exchange rates based on various percentage point movements + or – (Shock Market Analysis) is shown. The exchange rate risk is considered for the foreign currency exposition, as well as for the intercompany trade and financial items, although they are eliminated from the consolidated financial statements, as they generate exchange gains and losses for the legal entities denominated in foreign currencies.

The exposure to exchange rate risk is constantly monitored through adequate reporting.

Exposition to exchange rate risk	AUD		USD		RMB		GBP		Total	
	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07
ASSETS										
Cash and similar in foreign currencies Trade receivables in foreign currencies Financial assets in foreign currencies	9		296	709					305	709
Various rec. in for. currencies Intercompany rec. in foreign currencies					220				220	0
Total assets	9	-	296	709	220	-	-	-	525	709
LIABILITIES										
Trade payables in foreign currencies	6	41	8	12			3	10	17	63
Loans in foreign currencies Trade payables in foreign currencies Intercompany payables in for. currencies										
Total liabilities	6	41	8	12			3	10	17	63
NET EXPOSURE	3	-41	288	697	220	0	-3	-10	508	646

Analysis of sensitivity of exchange rate risk	AUD				USD				RMB				GBP				Total			
	Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L				Impact on P&L			
	Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down	
	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07
ASSETS																				
Cash and similar in foreign currencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade receivables in foreign currencies	1	0	-1	0	30	71	-30	-71	0	0	0	0	0	0	0	0	31	71	-31	-71
Financial assets in foreign currencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Various rec. in for. currencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intercompany rec. in foreign currencies	0	0	0	0	0	0	0	0	22	0	-22	0	0	0	0	0	22	0	-22	0
Total assets	1	0	-1	0	30	71	-30	-71	22	0	-22	0	0	0	0	0	53	71	-53	-71
LIABILITIES																				
Trade payables in foreign currencies	1	4	-1	-4	1	1	-1	-1	0	0	0	0	0	1	0	-1	2	6	-2	-6
Loans in foreign currencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade payables in foreign currencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intercompany pay. in for. currencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	1	4	-1	-4	1	1	-1	-1	0	0	0	0	0	1	0	-1	2	6	-2	-6
NET EXPOSURE	0	-4	0	4	29	70	-29	-70	22	0	-22	0	0	-1	0	1	51	65	-51	-65

- Interest rate risk

The interest rate risk for Dada S.p.A. relates to the income positions with banking institutions and the intercompany receivable from Dada USA.

No interest rate risks are present in relation to expense positions as no loans are in place.

Analysis of sensitivity of interest rate risk	Reference rate	Book value		Income statement			
				Shock up		Shock down	
		Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07	Dec 31, 08	Dec 31, 07
Interest bearing banking assets	Euribor 1 month	9,115	11,368	12	9	-12	-9
Intercompany interest bearing financial assets	Euribor 1 month	8,000	8,000	32	34	-32	-34
Total		17,115	19,368	44	43	-44	-43

ATTACHMENT 1

SCHEDULE OF RECONCILIATION BETWEEN THEORETICAL AND FISCAL CHARGE AS AT December 31, 2008

(Euro/thousands)

IRES income taxes	2008
Loss before taxes	-3
Theoretical tax charge	-1
Permanent differences	-358
Temporary differences	831
Taxable income	470
Total current taxes	129

Regional taxes	2008
Difference between value and cost of production	-601
Non relevant costs for IRAP	9,781
Theoretical tax base	9,179
Theoretical tax	358
Permanent differences	241
Temporary differences	-343
Recovery from prior years	-49
Taxable income	9,028
Total current taxes	353

ATTACHMENT 2
The deferred tax assets and liabilities are shown below

	IRES income taxes 2008	
	Amount of temporary difference	Fiscal effect (rate 27.5%)
Deferred tax asset:		
Sales representatives expenses	157	43
Doubtful debt provision not deductible	1,401	385
Other temporary differences	127	35
Provisions for risks and charges	467	128
Amortisation of Trademarks	422	116
Net	2,574	707

	Regional taxes 2008	
	Amount of temporary difference	Fiscal effect (rate 3.9%)
Deferred tax asset:		
Deferred taxes on deferred tax costs	1,292	50
Net	1,292	50

Total deferred tax asset (IRAP +IRES)	3,866	757

ERNST & YOUNG

DADA S.p.A.

Bilancio d'esercizio al 31 dicembre 2008

Relazione della società di revisione
ai sensi dell'art. 156 del D. Lgs. 24.2.1998, n. 58

Reconta Ernst & Young S.p.A.
Piazza della Libertà, 9
50129 Firenze

Tel. (+39) 055 552451
Fax (+39) 055 5524850
www.ey.com

Relazione della società di revisione
ai sensi dell'art. 156 del D. Lgs. 24.2.1998, n. 58

Agli Azionisti della Dada S.p.A.

1. Abbiamo svolto la revisione contabile del bilancio d'esercizio, costituito dallo stato patrimoniale, dal conto economico, dal prospetto dei movimenti del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, della Dada S.p.A. chiuso al 31 dicembre 2008. La responsabilità della redazione del bilancio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005,compete agli amministratori della Dada S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.

2. Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio d'esercizio sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

   Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 7 aprile 2008.

3. A nostro giudizio, il bilancio d'esercizio della Dada S.p.A. al 31 dicembre 2008 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico, le variazioni del patrimonio netto ed i flussi di cassa della Dada S.p.A per l'esercizio chiuso a tale data.

4. La responsabilità della redazione della relazione sulla gestione, in conformità a quanto previsto dalle norme di legge e dai regolamenti, compete agli amministratori della Dada S.p.A.. E' di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione con il bilancio, come richiesto dall'art. 156, comma 4-bis, lettera d), del D. Lgs. n. 58/1998. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione n. 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandato dalla Consob. A nostro giudizio la relazione sulla gestione è coerente con il bilancio d'esercizio della Dada S.p.A. al 31 dicembre 2008.

Firenze, 8 aprile 2009

Reconta Ernst & Young S.p.A.

Fulvio Favini
(Socio)

Reconta Ernst & Young S.p.A.
Sede Legale: 00196 Roma - Via G.D. Romagnosi, 18/A
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

·Dada·

Dada S.p.A.
piazza Annigoni 9/b
I - 50122 Firenze
T. +39 055 200211 • F. +39 055 20021550

dada.dada.net
p.iva 04628270482
capitale sociale € 2.755.711,73 i.v.
registro imprese Fi n. 467460

ATTESTAZIONE

del Bilancio d'esercizio al 31 Dicembre 2008 ai sensi dell'art. 81-*ter* del Regolamento Consob n. 11971 del 14 maggio 1999 e successive modifiche e integrazioni

1 I sottoscritti, Paolo Barberis in qualità di Presidente del Consiglio di Amministrazione, Barbara Poggiali in qualità di Amministratore Delegato di Dada e Federico Bronzi in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Dada Spa, attestano, tenuto anche conto di quanto previsto dall'art.154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:
- l'adeguatezza in relazione alle caratteristiche dell'impresa e
- l'effettiva applicazione,

delle procedure amministrative e contabili per la formazione del Bilancio d'esercizio al 31 Dicembre 2008, approvato dal Consiglio di Amministrazione in data 13 Marzo 2009, nel corso dell'esercizio 2008.

2 Si attesta, inoltre, che il Bilancio d'esercizio al 31 Dicembre 2008:
- corrisponde alle risultanze dei libri e delle scritture contabili;
- redatto in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005 è idoneo/a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

Firenze, 13 Marzo 2009

Dada S.p.A.
Presidente del Consiglio di Amministrazione
Paolo Barberis

Dada S.p.A.
Amministratore Delegato
Barbara Poggiali

Dada S.p.A.
Dirigente Preposto
Federico Bronzi

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI DI DADA S.p.A. PER L'APPROVAZIONE DEL BILANCIO AL 31 DICEMBRE 2008 - ARTICOLO 153 DEL D.LGS. N. 58/1998 ED ARTICOLO 2429 DEL CODICE CIVILE

Signori Azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2008, il Collegio Sindacale ha svolto le attività di vigilanza previste dalla Legge, tenendo anche conto dei principi di comportamento raccomandati dal Consiglio Nazionale dei Dottori commercialisti e degli Esperti Contabili. La presente relazione è stata, inoltre, redatta nel rispetto delle previsioni contenute nelle comunicazioni Consob previste per gli organi di controllo delle società quotate.

Nella Relazione sulla Gestione gli Amministratori evidenziano i risultati ed i principali indicatori economico/finanziari conseguiti dalla Società nonché le altre informazioni richieste dalla legge e dal Codice di Autodisciplina adottato.

Il Collegio, con il supporto delle funzioni aziendali interessate, ha esaminato le operazioni straordinarie di particolare rilevanza che hanno direttamente interessato la Società come ed in particolare:

- il conferimento di due rami d'azienda rispettivamente nelle società interamente controllate Dada.net S.p.A. e Register.it S.p.A, effettuati a valori contabili periziati con effetto dal primo luglio 2008;

- l'acquisito per Euro 1,6 milioni di un ulteriore quota del 40% nel capitale sociale di E-Box S.r.l. (società titolare di Blogo), acquisendo in questo modo il controllo della società tramite le partecipazioni del 30% già detenute dalla controllata Dada.net S.p.A.;

- l'acquisizione del 100%, tramite la controllata Register.it S.p.A., del gruppo Amen, leader inglese nell'ambito del managed service providing, per un corrispettivo pari ad Euro 17,5 milioni interamente corrisposto al closing perfezionatosi il 16 luglio 2008;

- l'acquisizione, tramite la controllata Dada.Net S.p.A., per un corrispettivo complessivo di 750 mila Euro, del 10% nel capitale della Giglio Group S.p.A. (titolare di Music Box, operante nel segmento dei canali televisivi musicali su piattaforma satellitare) con contestuale assegnazione di opzioni *call* fino a raggiungere una partecipazione del 51% ovvero del 100% da esercitarsi ad insindacabile giudizio di Dada entro il termine di due anni, ed un'opzione *put* relativa alla quota appena acquisita esercitatile dopo l'approvazione del bilancio 2008 al verificarsi di talune condizioni.

Le altre operazioni significative della società e delle sue controllate sono compiutamente evidenziate, illustrate e motivate nella Relazione sulla Gestione.

Il Collegio sindacale ha accertato la conformità delle sopra citate operazioni alla legge ed allo Statuto Sociale.

Con riferimento ai rapporti con parti correlate, nella Nota Integrativa al Bilancio, in attuazione dei Principi Contabili Internazionali, gli Amministratori indicano ed illustrano le principali operazioni di detta natura a cui si rinvia, anche per quanto attiene alle caratteristiche di tali operazioni ed ai loro effetti economici e finanziari. Il Collegio ha riscontrato che tali operazioni sono concluse nell'interesse di Dada S.p.A. e secondo normali condizioni di mercato, nonché nel rispetto delle procedure interne vigenti.

Il Collegio Sindacale non ha altresì rilevato, nel corso dell'esercizio 2008 e successivamente alla chiusura dello stesso, operazioni atipiche e/o inusuali effettuate con terzi, parti correlate o infragruppo. Le operazioni poste in essere nel corso dell'esercizio sono da ritenersi connesse ed inerenti alla realizzazione dell'oggetto sociale ed effettuate secondo normali condizioni di mercato. In proposito non sono stati rilevati profili di conflitti d'interesse.

L'obbligo di informativa al Collegio Sindacale di cui all'art. 150, comma 1, D.Lgs. 58/1998 è stato assolto dagli Amministratori secondo la dovuta periodicità, principalmente tramite le notizie ed i dati riferiti nel corso delle riunioni del Consiglio di Amministrazione, alle quali il Collegio Sindacale ha sempre assistito.

Nel corso dell'esercizio 2008, il Collegio Sindacale ha partecipato a tutte le otto riunioni del Consiglio di Amministrazione, assicurandosi che le delibere assunte e attuate fossero conformi alla legge ed all'oggetto sociale e non fossero in potenziale conflitto di interessi o in contrasto con le delibere assembleari.

Nel corso del medesimo esercizio 2008 si sono tenute quattro riunioni del Collegio Sindacale.

Il Collegio Sindacale, ai sensi dell'art. 151 del D.Lgs. 58/1998, ha acquisito conoscenza e vigilato, per quanto di competenza, sul rispetto dei principi di corretta amministrazione tramite osservazioni dirette, raccolta di informazioni dai responsabili delle articolazioni organizzative della Società, dal Comitato per il controllo interno e dal Comitato per la remunerazione, da incontri con il Preposto al controllo interno e con la Società di Revisione Reconta Ernst & Young Spa. Inoltre, il Collegio ha incontrato, ex art. 150, comma 3 del TUF, la Società di Revisione incaricata del controllo contabile ai fini del reciproco scambio di dati e notizie rilevanti.

Il Collegio Sindacale ha, altresì, scambiato informazioni con i corrispondenti organi delle società controllate in merito ai sistemi di amministrazione e controllo ed all'andamento generale dell'attività sociale ai sensi dell'art. 151, comma 2 del TUF. Inoltre, il Collegio ha constatato che la Società è in grado di adempiere tempestivamente e regolarmente agli obblighi di comunicazione previsti dalla legge, come disposto dall'articolo 114, comma 2, del TUF.

Il Collegio Sindacale, allo stesso modo, ha acquisito conoscenza e vigilato, per quanto di competenza, sull'adeguatezza della struttura organizzativa della Società e sul relativo funzionamento. E' stata valutata l'adeguatezza del sistema amministrativo-contabile, nonché l'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle articolazioni organizzative e funzionali della Società, l'esame dei documenti aziendali e l'analisi dei risultati del lavoro svolto dalla Società di Revisione Reconta Ernst & Young S.p.A..

Nel corso dell'esercizio 2008 la Società ha conferito alla Reconta Ernst & Young S.p.A. incarichi diversi dalla revisione i cui corrispettivi, escluso le spese e l'IVA, sono riepilogati di seguito:

- Prestazioni professionali in ordine al supporto metodologico ed all'assistenza in merito all'implementazione delle procedure volte al rilascio delle attestazioni previste dall'articolo 154-bis del TUF – importo Euro 100.000,00;

- Prestazioni professionali per consulenze in merito all'applicazione dei principi contabili internazionali ed al controllo delle dichiarazioni fiscali – importo Euro 25.000,00.

I corrispettivi sopra indicati appaiono in linea con la dimensione, la complessità e le caratteristiche dei lavori effettuati.

Inoltre, a seguito del coinvolgimento nella valutazione dell'indipendenza della società di revisione, come previsto dal documento "Principi di indipendenza del revisore" paragrafo 4.5.2.2, il Collegio Sindacale non ravvisa in tali ulteriori incarichi aspetti critici sull'indipendenza delle società di revisione.

Il Collegio Sindacale ha valutato e vigilato sull'adeguatezza del sistema di controlli interni. In particolare, ha raccolto con regolarità informazioni sulle attività svolte nell'ambito delle quattro riunionicon i tre Consiglieri indipendenti preposti al Controllo interno. E' emerso che il sistema di controllo interno è nel suo complesso, adeguato per garantire ragionevolmente l'efficacia e l'efficienza delle operazioni, l'attendibilità delle informazioni, la salvaguardia del patrimonio aziendale ed il rispetto della legislazione vigente.

Il Comitato per la remunerazione composto da tre Consiglieri si è riunito cinque volte nel corso dell'esercizio.

Con particolare riferimento a quanto previsto dal D.Lgs. 231/01 il Collegio ha altresì raccolto le risultanze emerse dalle riunioni dell'Organismo di vigilanza, al fine di monitorare l'efficienza del Modello Organizzativo 231 adottato.

La Società dispone di un proprio Codice di Autodisciplina in aderenza con quanto previsto dal Comitato per la *Corporate Governance* delle società quotate.

La Società è dotata di un codice di comportamento in materia di *internal dealing*, per la disciplina e per la comunicazione al mercato di quelle operazioni aventi ad oggetto strumenti finanziari della Società stessa. Inoltre, con riferimento alle informazioni *price* *sensitive*, la Società dispone, di una specifica procedura per la gestione interna e per la comunicazione all'esterno di documenti e informazioni definite come tali.

Il Collegio ha verificato l'osservanza delle norme di legge inerenti alla formazione ed impostazione del Bilancio al 31 dicembre 2008 e della Relazione sulla Gestione, tramite verifiche dirette ed informazioni assunte dalla Società di Revisione. In particolare, i responsabili della Reconta Ernst & Young S.p.A. hanno informato il Collegio che nel corso dell'attività di riscontro e di verifica dei dati per il bilancio di esercizio e del bilancio consolidato, nonché nelle verifiche trimestrali, non è venuta a conoscenza di atti o fatti ritenuti censurabili o degni di segnalazione, e che dalla relazione ex art. 2409 ter c.c. non risultano eccezioni o riserve al riguardo.

Nel corso del 2008 e sino alla data odierna non sono pervenute al Collegio Sindacale né denunce ex art. 2408 c.c. né esposti.

In conclusione, il Collegio Sindacale prende atto delle risultanze del Bilancio al 31 dicembre 2008 e non formula obiezioni, per quanto di propria competenza, anche riguardo alla proposta di delibera presentata dal Consiglio di Amministrazione di riportare a nuovo la perdita netta d'esercizio pari ad Euro migliaia 1.746.

Il Collegio Sindacale di Dada S.p.A. infine ringrazia gli Azionisti per la fiducia accordatagli.

Firenze, 08/04/2009

Il Collegio Sindacale

Dott. Pier Angelo Dei

Dott. Piero Alonzo

Prof. Claudio Pastori